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The Decline and Value Reconstruction of an Internet-Famous Restaurant Brand: A Mixed-Method Case Study of Coucou Hotpot

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Abstract: *Coucou Hotpot first attracted attention by combining Taiwanese-style hotpot, hand-shaken tea, and an elaborate social setting. This article examines why that combination became less compelling after expansion and how the surviving brand assets might support recovery. The case draws on corporate documents, the 2025 Hotpot Industry Development Report, 785 retained Dianping reviews, observations at two Beijing stores, three exploratory interviews, a three-competitor benchmark, and archived aggregate results from a targeted online survey of 100 valid respondents. Respondents with no Coucou visit for at least six months are classified as lapsed; more recent visitors with weak revisit intention are classified as at risk. The survey archive identifies three segments: novelty-seeking (30%), value-sensitive (45%), and quality-oriented (25%). Four recurring problems emerge across sources: the hotpot-plus-tea association has become less scarce, operating inconsistency weakens the case for a premium, different customer groups judge the offer by conflicting standards, and the largest segment reports a marked price-value mismatch. The available materials cannot establish a causal order among these problems. They do, however, support a focused pilot for 18-30-year-old light-social diners built around transparent bundle pricing, smaller portions, supervised tea customization, and store-level testing before wider rollout.*

Key Words: *differentiation decay, restaurant branding, perceived value, consumer segmentation, experiential marketing, Coucou Hotpot*

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I. INTRODUCTION AND LITERATURE REVIEW

China's hotpot sector is large, fragmented, and quick to absorb a successful idea. A restaurant can gain attention through a distinctive mix of food, setting, and social-media visibility, but competitors can copy the visible elements much faster than the underlying service routines. The question is therefore not simply how a restaurant becomes distinctive. It is whether that distinction still affects choice once similar concepts are widely available and customers expect more from the experience. Coucou Hotpot is useful for examining this problem. Its combination of Taiwanese-style hotpot, hand-shaken tea, and ornate interiors accompanied rapid expansion, followed by operating pressure and store contraction after 2022 (Red Catering Industry Research Institute, 2025; Xiabuxiabu Catering Management, 2021-2024).

1.1 Sustainability of differentiation and brand decline

Porter's account of differentiation links advantage to value that buyers recognize and rivals cannot easily neutralize (Porter, 1980). The resource-based view shifts attention from visible features to the capabilities that are valuable, scarce, and difficult to imitate (Barney, 1991). Both perspectives explain why an advantage can be sustained. They are less explicit about what happens when a service concept remains recognizable but no longer gives customers a strong reason to choose it. This distinction matters in restaurants, where competitors can reproduce a menu combination or interior theme more readily than they can reproduce consistent food and service.

Research on brand aging describes a gradual loss of relevance as consumer meanings, market conditions, and managerial priorities change (Lehu, 2004). Brands built through digital attention can follow a faster path. The same visibility that accelerates awareness also exposes the concept to imitation and makes switching alternatives easy to find. Studies of online brand communities and influencer culture explain engagement, participation, and self-branding (Dessart, Veloutsou, & Morgan-Thomas, 2015; Khamis, Ang, & Welling, 2017). Much less is known about the period after that attention peaks, especially when consumers leave for different reasons. The Coucou case sits at this intersection between traditional brand aging and rapid post-fame decline in services.

Perceived-value theory helps explain the demand side of this change. Customers weigh the benefits they receive against both monetary and non-monetary sacrifices (Zeithaml, 1988). In hotpot, that comparison can include other restaurants, platform ratings, portion size, waiting time, service reliability, and the social enjoyment of the meal. Novelty can support value, but it is unlikely to offset weak delivery or an unclear premium indefinitely. STP reasoning adds that these comparisons are not uniform across consumers; a workable value proposition must identify whose standard the brand is trying to meet (Kotler & Keller, 2021).

Here, differentiation decay refers to a narrower condition than overall brand decline. A brand may remain familiar while its signature association loses influence over choice or willingness to pay. The Coucou case is used to examine how imitation, delivery problems, and different consumer reference points appear together in such a condition. The article does not treat any one of these factors as an independently identified cause. Its claim is limited to organizing the case evidence and specifying relationships that later research can test.

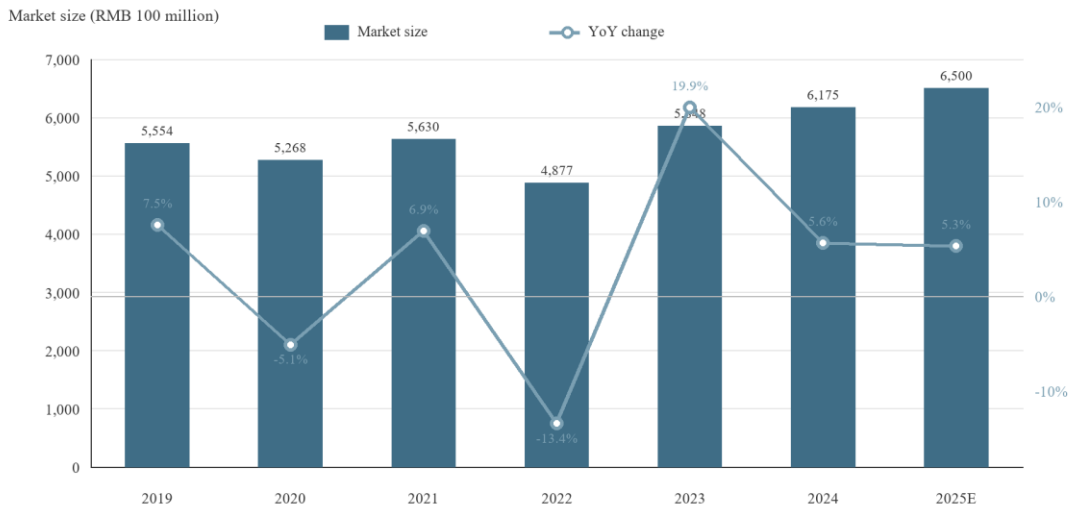

Figure 1: China's Hotpot Market Size and Year-on-Year Change, 2019-2025

Note. 2025 is a forecast. Source: Red Catering Big Data, reported in Red Catering Industry Research Institute (2025); statistics through February 2025.

The market trend rules out a simple demand-collapse explanation. Hotpot sales fell to RMB 487.7 billion in 2022, then recovered to RMB 584.8 billion in 2023 and RMB 617.5 billion in 2024; the 2025 forecast is RMB 650.0 billion. Coucou's pressure after 2022 therefore coincided with a broader category recovery. That timing makes the brand's relative differentiation, operating delivery, and customer value judgments more relevant to the case than market contraction alone.

1.2 An integrated three-layer interpretive framework

The evidence is read at three levels. The competition level asks whether the spread of similar hotpot-and-beverage concepts reduced the scarcity of Coucou's signature association. The enterprise level examines whether training, replenishment, and service routines kept pace with expansion and continued to support a mid-to-high-end price. The consumer level compares the reference standards used by novelty-seeking, value-sensitive, and quality-oriented diners. These levels provide an order for reading the case; the available data do not prove that one level caused the next.

Table 1: Integrated Three-Layer Interpretive Framework

Layer	Theoretical anchor	Case-level interpretation	Possible implication
Competition	Differentiation sustainability and imitability	Similar combinations adopted by rivals coincide with lower perceived scarcity	Possible decline in symbolic uniqueness
Enterprise	Organizational capability and delivery consistency	Expansion period coincides with reported inconsistency in product, service, and routines	Possible weakening of functional support for the premium

Layer	Theoretical anchor	Case-level interpretation	Possible implication
Consumer	Perceived value and STP	Consumer groups apply different reference standards to the same offer	Segment-specific indications of price-value incongruence

Source: Developed by the author from Porter (1980), Barney (1991), Zeithaml (1988), and Kotler and Keller (2021).

The 2025 industry report is used as an external benchmark, not as evidence about Coucou's own customers. Its market and consumer statistics show whether the case interpretation fits the broader category setting. They are not pooled with the Coucou survey and are not used to attribute the brand's outcomes to industry conditions.

Table 2: Selected Industry Indicators and Analytical Relevance

Indicator	Report statistic	Analytical relevance	Primary layer
Category demand	2024 market size RMB 617.5bn (+5.6% YoY); 2025 forecast RMB 650.0bn (+5.3%)	The focal brand's pressure occurred during market recovery	Competition
Outlet expansion	National hotpot outlet count increased 3.9% in 2024	An expanding outlet base may increase rivalry and opportunities for imitation	Competition
Demand outlook	23.1% expected higher 2025 frequency; 9.6% expected lower frequency	Underlying demand expectations were more expansionary than contractionary	Consumer
Innovation mix	Beverages represented 15.8% of sample-brand new products in 2024	Hotpot-plus-beverage had become a common innovation direction	Competition
Choice criterion	Freshness 63.5%; platform ratings 38.5%	Operational delivery and public reputation anchor perceived value	Enterprise / consumer
Preference shift	36.5% became more value-oriented; 30.8% preferred healthy/organic ingredients	Price clarity must be combined with credible quality	Consumer

Note. RMB values were converted from the report's unit of RMB 100 million. Consumer percentages are descriptive survey results; the selected report pages do not disclose a respondent count. Source: Red Catering Industry Research Institute (2025), statistics through February 2025.

II. RESEARCH OBJECTIVES

The first objective is to reconstruct how Coucou's experiential distinction lost relative value. The second is to compare how lapsed and at-risk customers describe that loss. The third is to turn the segment evidence into a focused recovery option that reuses the brand's remaining tea association while setting clearer delivery requirements.

The analysis addresses three questions: (RQ1) How do competitive imitation, enterprise execution, and consumer positioning relate to the pattern described here as differentiation decay? (RQ2) How do novelty-seeking, value-sensitive, and quality-oriented consumers differ in their responses to that pattern? (RQ3) What testable recovery option follows from the case diagnosis and the archived segment profiles?

III. RESEARCH METHODOLOGY

3.1 Case selection and mixed-method design

Coucou was selected as an information-rich case, not as a statistically representative restaurant (Yin, 2018). It introduced a highly visible combination of hotpot and hand-shaken tea, expanded nationally, and later faced operating pressure and store contraction. The case therefore contains the stages needed to examine how an experience-led distinction changes as competitors respond, operations become harder to coordinate, and customer standards diverge.

The study combines an exploratory qualitative pre-study with archived quantitative survey summaries in a multi-source single-case design (Creswell & Plano Clark, 2018). Interviews were conducted before the questionnaire and helped define its domains, so the strands were sequential rather than fully parallel. At the interpretation stage, documents, reviews, store observations, competitor comparisons, interviews, and survey summaries were read against the same three-level framework. Claims were given more weight when different source types pointed to the same case pattern; no single interview, word count, or cluster profile was treated as causal evidence.

3.2 Data sources and operational definitions

The online survey was administered in December 2025 to consumers who had visited Coucou in the previous year but reported weak intention to return. The project archive contains 100 valid responses. It does not contain the total number of submissions, respondent-level records, completion times, attention-check results, or an exclusion log. Within the archived sample, 70% had not visited for at least six months and are classified here as lapsed customers. The remaining at-risk customers had visited more recently but also reported weak revisit intention. The sample was young and relatively middle income: 85% were aged 18-30, and 70% reported monthly income of RMB 5,001-20,000. These percentages describe the retained sample only.

Questionnaire development followed the exploratory interviews and used three modules. The screening and profile module recorded prior Coucou use, time since the last visit, age, and income. The current-experience module used five-point items to assess ingredient/product quality, price-value fit, service efficiency, service professionalism, and product innovation. The switching and future-behavior module examined competitor attraction, sensitivity to total spending, revisit and recommendation intentions, and reactions to tea customization, smaller portions, and digital interaction. All five-point items included a neutral midpoint. The archive states that nine scale items were standardized for clustering and later summarized through four dimensions: product characteristics, emotional experience, price sensitivity, and use intention. The verbatim questionnaire and the original item-to-dimension key were not retained.

The qualitative pre-study comprised three deliberately contrasting consumers, anonymized here as P1, P2, and P3. P1 was a 20-year-old university student and intensive social-media user who emphasized novelty, shareability, and group occasions. P2 was a 26-year-old technology employee who emphasized transparent prices, portions, discounts, and value for money. P3 was a 46-year-old business owner who emphasized ingredient provenance, cooking professionalism, service, and environmental comfort. The semi-structured guide covered hotpot frequency and companions, first awareness of Coucou, the most recent dining experience, reasons for reduced use, comparison brands, and reactions to tea DIY, small portions, and virtual interaction. These interviews sensitized construct development and did not estimate prevalence.

The non-participant observation compared Coucou's Wangjing West Road store with Haidilao's Sanlitun store on waiting facilities, queue communication, atmosphere, offer visibility, replenishment, and service response. The archived notes describe a dedicated waiting area and active progress communication at Haidilao, whereas the Coucou visit recorded no dedicated seated waiting area, weak visibility of the buffet offer, limited uptake inquiries, and replenishment gaps. These are session-specific field notes; exact dates, dayparts, visit duration, and standardized observation sheets were not preserved and no chain-wide rate is inferred.

The review archive initially contained 1,000 Dianping posts from the Wangjing West Road, Blue Harbor, and Wangfujing Street stores. After removal of duplicates and non-substantive short posts, 785 reviews were retained. The archived report records 3,969 segmented tokens, 1,582 unique terms, and five organizing domains: brand recognition, taste, price, service, and outlook. The exact posting-date window, raw export, stop-word list, custom dictionary, and independent coding records were not retained; lexical counts are therefore used descriptively and only when they converge with another source.

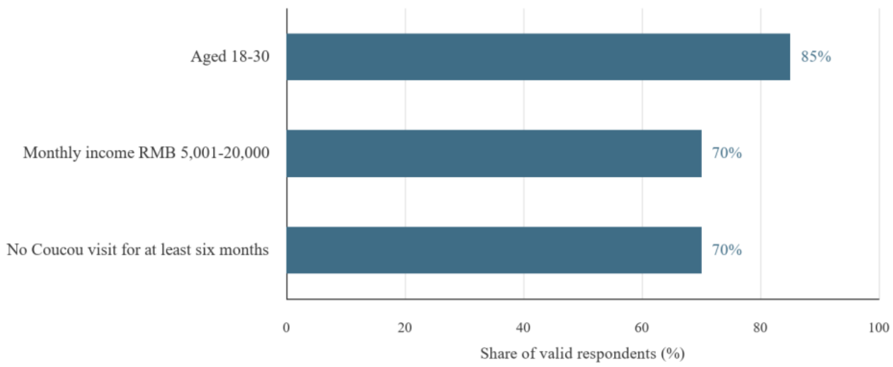

Figure 2: Profile of the Targeted Lapsed/At-Risk Survey Sample (n = 100)

Note. Percentages are non-mutually-exclusive sample attributes. Lapsed customers are defined as reporting no Coucou visit for at least six months. Source: Author's targeted online survey, December 2025.

The 2025 Hotpot Industry Development Report is used only for external context. The report integrates Red Catering Big Data, desk research, surveys, expert views, and supply-chain information from 200,000 partner restaurants. Because respondent counts are not shown for the consumer charts used here, their percentages are interpreted descriptively and are not pooled with the Coucou questionnaire. Market-size, product-innovation, and consumer-choice values were checked against the archived report pages before inclusion.

Table 3: Research Design, Data Sources, and Limitations

Source and scope	Collection/processing	Analytical role	Limitations
Corporate documents: group annual reports (2021-2024) and policy materials	Document review and chronological comparison	Establish focal-brand operating context	Secondary-source definitions and reporting periods differ
2025 Hotpot Industry Development Report	Published big data, desk research, survey, expert, and 200,000-partner supply-chain evidence	Benchmark category growth, innovation mix, and consumer preferences	Secondary descriptive evidence; chart-level respondent counts are not disclosed
Dianping reviews: 1,000 raw reviews from Wangjing West Road, Blue Harbor, and Wangfujing Street; 785 retained	1,000 archived posts; duplicates and non-substantive short posts removed; 785 retained; 3,969 segmented tokens and 1,582 unique terms; lexical-frequency review followed by five-domain synthesis	Identify recurring product, price, service, and expectation themes	Self-selected users; posting-date window, raw export, stop-word list, custom dictionary, and independent-coder records were not preserved
Non-participant observation: Coucou Wangjing West Road and Haidilao Sanlitun	Comparison of waiting facilities, queue communication, atmosphere, offer visibility, replenishment, and service response; session-specific notes retained	Compare in-store delivery and waiting experience	Two Beijing stores; exact date, daypart, duration, and standardized observation sheet were not preserved
Exploratory interviews: three contrasting consumers aged 20, 26, and 46 (P1-P3)	Semi-structured guide covering usage, first awareness, recent experience, switching, competitors, tea DIY, small portions, and digital interaction	Pre-study concept development and questionnaire refinement only	Small purposive sample; dates, duration, recordings, transcripts, and independent coding were not preserved
Online questionnaire: 100 archived valid lapsed/at-risk respondents; 85% aged 18-30	December 2025; screening/profile, current-experience, and switching/future-behavior modules; five-point scales; nine items reported as standardized for clustering	Exploratory segmentation and comparison of consumer responses	Total returns, exclusion log, verbatim instrument, respondent matrix, codebook, seed, and numeric diagnostics were not preserved
Competitor benchmark: Haidilao, Banu, and Nan Hotpot	Purposeful selection as service, product-quality, and internet-traffic benchmarks, respectively	Test the three competitive reference standards facing Coucou	Strategic comparison rather than causal identification

Source: Compiled by the author.

3.3 Measurement, analysis, and credibility

The archived workflow moved from exploratory interviews to questionnaire measurement and then to cross-source interpretation. Interview contrasts shaped the survey domains, while the online questionnaire described a deliberately targeted group of lapsed and at-risk customers. The final analysis compared those survey summaries with documents, reviews, observations, and competitor evidence at the competition, enterprise, and consumer levels. Convergence was assessed during this last stage rather than through a single combined statistical model.

According to the archived report, nine five-point items were standardized and the elbow and silhouette criteria were consulted before K-means produced a three-cluster solution. What remains are the cluster sizes and four profile means. The respondent matrix, standardization parameters, within-cluster sums of squares, silhouette values, initialization method, random seed, iteration count, and alternative solutions were not preserved. The clustering therefore cannot be rerun or stress-tested from the archive. KMO and Bartlett statistics would not solve this problem because they assess factorability, not the adequacy of K-means. This article reports the archived labels and means as descriptive summaries. Figure 7 uses the separate reconstruction workbook only to show their two-dimensional geometry.

To limit overinterpretation, each claim was traced to an archived report, company document, industry source, figure, table, or field-note summary. The competitor set was chosen to represent three distinct reference standards: Haidilao for service-led value, Banu for product-quality-led value, and Nan Hotpot for traffic and visual novelty. Each source also has a defined boundary. Interviews identify possible reasons but not their prevalence; the store observations apply only to the visits recorded; review counts show recurring words rather than sentiment; and the survey aggregates do not permit respondent-level significance tests.

IV. RESEARCH FINDINGS

4.1 Four-part analytical pattern of differentiation decay

The first part of the case concerns the loss of scarcity. Competitors adopted the visible formula of hotpot combined with beverages, desserts, regional flavors, and settings designed for social sharing. Coucou's tea association remained recognizable, but recognition alone no longer made it unusual. As that distinction weakened, food quality, service, and operating reliability carried more of the burden of justifying a mid-to-high-end price. The evidence establishes this as a case pattern, not as a temporal or causal sequence.

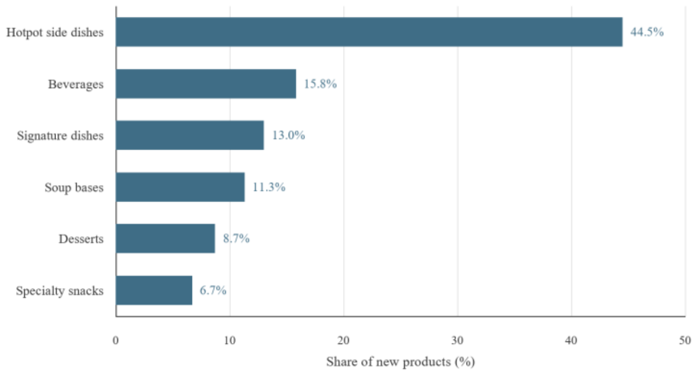

Figure 3: Distribution of New-Product Types among Sample Hotpot Brands, 2024

Source: Red Catering Big Data, reported in Red Catering Industry Research Institute (2025); statistics through February 2025.

The industry product mix helps place this loss of scarcity in context. Beverages accounted for 15.8% of new products among the sampled hotpot brands in 2024, making them the largest category after side dishes and placing them ahead of signature dishes, soup bases, desserts, and specialty snacks. The figure cannot show that rivals copied Coucou directly. It does show that beverages had become a routine direction for hotpot innovation, allowing Coucou's tea association to remain familiar without remaining rare.

Evidence on delivery is narrower but points in the same direction. During the Wangjing visit, the notes recorded limited waiting facilities, little proactive queue communication, poor visibility of the trial buffet offer, and replenishment gaps. At the comparison Haidilao store, waiting was managed as part of the service experience. The review archive also contains recurring references to slow serving, uneven taste, and unstable quality. These materials cannot show that expansion caused the problems, but they document delivery concerns that made the premium harder to defend.

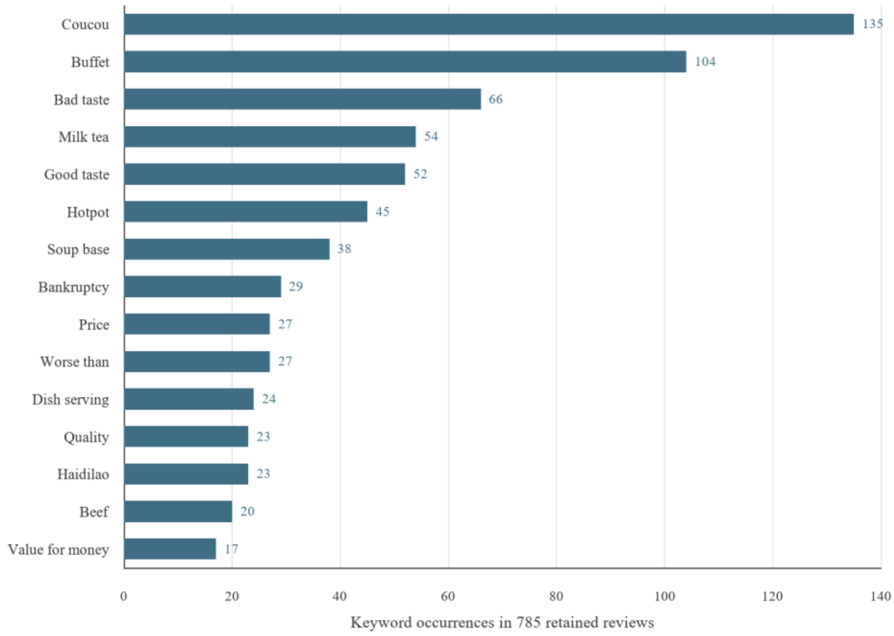

Figure 4: Selected High-Frequency Keywords in Retained Dianping Reviews (n = 785)

Note. Counts are lexical frequencies rather than sentiment estimates; terms were translated from Chinese. Source: Author's tokenization and frequency analysis of retained reviews from three Beijing stores.

The review vocabulary makes those concerns more concrete. The trial buffet appeared 104 times. Taste comments moved in both directions, with 66 mentions of 'bad taste' and 52 of 'good taste', while 'milk tea' remained prominent at 54 mentions. Price comparisons also persisted: 'price' and 'worse than' each appeared 27 times, and 'value for money' appeared 17 times. Operational terms included 'dish serving' (24) and 'quality' (23); 'bankruptcy' appeared 29 times in discussions of the brand's outlook. These are lexical frequencies, not measures of sentiment or severity. Their importance lies in the topics they share with the store observation and segment summaries.

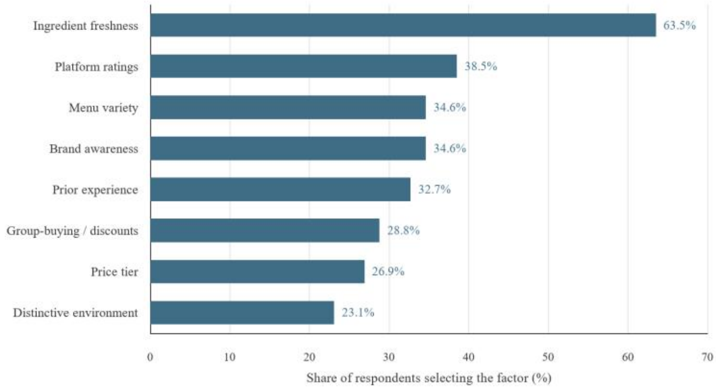

Figure 5: Leading Factors in Consumers' Choice of a Hotpot Brand or Store

Note. Multiple responses were permitted. Source: Red Catering Industry Research Institute's 2025 Hotpot Consumer Survey, reported in Red Catering Industry Research Institute (2025); statistics through February 2025.

The external consumer survey puts the delivery problem in category context. Ingredient freshness was selected by 63.5% of respondents, compared with 38.5% for platform ratings; menu variety and brand awareness each received 34.6%, prior experience 32.7%, discounts 28.8%, and price tier 26.9%. Price still matters, but diners judge it alongside visible quality and reputation. A premium is difficult to sustain when freshness, service, and public evaluations do not reinforce one another.

The segment evidence also exposes a positioning problem. Novelty seekers expected frequent renewal and moments worth sharing. Value-sensitive diners focused on total spending and portion size. Quality-oriented diners looked for visible sourcing and professional service. Meeting all three standards at once would require different investments and operating routines. The records do not show that this conflict dispersed resources, but they do show why an undifferentiated response would be difficult to execute.

Price-value mismatch is the clearest demand-side finding in the retained evidence. It takes a different form in each segment: value-sensitive diners questioned value for money, quality-oriented diners expected more reliable delivery at a premium price, and novelty seekers saw too little renewal to justify another visit. The data do not show that imitation or operating problems caused customers to leave. A feedback process is nevertheless plausible: lower traffic can reduce store energy and the resources available for renewal, further weakening the experience. This possibility requires longitudinal testing.

Table 4: Proposed Analytical Sequence and Evidence Assessment

Analytical position	Case pattern	Convergent evidence	Evidence assessment
1. Possible initiating condition	Reduced scarcity of visible differentiation	Competitor benchmark; switching narratives; retained tea awareness	Moderate case-level convergence
2. Possible reinforcing condition	Execution inconsistency	Store observation; review themes; quality-oriented concerns	Moderate association; not a chain-wide effect estimate
3. Possible organizational tension	Target-market ambiguity	Three-segment solution; incompatible competitor reference standards	Moderate interpretive correspondence
4. Demand-side pattern	Price-value incongruence	Survey profile; review themes; price comparison; interview sensitization	Strongest descriptive convergence within the case

Note. Evidence assessment is a qualitative interpretation of cross-source convergence; it is neither a statistical significance classification nor a causal test. Source: Author's analysis.

4.2 Consumer segmentation results

The archived cluster summary shows three distinct ways in which revisit intention can weaken. Novelty-seeking consumers (30%) combine strong emotional-experience scores with interest in participation and shareable content; their risk lies in slow renewal and easy imitation. Value-sensitive consumers (45%) are the largest segment, have the highest price-sensitivity profile, and report the weakest use intention. Quality-oriented consumers (25%) rate product characteristics relatively well but remain attentive to food, service, and provenance. These are interpretations of the archived aggregate solution, not newly estimated cluster effects.

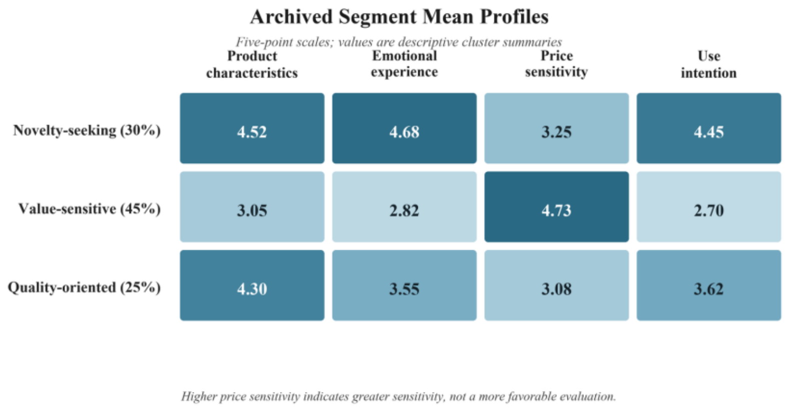

Figure 6: Archived Mean Profiles of the Three Exploratory Consumer Segments (n = 100)

Note. Scores use the archived five-point cluster summary. A higher price-sensitivity score indicates greater sensitivity, not a more favorable evaluation. Differences are descriptive and were not tested for statistical significance because respondent-level data were unavailable. Source: Author's analysis of the archived aggregate cluster summary.

The means clarify the contrast among the groups. Novelty seekers have the highest emotional-experience mean (4.68) and strong use intention (4.45). The value-sensitive group combines the highest price-sensitivity mean (4.73) with the lowest use intention (2.70). Quality-oriented consumers report a strong product-characteristics mean (4.30) but only moderate use intention (3.62). The archive contains rounded group means rather than respondent-level variation, so it cannot support significance tests or a new assessment of cluster stability.

Figure 7 gives a second view of the same profiles by projecting the nine standardized reconstruction items onto two principal components. The value-sensitive records separate most clearly along the first component. Novelty-seeking and quality-oriented records overlap more, which fits the profile means: both groups value aspects of the offer, but they differ in whether renewal or dependable quality is more important.

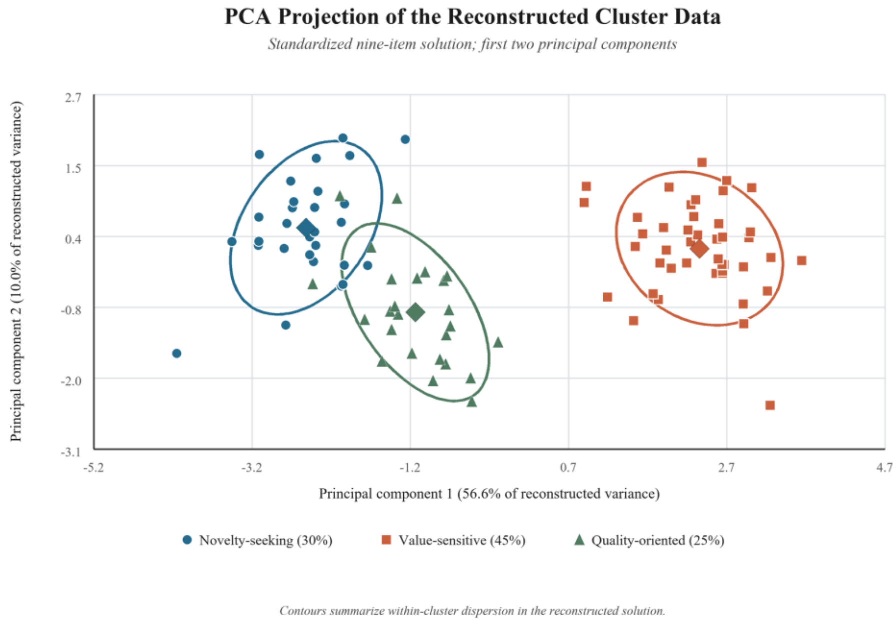

Figure 7: PCA Projection of the Reconstructed Three-Cluster Solution (n = 100)

Note. PCA is based on the nine standardized items in the reconstruction workbook. PC1 and PC2 explain 56.6% and 10.0% of reconstructed variance, respectively; diamonds indicate centroids and contours summarize within-cluster dispersion. Source: Author's analysis.

Table 5: Interpretive Meaning of the Consumer Segments

Segment/share	Dominant decay signal	Response logic	Strategic implication
Novelty-seeking / 30%	Imitable concept and declining newness	Renewed, participatory, shareable experience	Retain through co-creation and a visible renewal rhythm
Value-sensitive / 45%	Price-value incongruence	Transparent total cost and tangible bundle value	Immediate priority because it is largest and least willing to revisit
Quality-oriented / 25%	Execution inconsistency	Reliable food, sourcing, and professional service	Set minimum delivery thresholds before pursuing a premium repositioning

Source: Author's interpretation of the archived survey and cluster summary.

The segment evidence argues against trying to serve all three groups with the same response. A quality-led repositioning would require substantial investment in sourcing visibility, training, and service recovery. A discount-led response would sacrifice the tea and social associations that still carry value. The practical overlap lies between novelty seekers and those value-sensitive diners who accept RMB 80-100 per person when the total cost is clear and participation adds a tangible benefit. This overlap defines the light-social target: young consumers looking for an affordable, low-burden, interactive meal for pairs or small groups.

V. VALUE RECONSTRUCTION AND PILOT DESIGN

The recommendation is framed as a pilot, not as a proven remedy. Its target is the 18-30-year-old light-social segment, which narrows the brand's task to one combination of affordability and participation instead of simultaneous leadership in price, premium quality, and novelty. The pilot would test a transparent two-person bundle, smaller portions, and supervised tea customization in a limited number of stores. Wider rollout should depend on operating, retention, and contribution-margin results defined in advance.

The archived concept priced the two-person bundle at RMB 178, or RMB 89 per person, which falls within the reported target range. That price should be treated as a starting hypothesis. The offer pairs smaller portions with three tea bases, a limited topping set, freshness labels, and seasonal variation. Staff supervision remains necessary for hygiene, replenishment, taste recovery, and service warmth (State Administration for Market Regulation, 2018). Recommendation screens or a virtual character could simplify choice and support content creation, but neither would compensate for unstable food or service.

Table 6: Diagnosis-to-Pilot Alignment

Tentative diagnosis	Segment evidence	Proposed pilot response	Evaluation guardrail
Target-market ambiguity	Overlap between novelty-seeking and part of the value-sensitive cluster	Focus on the 18-30 light-social segment	Track segment-qualified traffic and avoid offer proliferation
Price-value incongruence	Value-sensitive cluster is largest and has lowest usage intention	Transparent two-person bundle and explicit inclusions	Test contribution margin, waste, refill behavior, and willingness to pay
Imitable differentiation	Novelty seekers value emotional and participatory experience	Supervised tea customization and seasonal combinations	Measure incremental visits and authentic user-generated content
Execution inconsistency	Quality-oriented consumers emphasize reliability and service	Small-store pilot, standardized replenishment, and service recovery	Scale only after complaint, stock-out, queue, retention, and margin thresholds improve

Note. The proposal is a testable managerial hypothesis, not evidence of realized performance gains. Source: Author's analysis.

The pilot should clear an operating-readiness gate before promotional spending begins. Training completion, preparation time, stock-outs, hygiene exceptions, and ingredient waste would establish whether the offer can be delivered reliably. Acquisition can then be assessed through qualified reach, reservation conversion, and customer acquisition cost, while queue abandonment, complaints, bundle completion, and satisfaction capture the in-store experience. Retention should be checked at 30, 60, and 90 days together with contribution margin and matched comparison stores. Promotion may document the experience, but it should not reward positive ratings; membership communication should remain consent based.

VI. DISCUSSION

6.1 Theoretical implications

The case suggests that imitation changes where a restaurant's differentiation must reside. Once a visible signature becomes common, the burden shifts to capabilities that customers experience but competitors cannot copy as quickly, including reliable food, replenishment, and service recovery. Coucou's tea association remained recognizable, yet it was less able to support a premium when delivery was questioned. This is a case-specific proposition for other low-entry-barrier service markets to test, not a general boundary condition.

The case also places perceived value in a downturn rather than a growth setting. The archived segments did not reject the same offer for the same reason: one group wanted renewal, another questioned total cost, and a third expected dependable quality. Consumer heterogeneity therefore helps explain why a single headline measure of brand appeal can obscure different forms of exit. Without respondent-level data, this remains an interpretive use of perceived-value theory rather than a tested mechanism.

A further implication concerns recovery. The proposal does not discard the brand's existing tea association or attempt to restore every element of the old positioning. It recombines that residual asset with the needs shared by a narrower target group and makes expansion conditional on store-level results. Whether this form of strategic subtraction outperforms broader repositioning remains an empirical question.

6.2 Managerial implications

A signature feature should be revalidated after competitors begin to treat it as a category norm. Awareness, social-media mentions, and imitation can all rise even as the feature loses influence over choice, willingness to pay, or repeat visits. Managers therefore need evidence on what the feature still changes, not simply whether customers remember it.

When performance slows, the first diagnostic question should be which customers are leaving and what comparison they are making. A response designed simultaneously for novelty, low price, and premium quality adds complexity without resolving the underlying choice. A useful pilot names its priority customer, the problem it addresses, and the operating threshold required for expansion.

Digital features belong after the basic experience works. Recommendation systems, virtual characters, social listening, and preference-based membership tools are worthwhile only when they reduce effort, improve relevance, or enable participation. Their incremental return should be tested after food safety, replenishment, staff capability, and service recovery are stable (Huang & Rust, 2018; Wirtz et al., 2018).

VII. CONCLUSION, LIMITATIONS, AND FUTURE RESEARCH

Taken together, the case shows a recognizable brand association losing commercial force without disappearing from memory. Competitor diffusion reduced the scarcity of hotpot plus tea, operating concerns weakened the functional case for a premium, and the three customer groups evaluated the offer against different standards. The largest immediate problem appears among value-sensitive consumers, whose archived profile combines high price sensitivity with the lowest use intention. The overlap between novelty and value needs provides a practical basis for testing a narrower light-social offer.

These conclusions rest on a small, targeted sample dominated by respondents aged 18-30. The observations and review evidence are concentrated in Beijing, and the single restaurant case does not establish that the same pattern applies to other cities or categories. The largely cross-sectional evidence cannot observe each stage of decline, while the missing respondent matrix limits independent statistical assessment. The study therefore supports analytical comparison with theory, not statistical generalization to the hotpot industry.

Two research designs would materially strengthen this line of inquiry. A direct replication should retain the de-identified respondent matrix, codebook, preprocessing script, random seed, alternative-K diagnostics, and exclusion log, then compare restaurant categories and city tiers. A longitudinal design could observe the proposed stages of emergence, diffusion, delivery strain, value mismatch, and renewal. For the managerial proposal, a preregistered multi-store pilot should compare treated stores with matched controls before and after implementation. If parallel-trend and spillover assumptions are credible, a difference-in-differences analysis could test whether the offer improves retention and unit economics instead of producing only a short burst of attention.

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