

On Winning the Market with Service

-- Take Haidilao as an Example

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Abstract

Over the past 40 years of reform and opening up, China's economy has developed rapidly. At the same time, the global industrial structure is undergoing major changes. Service plays an increasingly important role in the whole market. In the increasingly fierce market competition, if enterprises want to gain a place in the market, they must make improvements and explorations at the service level to keep pace with the times. This paper will analyze the successful cases of Haidilao and summarize the service system on the basis of service theory. Based on these experiences and conclusions, it will find out the service strategy suitable for the whole market and make a simple exploration in promoting the development of service level in China.

Keywords

Service; Market; Haidilao; Measures; Ways to Improve.

1. Introduction

The 21st century is an era of rapid development of science and technology and social economy. At present, many enterprises in China are facing increasingly severe market competition. If they want to get a place in this extreme environment, they must make corresponding adjustments in many aspects. No matter how enterprises change, consumers should focus on the whole market from beginning to end, which is the most straightforward truth that enterprises should understand. With the occurrence of consumer behaviour, there will be services. Then, if we want to satisfy consumers, we should start from the service level and make exploration and improvement in line with the development of the times. Maximizing consumer satisfaction is the goal that all enterprises should pursue. Taking Haidilao as an example, this paper expounds on the importance of serving enterprises and markets. This paper analyzes the problems existing in the service level of Chinese enterprises in the market, explores how enterprises win the market through service, and puts forward improvement measures suitable for Chinese enterprises to improve service quality.

2. Necessity and Importance of Service in Winning the Market

2.1. Necessity of Service in Winning the Market

In the current competitive market conditions, service is essential to an enterprise and even the whole industry. It is directly related to the enterprise's image to the majority of consumers and affects the stability of the enterprise's position in the market and its longer-term development. With the 40 years of reform and opening-up and China's accession to the world trade organization, China's science and technology and social economy have developed rapidly. Service plays a more critical role in developing China's national economy, and service status is increasing day by day. Service is not limited to the tertiary industry. In the whole market, as long as it is related to people and consumption activities, there will be a corresponding service process. In the process of customers' consumption, enterprises must provide customers with

various forms of services directly or indirectly. In the process of customer consultation, before purchase, purchase, and after-sales use, service runs through the whole link. Service quality and service level are critical indicators to measure the product quality of enterprises.

Turn the world upside down. With the development of the Internet plus and the significant data era, the environment of many enterprises has been affected to varying degrees, and even earth-shaking changes have taken place. Facing the increasingly severe challenges of market competition, if enterprises want to seek the road of Long-term development, they must make adjustments at the service level. Enterprises must continuously improve their service level and provide more high-quality and characteristic services for consumers to win a place in the market.

China's current market situation can be said to be the coexistence of opportunities and challenges. Enterprises should combine their development, think from customers' perspectives, and explore improving customer loyalty. The premise of customer loyalty is customer satisfaction. Only when customers are satisfied can customer loyalty be generated. Therefore, it is urgent to improve customer satisfaction and loyalty. Enterprises should always pay attention to customer satisfaction, customer value and increase customer value through various intimate services to enhance customer loyalty. This can obtain more benefits for the enterprise and promote the stable and Long-term development of the enterprise and even promote the progress of the whole industry.

2.2. Importance of Service in Winning the Market

Providing high-quality service is particularly important for Chinese enterprises. Its importance can be reflected in the following points:

2.2.1. Service is One of the Core Competitiveness of Enterprises in the Market

The current situation of modern enterprise products in China can be briefly summarized as follows: the degree of standardization is enhanced, the homogenization tends to be serious, and the added value is small. Therefore, enterprises must provide differentiated services and increase their product added value to enhance their market competitiveness and win the market with services. For example, Haier Group regards to service as an essential part of its core competitiveness. From pre-sales to after-sales, Haier group meets the needs of consumers and the market to the greatest extent in the whole product life cycle and realizes the transformation from "production operation" to "service operation". It can be seen that service is an essential way for enterprises to obtain more competitiveness.

2.2.2. Service is an Essential Guarantee for Enterprises to Attract More Consumers and Obtain Profits

With the continuous improvement of economic and cultural levels, people have higher requirements for the quality of life, and the consumption demand also tends to be diversified and differentiated. Consumers now need tangible products and better services in obtaining the products or in the process of consumption. From Maslow's hierarchy of needs theory, consumers now want to meet their fourth level of conditions, that is, to be respected. When consumers get a sense of respect and satisfaction from the service of the enterprise, it will promote consumers to have loyalty to the enterprise. To produce word-of-mouth effect and bring more consumers, followed by an expanding serial effect, which will benefit enterprises. High-quality service can first effectively consolidate existing customers and then attract more new customers to obtain customer loyalty. This is an essential guarantee for enterprises to bring profits.

2.2.3. Service can Establish a Brand Image for the Enterprise

With the increasingly fierce market competition, consumers pursue differentiation in the process of consumption. Based on meeting its most basic product needs, it also needs to provide

some additional services. Enterprises have to adapt to the changes of consumer demand and make innovations and reformat the service level. Many enterprises offer the same benefits to consumers, which is very difficult to impress consumers.

For example, when we talk about hot pot, we can think of Haidilao. Not only because of its taste but also because of the extreme service provided by Haidilao. From waiting to the end of the meal, we enjoyed high-quality and comfortable service throughout the process. Haidilao is famous for its service and has established its brand image for consumers. Therefore, enterprises can customize the service standards of their enterprises in combination with their development, leave fresh feelings for consumers, and constantly establish their brand image.

2.2.4. Service is Conducive to the Long-term Development of the Enterprise

Enterprises can establish more direct contact with consumer groups by providing services and can communicate more intuitively. On the one hand, it can directly introduce and deliver the enterprise's products and services to consumers so that consumers can feel it; On the other hand, service personnel can get some consumers' feelings and needs from direct contact with consumers give timely feedback. For example, suggestions on the product itself and some existing enterprise problems, expectations for the follow-up development of the enterprise, etc. In the communication process with consumers, we understand what kind of products consumers want, that is, consumers' consumption demand, and get consumers' feedback on products or services so that enterprises can explore their own market space and development direction in the later stage. Service is an integral part of the market and is of great significance to the development of enterprises. It is an essential means for enterprises in market competition and related to the Long-term development of enterprises.

3. The Service of Haidilao and the Problems of Chinese Enterprises in Winning the Market with Services

3.1. Subsea Fishing Service and Enlightenment

"Haidilao", full name: Sichuan Haidilao Catering Service Co., Ltd., established in Jianyang, Sichuan Province in 1994, is a cross-provincial direct brand hot pot store specializing in Sichuan hot pot and integrating local characteristic hot pot. It applied for listing on the Hong Kong Stock Exchange on May 17, 2018. According to relevant data, the average turnover rate of employees in the catering industry is 28.6%, but this data is less than 10% when fishing on the seabed. At the same time, Haidilao turns the platform up to 7 times a day, and the return rate of customers is about 50%. Under the background of significant liquidity and the short cycle of Chinese catering enterprises, Haidilao occupies an important position in the whole catering market with its differentiated service mode and even becomes a model for many enterprises.

As we all know, the reason why Haidilao can be so successful is inseparable from the high-quality and considerate services it provides to consumers. It is mainly summarized as follows:

3.1.1. Establish and Maintain a Long-term Relationship with Customers

According to the data, 150 of the 200 guests in an ordinary store of Haidilao are repeat customers, indicating that Haidilao has a large number of loyal customers and a good reputation. Haidilao pays special attention to satisfaction and loyalty management in customer relationship management. It can be embodied in the following aspects: before dinner: there are complimentary tea and snacks, free entertainment products, such as checkers, playing cards, newspapers and magazines, free manicure and shoe polishing services for customers, as well as activities of folding paper stars as a deduction, etc. All these services make customers less tedious and even enjoy waiting. When dining: we will provide rubber bands for women with long hair, send small plastic bags to customers to avoid oil stains from contaminating their mobile phones, change towels and drinks for customers from time to time, help cook and fish

vegetables and the Ramen master will perform fancy Ramen on-site to interact with customers. After dinner: the service staff will send fruit plates or gum and smile goodbye to the customers. Dining in "Haidilao" with almost perfect service from beginning to end has built a bridge between enterprises and customers: it not only makes customers satisfied but also improves customer loyalty so that customers can spend here for a long time.

3.1.2. Focus on Physical Service Display

Haidilao attaches great importance to its physical service display. From the perspective of hardware, Haidilao has strict standards for the decoration of each store, the placement of dining tables and chairs, public facilities and sanitation; From the personnel point of view, the clothing and appearance of service personnel also have corresponding standards.

3.1.3. Pay Attention to the Long-term Development of Employees

The reason why Haidilao can be so successful is closely related to its service personnel. Haidilao attaches great importance to the development of employees. It can be briefly seen from the following aspects:

Physiological and safety elements: first, in the same industry, Haidilao has a higher salary; Secondly, Haidilao ensures that employees have a safe residence close to their workplace; Finally, Haidilao will pay attention to the living conditions of employees' children and parents.

Social and respect: firstly, employees can improve themselves in Haidilao University in their spare time; Second, under the apprenticeship system, new employees can get one-to-one guidance; Third, service personnel at different levels are united; Fourth, there is a complete promotion system and incentive system; Finally, Haidilao delegate power to employees and trust employees.

Self-realization: through the internal promotion system of Haidilao, select excellent employees to move towards higher management posts; High salary and welfare cultivate exceptional management talents so that employees can realize their maximum value at the self-level.

3.1.4. Service Quality is Above All Else

Haidilao takes customers as the centre and adheres to "service first, customer first" from beginning to end. We wholeheartedly provide customers with thoughtful and meticulous service from waiting before dinner, from service during dinner to leaving after dinner. Every detail of the dining environment and service attitude will be a warm memory for the customer. Take every little thing of customers as their primary event, control the service quality from all angles, and bring customers an excellent consumption experience.

3.2. Main Problems of Chinese Enterprises in Winning the Market with Services

In contrast, many enterprises in China are far from satisfactory in winning the market with services. Specifically reflected in:

3.2.1. Nonstandard Service Process

Service personnel should have gradually provided services to customers according to the service process specified by the enterprise or industry. At present, the situation in China is that many enterprises have their written service processes. Still, when the service personnel interact with customers, they do not follow their specified service processes. If they can save, they will save.

3.2.2. Weak Service Awareness of the Enterprise

Service awareness is the warm, thoughtful and active service willingness and awareness of all employees in the communication with all people or enterprises related to the interests of the enterprise. Nowadays, enterprises pay more and more attention to service, and there are many consumer-centred ideas and slogans. However, many enterprises find that their satisfaction is not high. The root cause is the problems of the enterprises themselves. Service consciousness

should not only stay at the level of written expression and oral expression but should be an idea deeply rooted in corporate culture and corporate development concept. It is not only about the whole enterprise but also about every service personnel. Weak service awareness leads service personnel only to complete their most essential work and ignore many details when providing customer service. Due to the lack of more information, a series of subsequent problems will occur before, during, and after-sales, eventually bringing customers a poor consumer experience and leaving a negative impression on the enterprise.

3.2.3. The Enterprise does not Strictly Control the Service Quality

The characteristics of service determine that there is a tremendous difference between service quality and tangible product quality. Concrete products can have an objective and clear measurement standard. However, service quality is produced in interaction with customers, which is highly subjective, so it isn't easy to quantify. At present, many Chinese enterprises have their own set of service quality standards, but there are still many deficiencies in the actual interaction with customers. Enterprises realize that "customers are God", but they don't satisfy "God". This has a great relationship with the service provided by service personnel to customers - service personnel have deficiencies in varying degrees in work attitude and work standards.

3.2.4. Low Quality of Service Personnel

In China's market, service enterprises have no corresponding standards for their staff's overall quality, so that they will lack the quality of service personnel. Many small and medium-sized enterprises and low-level enterprises regard service work as service and do not need much technical content or professional knowledge. Service personnel can do well in service work simply by being familiar with the working environment, adapting slightly and being full of enthusiasm. This one-sided and straightforward understanding makes many small and medium-sized enterprises in China still stay at a relatively backward service level.

From the perspective of service personnel, many service personnel have not received professional and systematic training, have not learned how to deal with different customer groups, and do not understand the psychology of consumers. Relying on their excessive enthusiasm will often backfire, make consumers dissatisfied and harm enterprises.

From the enterprise level, many enterprises believe that it is unnecessary to organize some employee training, which needs to spend a lot of human, material, and financial resources and affects the opportunity cost of obtaining more profits. Therefore, there is a common phenomenon in China that many service personnel of small and medium-sized enterprises work directly without participating in any pre-job training.

It can be seen that the low quality of service personnel has dramatically hindered the development of enterprises.

3.2.5. Convergence of Services

Providing roughly the same service is also a common phenomenon in China's domestic market. But, according to the different needs of different incomes, regions, and other customer groups, the needs of different consumers will be very different. At present, China's enterprises provide roughly the same services to consumers, do not highlight the personality of enterprises, lack of differentiated services and lack of service innovation.

4. Measures to Win the Market with Services

Given the shortcomings of Chinese enterprises in beating the market with benefits, the author believes that Chinese enterprises should actively respond from the following aspects:

4.1. Service Standardization

To improve the service level, we should first pay attention to the standardization of products and services and let customers feel the enthusiasm and intention of enterprise service from multiple levels. A consumer's consumption behaviour is not just a process. Enterprises can retain customers' hearts and form customers' loyalty by providing their characteristic services. Service standardization can be divided into pre-sales service, in-sales Service and after-sales Service according to the time node of customer consumption. On the one hand, service standardization is related to the lifetime use of products. On the other hand, its essence is also the combination of services in different periods and forms.

4.1.1. Tangible Services

We can improve actual products and services through the following points: pre-sales service refers to a series of services provided to customers before selling products. For example, introduce the functions, features, relevant parameters and use methods of the product to customers. In this process, communication with customers can stimulate customers to arouse demand and stimulate purchase. Good pre-sales service is an essential factor to facilitate consumer activities. Sales service refers to the service provided to customers in the process of product sales. The service personnel can introduce the product use methods to customers in detail and patiently answer customers' doubts. In-sale service is the core link to promote commodity transactions. After-sales Service refers to the service provided to customers after the products are sold. Good after-sales service, such as follow-up use, maintenance and return of products, can enable customers to purchase and use confidently. Perfect after-sales service can bring satisfactory consumption perception to customers to promote customer loyalty, which is conducive to the Long-term development of enterprises.

4.1.2. Intangible Services

For the service of intangible products, we should focus on the following aspects: the standardization of the service process, pay attention to the enterprise's overall service and formulate corresponding specifications according to the specific division of labour of the enterprise service system. Customize the service process suitable for the enterprise so that the service personnel have unified and standardized standards to improve the service efficiency and ensure service quality.

In the process of service, service personnel must have face-to-face communication with customers. Effective communication with people requires a lot of skills. Service personnel must learn to listen, keep silent in time and learn language expression skills. Firstly, the language standard of service personnel should pay attention to the use of polite language; Secondly, service personnel need to convey some professional knowledge to customers in a way that customers can easily understand; Finally, we should further refine and improve the language norms of service personnel according to different situations of the industry. It is essential to standardize the actions of service personnel in the process of contacting customers. The activities of service personnel can leave the service image of the enterprise in the hearts of customers. Therefore, to avoid the negative impression of customers on the enterprise caused by the nonstandard actions of service personnel, a unified action specification can be formulated. Service attitude is closely related to service personnel, including their enthusiasm, initiative and politeness to customers. Enterprises should prepare a controllable standard for the service attitude of service personnel at work.

4.2. Improve Enterprise Service Awareness

Our people have been greatly improved in material and cultural aspects, and people's consumption concept has changed accordingly. As modern consumers, in consumption, we pay attention to the quality of the product itself. We pay more attention to some additional services

that the product can bring. Service awareness directly affects consumers' impression of enterprises and is related to the Long-term development of enterprises.

On the one hand, in the current market environment, service is a factor that customers pay special attention to when choosing consumption. From the overall level of the enterprise, the enterprise must improve its service awareness based on ensuring the excellent quality of the tangible products it provides.

On the other hand, improving enterprise service awareness is not only on the whole but related to everyone in the enterprise. From the perspective of service personnel, service personnel conduct face-to-face communication with customers through direct contact, which can bring customers the most intuitive consumption perception. This link is vital to both customers and enterprises, so we must pay attention to improving service personnel's service awareness and ensuring that service personnel can serve attentively with the customer-centred concept.

4.3. Pay Attention to Service Quality

Service quality is an important index to measure the quality of an enterprise. The manufacturing industry can measure the quality of products by checking whether products meet preset standards; However, service quality is a subjective quality perceived by customers, which can not be measured by the measurement methods adopted by tangible products. After years of research, American scholar Parasuraman and others proposed the SERVQUAL model, which is widely used worldwide. It is suggested that enterprises can focus on improving service quality from the following dimensions:

4.3.1. Tangibility of Service Quality

Intangible services need to be supported by tangible elements. In the process of service production, customers will personally participate in the production of services. Therefore, it is essential to improve the overall environment of benefits.

4.3.2. Reliability of Service Quality

The Reliability of service quality is to provide services accurately, timely and accurately. Reliability is the most critical factor for customers to accept enterprise services. Customers' judgment of enterprise service reliability is mainly based on the fulfilment of service commitments, and commitments are one of the reasons for customers' expectations. Therefore, enterprises must strengthen the implementation of commitments.

4.3.3. Assurance of Service Quality

The service personnel expected by customers have knowledge, etiquette, and the ability to express self-confidence and credibility, mainly reflected in employees' professional expertise and power, especially the professional ability and professional ethics in communicating with customers.

4.3.4. Responsiveness of Service Quality

Service personnel shall help and provide services to customers in time. Service personnel must make a timely and effective response to customer service requirements. Even if they cannot serve them immediately, they should comfort customers, make expected waiting and enhance customer perceived service quality. Enterprises can adequately adjust the number of service personnel and business hours according to different seasons, periods and other factors to improve the Responsiveness of service quality.

4.3.5. Empathy of Service Quality

The Empathy of service quality refers to giving customers personalized care in the service process. When designing and providing services to customers, the first thing to consider should be customers' interests and customer orientation, rather than how to save costs and facilitate

management. Promoting this point mainly depends on the service personnel to establish the concept of customer orientation and the improvement of good cultural organization.

4.4. Focus on Improving the Quality of Employees

4.4.1. Attach Importance to Employee Training

In consumer consumption, service personnel are the people who have the most comprehensive contact and direct communication with consumers. Therefore, we must ensure the quality and level of services provided by service personnel to consumers. First of all, we must pay attention to the training of employees, formulate service standards in line with the situation of the enterprise, and ensure service quality. The ultimate purpose of the whole training process is to help employees truly understand the customer-oriented service concept, understand customers' expectations, form a correct working attitude and do their service work well.

4.4.2. Pay Attention to Employee Development

Society is progressing, and the times are developing. Now employees are concerned about salary and pay more attention to their later ability improvement and career development. Therefore, enterprises must pay attention to the needs and development of employees to obtain the maximum professionalism and dedication of employees. We can start from the following aspects:

4.4.3. Establish People-oriented Management Concept

The development of an enterprise cannot be separated from employees' pay, and the development of employees cannot be separated from the support of the enterprise. People-oriented means that enterprises should consider how to employ people and consider how to cultivate and retain people. Based on the employees' original work, the enterprise's senior managers can develop the maximum potential of the employees, find their strengths, properly combine them with the needs of the enterprise, and make the employees full of vitality in their work.

4.4.4. Consistency between Enterprise and Employee Objectives

The purpose of enterprises is to obtain more Long-term development opportunities while maximizing profits; For individuals, the biggest goal is to realize their value based on receiving due labour remuneration. To some extent, individuals and enterprises have common goals, so enterprises should consider the personal needs of employees and the strategic objectives of the enterprise organization and achieve an equal state of cooperation with employees through some strategies.

4.4.5. Improve the Talent Training System

The Long-term development of enterprises is inseparable from talents. Based on paying attention to employee training and employee development, enterprises should select excellent employees to promote the development of enterprises. Front line employees of enterprises often understand the current situation of enterprise development and some existing minor problems. Therefore, the enterprise should formulate a perfect talent training system in combination with the current development status of the enterprise so that excellent employees can play a greater value and drive other employees to be positive at the same time, which is more helpful to reduce the employee turnover rate and enhance the cohesion of the enterprise.

4.5. Differentiated Services

4.5.1. Highlight Business Characteristics

When most enterprises provide converging services in the market, enterprises should try to highlight their business characteristics. Service itself is highly subjective. When formulating service standards and service specifications, enterprises must first conduct sufficient market research, understand customers' real needs, and form some characteristic and novel services

in combination with the characteristics of their products and services. It can give customers a refreshing feeling and attract customers to come many times to form customer loyalty. In the long run, the characteristic image of the enterprise will be included in the market and among the vast number of consumers.

4.5.2. Accelerate Innovation and Improve the Core Competitiveness of Enterprises

Chinese enterprises must combine the characteristics of their industry and make timely innovations based on service concepts so that customers can be impressed by the services provided by enterprises while consuming tangible products. For now, under the Internet plus wave, enterprises can use new technology and concepts to conduct research on customer demand level, innovate in service and make changes in service mode. Enterprises should adjust and innovate service strategies as a whole, improve service skills from the staff level, and provide customers with more high-quality and novel services to enhance the core competitiveness of enterprises in the market.

4.5.3. Keep Close Contact with Customers

Customer demand is the driving force for the survival and development of enterprises, and customer consumption is the source of profits for enterprises. If enterprises want to improve customer loyalty, it is one-sided only to enhance their service quality. They must closely contact consumers and strengthen customer relationship management. In the active communication and communication with consumers, to obtain the real needs of consumers, the enterprise can timely adjust relevant strategies in the later stage to meet the real needs of customers. In addition, closely contacting customers helps to arouse customers' consumption desire and stimulate demand. In the last step, the word-of-mouth effect will bring enterprise information to more potential consumers.

5. Conclusion

At present, Chinese enterprises have some problems winning the market with services, which affect the development of enterprises in the whole market. These problems prove that the development of Chinese enterprises at the service level is not perfect, which is an inevitable stage of social development. In the increasingly competitive environment, enterprises should find problems, solve problems and constantly improve in development. Enterprises explore how to provide better services for customers and enhance customer satisfaction and loyalty, which can better serve customers and further develop enterprises so that enterprises can win the position in the market with services.

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