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An Application of Smith's Marketing Ethics Sequential System Model to Generation Z Consumers: A Case Study of Hotpot Restaurant Chains in China*

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Abstract

This study attempts to discover a differentiated service strategy for the hotpot restaurant industry from the perspective of Chinese Generation Z customers, as well as to further explore the inner needs of Chinese Generation Z to make practical implications for discovering the method of gaining their satisfaction and loyalty. This paper employs questionnaires to collect analytical data and through a case study to produce company strategies. Smith's Marketing Ethics Sequential System Model (SMESSM) is introduced in this paper for the decision of whether the case study company Haidilao Hot Pot should make a new strategy on service based on Generation Z's consuming behavior. The findings of this study demonstrate that hotpot restaurant must differentiate their services for Generation Z from older generation customers to gain a sustainable development of the hotpot business. Proper differentiated service will not only improve Generation Z's dining experience but also reduce costs. This paper is the first to discuss differentiated service strategy in the hotpot restaurant business from the perspective of Generation Z customers. And a Chinese experience of SMESSM for practical use is introduced in this paper, which enriches the relevant implications for future research on business strategy.

Keywords: Generation Z, Hot Pot Restaurant Business, Differentiated Services, Smith's Marketing Ethics Sequential System Model, Chinese Customer

JEL Classification Code: D11, D12, D22, M14, M31

1. Introduction

The COVID-19 pandemic has sapped incomes and dealt a severe blow to the global restaurant industry as many small restaurants have gone bankrupt and catering giants closed

branches to cut costs. China's leading hot pot restaurant giant Haidilao Hot Pot even announced the closure of 300 restaurants in 2021 (Holding, 2021). In this shrinking market, caterers need to develop more specific service strategies by market segment.

"Generation Z," which refers to those born between 1996 and 2010, is a more prevalent moniker for today's youngsters. This population in China is estimated to be 260 million individuals or around 20% of the country's total population. Generation Z will soon take the stage of history and become the lords of the country; thus, examining the service model of restaurant firms from their perspective is critical to finding new development areas for businesses.

Chinese hotpot (huǒguō/hwōr-gwōr/'fire-pot'), also known as Chinese fondue, is one of the most popular meals in China. It consists of a simmering metal pot with broth at the center of a table, and all raw ingredients are placed beside the metal pot, so people can add and cook whatever they like in the broth (Simoons, 1991). The hotpot has a long history of over 1,000 years in China. It used to be favored

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only in winter, but recently hotpot has been appearing on tables all year round. Besides the delicious flavor, there are two other important reasons for Chinese liking hotpot: the first one is that it is a great way to socialize (Junaid et al., 2020). People gather around the pot, chatting, eating, drinking, and having fun. The other is that hotpot is a “healthy meal”. Boiling is better than frying, and bone nutrients are released into the broth. Eating hotpots can warm the body and improve circulation in winter, and increase perspiration to help cool the body in summer. Some seasonings used in hotpots can help alleviate some minor illnesses like colds, blocked sinuses, and headaches. The case study company, Haidilao Hot Pot Ltd. established in 1999, as the most famous cooperation in the hot pot business, it is well known for its excellent service. The frenzied expansion of Haidilao Hot Pot has harmed the quality of its services and has been an indirect cause of restaurant closures (Holding, 2021). On 21 February 2022, Haidilao Hot Pot announced that its full-year revenue for 2021 was expected to exceed RMB 40 billion, an increase of over 40% year-on-year. 2021 net loss was approximately RMB 3.8 billion to RMB 4.5 billion, the founder Mr. Zhang Yong, has resigned his CEO (Haidilao, 2022), Haidilao Hot Pot is now standing at its crossroad of fate. Haidilao Hot Pot is now a hot spot, which provides a good case scenario for a study on developing differentiated services for the restaurant industry with a Generation Z perspective.

The Smith’s Marketing Ethics Sequential System Model (Smith & Quelch, 1993) is used as a theoretical foundation in this paper to produce an analytical framework for exploring the service differentiation strategy of Haidilao Hot Pot from the behavioral perspective of Generation Z, to find a different service model that better suits the consumption habits of the new generation.

2. Theoretical Background

2.1. Literature Review

Generation Z refers to young people born between 1996 and 2010 (Monaco, 2018), and is also defined by some scholars as those born after the year 2000 (Armstrong, 2017). For this paper, Generation Z refers to those born between 1996 and 2010. Generation Z is growing up under the mobile internet generation; thanks to the popularity of smartphones and the extremely wide coverage of the internet (Song, 2018), they start socializing in the online world for entertainment, leisure (Yoon et al., 2018), consumption (Djafarova & Bowes, 2021) and study from primary and junior high school level (Kaur, 2021). These internet habits also influence their post-work habits and expectations (Janssen & Carradini, 2021). The convenience

of the Internet has made Generation Z relatively more independent and sophisticated (Dolot, 2018); they expect to use new technologies and devices to support their consumption (Priporas et al., 2017), behaving with humility when traveling abroad (Haddouche & Salomone, 2018), willing to enjoy green and sustainable traveling (Chen et al., 2021). In particular, online social networking has greatly influenced their consumption patterns (Azimi et al., 2021), and a specific consumption pattern has also emerged (Dimitriou & AbouElgheit, 2019).

Gen Z tend to seek soul mates who share common interests and are bold enough to express themselves in public (Wells et al., 2018), yet are more privacy-conscious (Miraja et al., 2019). The combination of major national and global events, personal events, social and technological vehicles have played a key role in the formation of the collective consciousness of Generation Z, resulting in a series of prominent human values (Shin et al., 2021), including universalism, benevolence, self-direction, achievement and a sense of security (Sakdiyakorn et al., 2021). Explore how greater convenience is the most dominant factor influencing Generation Z’s behavioral intentions (Persada et al., 2019); factors such as emotion can also effectively influence their decisions (Jiang & Hong, 2021). The mobile internet has eliminated the physical space for people to socialize, but in fact, it seems to have divided people into separate islands of information, and even when people get together, they are often addicted to their phones and enter a state of group isolation (Turkle, 2011). Yet the way of interacting with this online life varies greatly by culture (Goodrich & Demooij, 2013), for example, influencing investment decisions (Chen et al., 2018).

Chinese cultural values for integration, Confucian work dynamics, hearts and minds, and moral discipline (Tang et al., 2020). China has the world’s largest number of Internet users at 829 million; several major social media platforms already have a penetration rate of over 97%; Chinese consumers spend nearly 4 hours a day on their mobile phones, including an average of over 2.3 hours on social media (Tencent, 2020). Chinese Generation Z is more self-centered, individualistic, and social compared to older generations (Tang, 2019) and prefers green labeled items (Song et al., 2020); the purchase for charity factor is also emerging among Gen Z (Shen, 2019).

In the face of the COVID-19 pandemic, unlike the older generation, who is worried about a global recession, Generation Z is more concerned about the uncertainty of the future (Azimi et al., 2021). Because of the pandemic, most Generation Z students are experiencing increased psychological stress as a result of the change in school online teaching methods (Marshall & Wolanskyj-Spinner, 2020). Young Chinese people growing up in this society are more

or less “socially phobic,” to the point where some of them are uncomfortable with Haidilao Hot Pot’s “face-to-face” service. The need for new technology and security among Generation Z has a big impact on their preference for contactless services (Kim et al., 2021). In the food business, corporate social responsibility can have a favorable impact on Generation Z’s purchasing decisions (Wong, 2021). Haidilao Hot Pot treats its staff as family, thus inspiring a better quality of service (Chen et al., 2015); this business philosophy is more in tune with young people’s preferences. Generation Z is more flexible to employment changes in the post-pandemic age (Jayathilake et al., 2021) and rules (Gharzai et al., 2020). Along with the growth of Chinese purchasing power (Zhang & He, 2019), Gen Z consumers will become a great power in consumption.

2.2. The Smith’s Marketing Ethics Sequential System Mode (SMESSM)

The Smith’s Marketing Ethics Sequential System Mode (SMESSM), firstly proposed by Professor N Craig Smith in 1993, the contents as shown in Figure 1.

This theory is driven by consumer requirements, which are not only reasonable but also straightforward and obvious (Table 1).

Consumer-led marketing necessitates marketers adopting a marketing philosophy that prioritizes both consumers’ and businesses’ interests. Consumer competency, information, and choice are all responsibilities of marketers. The key dimension relates to the opportunity for switching, both in terms of whether or not they can buy another similar product

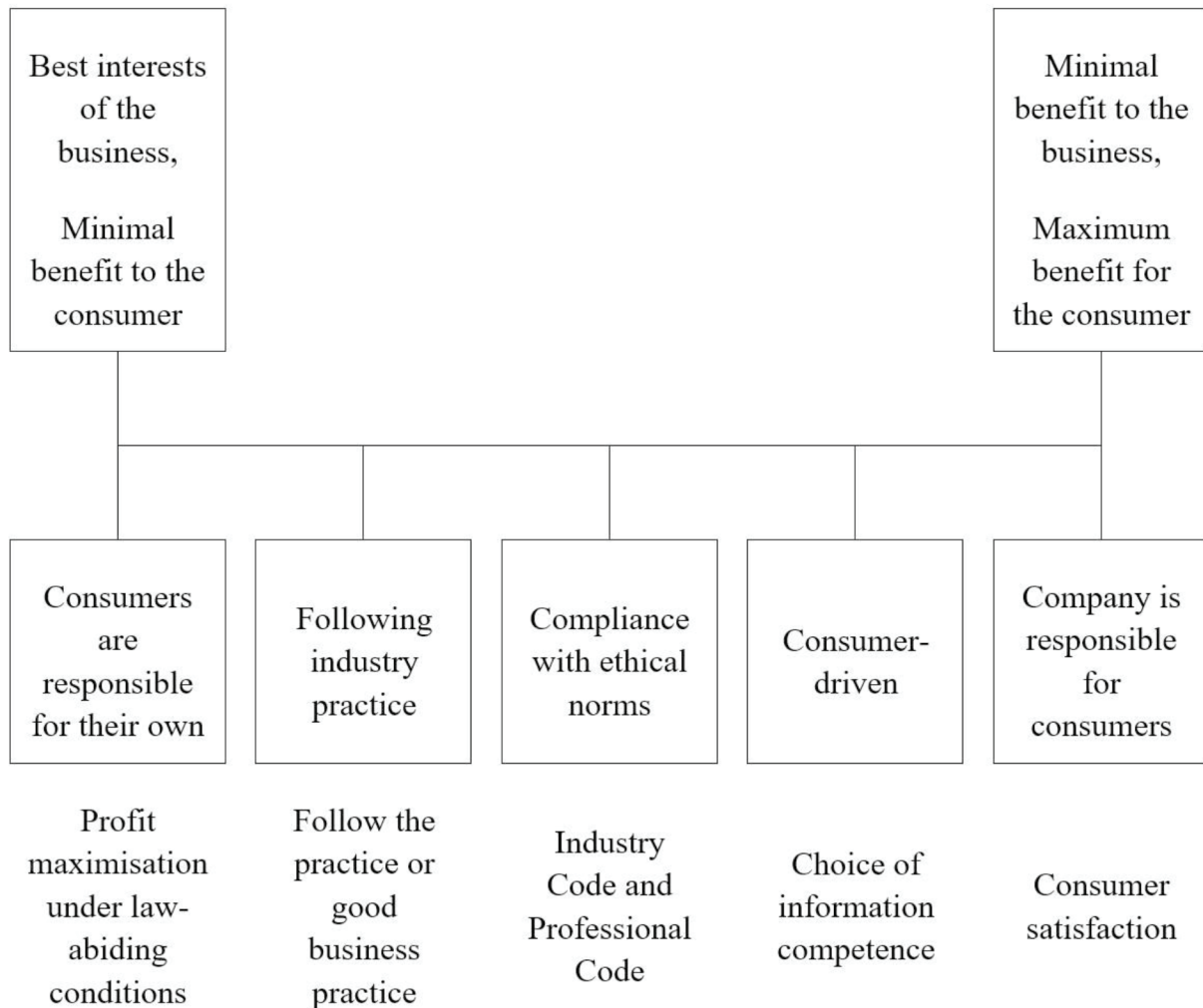


Figure 1: The Smith’s Marketing Ethics Sequential System Mode (SMESSM)

Table 1: Perspectives on Smith's Marketing Ethics Continuum Model (SMESSM)

Dimensionality	Measurement Indicators
Competence: the competence of the consumer	Vulnerability factors: age, education, income, etc.
Information: accessibility and quality	Should be sufficient to determine whether purchase expectations have been met
Choice: the opportunity to convert	Level of competition, costs of converting

elsewhere. The key dimension comprises two measures: business competition, market share, and switching costs, the definition of which implies that marketers should avoid pursuing market monopoly and exclusivity.

2.3. A Framework for Analysis Through the Lens of Generation Z

The hotpot dining style is inherently social (Simoons, 1991), and Haidilao Hot Pot provides a wonderful dining and social environment for young people by combining attentive service with internet culture. In terms of concept, Haidilao Hot Pot has done a decent job of keeping up with the trends, but it hasn't built a physical area that caters to Gen Z's desire for privacy.

While previous studies have looked at Haidilao Hot Pot's service model from the perspective of the company and post-70s and post-80s consumers, this paper looks at whether the company's service is in line with today's youth's consumption habits from the perspective of Generation Z, who will soon be on the stage of history, and uses SMESSM to determine whether Haidilao Hot Pot should adjust its service to reflect the new consumption habits.

Although the food isn't the best, Haidilao Hot Pot is known in China for its subtle to excessive service; it relies on its service to earn a reputation. For example, offering free shoe brushing and nail care while waiting for a meal. Sometimes, waiters overhear customers discussing what they want to eat and then rush off to buy it for them with exaggerated enthusiasm. This service model, which offers the same prices as its competitors but outperforms them in terms of service, has become the "unlearnable Haidilao Hot Pot model" and is well-liked by customers, particularly those in their post-70s and 80s, and the unique social attributes of hot pot are well-liked by young people, making Haidilao Hot Pot the first choice for young people's parties. The same service, however, is unsettling in several Western countries due to cultural differences. Some westerners dislike and even resent this type of service, believing that their privacy is being offended (Robson, 2008). Generation Z shares the traits of the Western culture of freedom and privacy. To put it another way, is it possible that Haidilao Hot Pot's service may make some of our Gen Z feel uneasy?

We developed an analytical framework based on the characteristics of Generation Z, Haidilao Hot Pot's service concept, and the current state of the social environment. As shown in Figure 2, By understanding the consumer behavioral characteristics of Generation Z + Haidilao Hot Pot's business philosophy (service-first, customer-first) + in the context of the macroeconomic environment → SMESSM, Haidilao Hot Pot's differentiated services are explored to help companies decide whether they should make new decisions (Figure 2).

The focus of the case study is 1. What is the service that Generation Z wants? 2. Should Seabed make changes according to the general environment? 3. How to make effective changes according to the existing situation?

3. Methodology

3.1. Case Study

The case study method is an essential research method that is better suited to mechanistic questions such as 'how' and 'why' and is more productive in developing exploratory theories. Case studies necessitate the identification of important or extreme samples (Yin, 2008). Second, because the study's participants are young people born between 1995 and 2009 with the ability to understand the questionnaire items, this paper employs the questionnaire method to collect primary data. The most famous hot pot chain restaurant in China, Haidilao Hot Pot, has also been recognized for its hospital service beyond the business standard, making it an ideal case for a case study to explore the service model that Generation Z requires. The following are the reasons why Haidilao Hot Pot was chosen as a case study: first and foremost, Haidilao Hot Pot's notion of "excessive service" is unique among its peers and has evolved into a model that cannot be copied, which is of considerable importance and extremity. Second, after the black swan of the COVID-19 pandemic, Haidilao Hot Pot has developed successfully since it opened and expanded wildly after its IPO, finally announcing the closure of 20% of its branch restaurant in 2021. Third, the founders of Haidilao Hot Pot saw the flaws in their earlier plan and realized that they needed to correct them immediately. As a result, this paper uses Haidilao Hot Pot as a case study in the hopes of discovering research

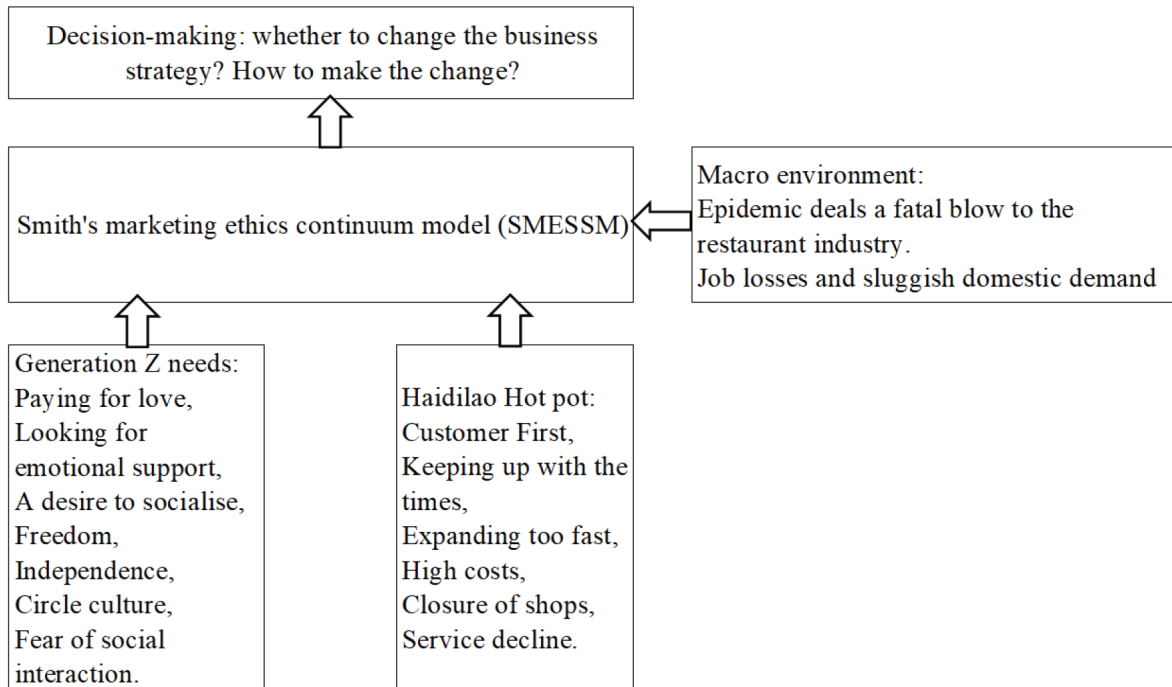


Figure 2: Analytical Framework of Haidilao Hot Pot's Service Model and Generation Z Perspective

findings of practical value through a framework of analysis and bringing new knowledge to companies' marketing strategies aimed at Generation Z consumers.

3.2. Basic Information of Haidilao Hot Pot

Haidilao Hot Pot is private cooperation that runs hot pot chain restaurants and is known for the marvelous service in the restaurants exceeding consumer expectations that consumers can recall the names of their waiters after eating and praise them online. While waiting for their dinner, customers can enjoy free services such as shoe shines, nail services, and fruit plates, as well as servers who are practically personal during the meal, providing a level of attention that cannot be found elsewhere for the same price. This service has earned it a high reputation and a lot of foot traffic. So much so that many shopping malls offer significant rent and subsidy concessions to Haidilao Hot Pot restaurants, resulting in Haidilao Hot Pot leasing costs that are quite low; the majority of costs come from manpower and food ingredients. In 2019, 308 new stores were opened, according to estimations based on financial data from Haidilao Hot Pot in recent years. Despite the COVID-19 pandemic of 2020, Haidilao Hot Pot nevertheless opened 544 new restaurants. Haidilao Hot Pot opened 299 new shops in the first half of 2021, equating to 1.6 new restaurants opening every day. After closing 300

shops in the second half of the year, Haidilao Hot Pot still has more than 1,300 restaurants remaining which is a huge burden on the costs. We discovered through field visits that Haidilao Hot Pot's business has been severely impacted by the pandemic, with much shorter wait times during peak dining periods. The increase in complaints from Haidilao Hot Pot staff had a direct negative impact on the quality of service, and the table turn rate dropped from 3.5 to 3. The other staff from the closed branches were not dismissed but diverted to the other branch restaurants that were still open, resulting in lower income for the average number of piece-rate waiters. The founder, Zhang Yong, also stated publicly that the company's strategy was not appropriate and urgent reform was required.

3.3. Data Sources

The data analyzed in this paper was collected mainly through questionnaires and public sources on the internet. The following is the procedure for gathering public secondary data: first, web searches and crawlers are used to acquire public secondary data, which is then compiled and analyzed. For example, information from the company's website, Haidilao Hot Pot financial reports, and industry analysis reports. We looked at the remarks of netizens on Zhihu, Sina Weibo, and Twitter as secondary sources after we had a clear

knowledge of the example company's business model and philosophy. The inner wants and aspirations of Generation Z are extracted and summarized using text mining technology. On this foundation, we undertook first-hand data collection at Haidilao Hot Pot, including site inspections and interviews with relevant personnel. The content focuses on the internal changes that employees have experienced as a result of the wave of restaurant closures as well as work status and HR policies. We did not prepare an interview outline for the content of the interviews because the employees were not the main factor of our study; instead, we used them as a supplementing factor to acquire a deeper insight into the organization. From October 2021 to January 2022, we visited Haidilao Hot Pot restaurant at least twice a month to gather first-hand data through consumption.

On the other hand, we used Chinese social apps such as WeChat and QQ to send online questionnaires to Generation Z, a group of people aged 19 to 26 who have a certain level of understanding, to classmates, friends, and acquaintances. The total number of participants who took part in the questionnaire was 217. After removing invalid samples with lesser response time (less than 20 seconds to complete) and outliers, 201 questionnaires remained valid, accounting for 93%. Due to the small sample size, this paper conducts reliability and validity analysis using a pre-test approach and set polygraph questions (question 5 is a polygraph question similar to question 4, and the results are consistent). The questionnaire was originally administered to a group of 50 participants for a reliability test, and then the results were compared to those received following the official release. The reliability and validity results were relatively high. The survey's demographics are as follows: 53% are university students, 39% are Gen Z with jobs, and 8% are high school students, with men and women.

The content and results of the questionnaire are shown in Table 2. We discovered that the majority of Gen Z spend money at Haidilao Hot Pot only once in a while, with only one in five attending regularly and the rest mostly because they enjoy the meal and have no other option. Service at Haidilao Hot Pot is what they are most satisfied with, followed by the ease of partying and then good food. The majority of people like the excessive table service, but the number of people who don't care for it and despise it is roughly equal to the number of people who enjoy it. The most inconvenient aspect of Haidilao Hot Pot has to wait too long for a table, according to the questionnaires. Uncomfortable aspects for Gen Z include noisy children and middle-aged folks who are boisterous when drinking. In terms of what Gen Z expects to see from Haidilao Hot Pot, as we expected, the desire for a distinct location for young people, as well as more party supplies is what Generation Z desires the most. Maybe it's because the service at Haidilao Hot Pot has deteriorated in recent years, and some people are hoping it improves.

4. Results and Discussion

4.1. Analysis Through Smith's Marketing Ethics Sequential System Mode (SMESSM)

After compiling, analyzing, and summarizing the data, we were able to condense Haidilao Hot Pot's service model as well as the present issues. On the other hand, we have touched on Generation Z's inner demands by sorting through the research of domestic and international experts on young people of Generation Z, as well as first-hand data from questionnaires. We come up with realistically meaningful solutions for similar companies based on Smith's Marketing Ethics Sequential System Mode (SMESSM) as a theoretical foundation. The following will discuss whether Haidilao Hot Pot should adjust its business model based on the characteristics and indicators of SMESSM, as in Table 1.

4.1.1. Consumer Competence

Generation Z in China was born between 1996 and 2010, with a small percentage having already worked, the majority of whom are university students, and a minor percentage in junior and senior high school. They are growing up in an era when the Internet is well established and materials are plentiful, when China's economy is fast increasing, and people's living standards are rising, with GDP per capita in some first-tier cities nearing that of main developed countries (Statista, 2021). They have enough pocket money to supplement their activities because most of them are one-child families. Gen Z in rural areas is also well-fed and clothed, thanks to the country's efforts to combat poverty, and is beginning to have spare time to pursue their interests (Wang & Feng, 2021). The inner-city Gen Z workforce is increasingly consumerist (Zak, 2021). Overall, Generation Z has established itself as a powerful consumer force in Chinese society.

4.1.2. Accessibility and Quality

China's Generation Z is growing up in a high-pressure environment, carrying too many parental expectations (Wang & Feng, 2021). So much so that they spend the majority of their time studying, have little social interaction from a young age, and suffer from social phobia (Jefferies & Ungar, 2020). With the help of online social networking, a strong desire to "express," "share," and "discuss" has resulted in the establishment of a unique circle culture. Symbolic consumption is defined as the consumption of things to express one's personality, taste, lifestyle, social standing, and social identity. When it comes to symbolic consumption, Generation Z will go to considerable measures to acquire attention or "break the circle" of what they enjoy, to the

point where others will be perplexed (Liang & Shen, 2017). According to the survey's findings, many Gen Z is prepared to spend money at Haidilao Hot Pot restaurant since it offers them a unique platform for social interaction.

4.1.3. Opportunities for Conversion

Despite the low cost of rent, labor expenses have increased as a result of Haidilao Hot Pot's rapid expansion, which has resulted in a severe lack of professional managers, affecting the quality of Haidilao's services and becoming an indirect reason for restaurant closures (Holding, 2021). Haidilao Hot Pot's management is likewise aware of the company's earlier strategic blunders and has an internal determination to correct them; in fact, the company's creator, Mr. Zhang Yong, has resigned as CEO (Haidilao, 2022), that is to say, now is the opportunity to change strategy. Haidilao is basically the ceiling of the hot pot cuisine industry, similar to the wise pig game problem posed by John. F. Nash in 1950, the big pig must react to the problem to receive profits. In terms of conversion costs, the change in strategy necessitates additional expenditure, but it also reduces manpower costs, which is a welcome relief for Haidilao who is short on manpower.

The model used in this paper is driven by consumer tendency and it derives our queries, "Do I want it?" and "How do I go about getting it?" through an analytical framework. Companies must adapt to Generation Z's consumer needs and create brand loyalty early on because they are the future lords. To address the first question, the answer is, of course, yes. We discovered the case company's service requirements through our investigation. The company needs to provide services within this requirement; beyond that, the marginal effect is low; not only will there be more expenditure, but they will also be turned off.

4.2. Haidilao Hot Pot Case Study

Case studies and data research has found that, unlike older generations who simply enjoy the excessive service from Haidilao Hot Pot, Generation Z prefers to have their own private space when they dine together so that they can socialize within their circle of friends and are disturbed by others when they are having fun. They, on the other hand, yearn for a public platform to display their interests, and if their needs are recognized and addressed, they will reciprocate with their loyalty.

The Haidilao Hot Pot service principle is "service first, customer first." Now that the customer's aspirations have been understood, the model may be used to determine the differentiated service that Haidilao provides to Generation Z, rather than treating the older generation of consumers with the same meticulous to the excessive service to win their hearts and minds. Companies, on the other hand, will acquire

their loyalty and cut their human expenses by honoring their preferences and social demands and creating an artificial physical place of their own. At a time when consumption is shrinking as a result of the pandemic, the consumer potential of Generation Z cannot be underestimated.

5. Conclusion and Implications

5.1. Conclusion

Chinese Generation Z's consumption requirements are different from those of the older generation since they are concerned not just with services but also with the spiritual aspect of recognition and attention. When corporations neglect their aspirations and deliver services to them in the same way they do to the older generation, the marginal effect is minimal since the services do not match their aspirations or even touch on certain people's pain points and have the opposite effect.

This study is based on the theoretical foundation of Smith and Quelch's (1993)'s marketing ethical continuum model. The study uses quantitative empirical research to reveal the marginal demands for restaurant services from the perspective of China's Generation Z, and to conclude whether is needed and how to develop a new service strategy for Gen Z, by collecting and collating a large amount of reliable public data and questionnaires.

The contribution of this paper is to build a micro-analytical framework with practical usefulness by using theoretical retrospection and case data analysis to better understand consumer behavior. As follow, Generation Z + Haidilao Hot Pot's service philosophy (service-first, customer-first) + in the context of the macroeconomic environment → SMESSM, Haidilao Hot Pot's differentiated services are explored to help companies decide whether they should make new decisions."

5.2. Theoretical Implication

To begin, considerable literature and quantitative research employing questionnaires have been used to better understand Generation Z's service objectives. Because of Generation Z's young age, there is a lot of earlier research that doesn't look at their service requests independently. Generation Z's behavioral consumption patterns are notably different from those of the elder generation, according to this article, and treating them in the same way as the older generation can be unsuccessful or of poor marginal benefit at times. The research on China's Generation Z is enriched by first-hand material that speaks directly to Generation Z's inner requirements.

Second, a systematic analytical framework based on a theoretical model is developed to highlight the link between

Generation Z consumers and ethical service decisions made by companies. The previous study on restaurant business services has concentrated on managers, knowledge workers, consumers, and the macro environment, with the problem of missing crucial dimensions and a lack of focus from a wide range of perspectives. This paper extracts the key dimensions of the decisions made by the case company with the consumer-led SMESSM, and the findings provide theoretical support for companies to develop measures targeting the Generation Z group.

Third, it provides Chinese experience to the application of SMESSM theory in assisting case companies in determining whether to make new decisions about specific target groups, thus adding to existing research.

5.3. Practice Implication

The restaurant's service can be tailored to meet the needs of Generation Z. The following are some suggestions.

5.3.1. Room for Gen Z

Deliberately guide Gen Z to a specific dining area in the restaurant. Waiters might intentionally guide Gen Z consumers to specific areas when they make reservations online or when they arrive at the doorstep so that their inner needs are met. This area should not be designated or labeled as a youth-only zone, as this may have a detrimental psychological impact on customers who feel classified. In this case, during peak hours or when there are unique requirements, this space can also be used by all customers. As families with kids and people who drink loudly can sometimes be noisy, waiters should be proactive in identifying this type of consumer when guiding them and try to place them a bit further away from the Gen Z area.

5.3.2. Decoration for Gen Z

The decoration's design should reflect Generation Z's needs, "desire to express," "desire to talk," and "desire to share." For example, add a public display area on the wall where they can display something important to them, and provide sufficient party items such as cards and board games in the corners for them to use, such as cards and board games, as well as obvious reminders that they can easily acquire by themselves. Respect their wishes for independence and freedom in the way of practice.

5.3.3. Privacy for Gen Z

When they are partying, the waiter can intentionally provide an area for themselves without disturbing them too much.

5.4. Implementation of the Above Suggestions

It can be accomplished with a few modifications to the dining area, and simple training is required. There may be some additional training time and costs to give specific instructions, but there will be little disruption to the regular business. This modification will increase the number of tables and customers that may be served by a single waiter. The manpower can be suitably lowered by scientific operations management, and the income of individual waiters can be enhanced, allowing the company to reduce even more labor costs in the long run, assuring the company's sustainable and healthy development.

5.5. Limitations

The research in this paper still has certain limitations. There are numerous elements that influence company actions; however, this article focuses on the role and transmission chain of China's Generation Z's consumer requirements.

5.6. Future Research Directions

Employees are mostly in their late 90s, but because the SMESSM model is consumer-driven, it ignores how they are impacted and the function they play as service providers in the analysis system. As a result, several models can be employed in future research to incorporate the effects of the employees into the analytical framework, thereby providing guidance on how the company should make decisions with new dimension variables.

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