

An Evaluation to Determine Methods for Small Firms in Service Industries and Industrial Initiatives to Get Competitive Advantage in China

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ABSTRACT

The study considered how small Chinese businesses in the industrial and service sectors could gain an edge on others. Business resources like individuals, technology, and financial capital dominated the main topics of discussion. The survey revealed that small companies relied on being efficient and creative and on providing differentiated services to keep up with the ever-changing market. SPSS was used by researchers to analyse the figures. according to research, it was established that using resources effectively and competitively have an established link. Firms performed better where they managed to learn how to utilize the available resources effectively. They satisfied the customer and produced more. Technology and innovation made it faster and cheaper to produce more. By providing differentiated services, companies managed to get more individuals to know and remain loyal to the brand. It was also vital that the government prompted companies to innovate and to concern themselves with the environment. It was concluded in the analysis that to succeed in China's economy, companies have to learn to adapt and continue to expand. Small companies that made investments in staff, machinery, and effective processes managed to grow in the long run. What the research taught us more was how small companies could make more effective use of available resources to improve effectiveness. It also helped managers and policymakers to understand how to create strategies to ensure that companies remain competitive in the long term. What the research established was that small businesses in China could acquire and maintain a competitive advantage by utilizing their available resources effectively with innovation and technology.

Keywords: Small enterprises; Industrial initiatives; Competitive advantage; Business resources; Competitive advantage in China.

INTRODUCTION:

Small enterprises are a big part of the growth of industrial initiatives, inventiveness, and advertising. They help a nation be more productive, make more things, and hire more people. These tiny businesses often run into problems including not having enough money, not having enough technological know-how, and having a lot of competition in the market. Small enterprises need to find ways to have a long-term competitive edge to survive and thrive in the industrial initiatives sector. Competitive edge may help small enterprises do better than their competitors. One may obtain business there by selling high-quality items, being inventive, being cost-effective, and making customers happy (Olazo, 2023). Small enterprises need to focus on making their operations more efficient by using advanced tools and hiring skilled workers. Another way they may strengthen their power is by using flexible production methods and being quick to respond to changing market needs. They may be able to get to know new markets and assets better by teaming up with manufacturers and larger companies. Small businesses also need to be innovative to succeed. In exceptionally competitive manufacturing endeavours, companies could come up with new products, employ more advanced ways of making things, or simply make products appear more desirable to stand out. Research and development (R&D) costs might be high, but they

lead to unique goods and solutions that competitors find hard to copy. Building an established image and a loyal client base are two additional important things that may help a business remain ahead of the competition. Small enterprises also work hard to improve their human resources. More creative and efficient workers make better products and services. The organisation may become better with improved management and training courses. Small businesses may also be able to make better judgements and enter new markets by using internet resources and data-driven strategies (Wu et al., 2023). With help from the government, small businesses may be able to do well in industrial initiative projects. They may do well if regulations are passed that encourage new ideas, provide money, and make it easier to export. With help with money and technology, these tiny businesses could be able to grow and compete with larger ones.

BACKGROUND OF THE STUDY

Small businesses play a very big role in China's marketing and industrial development efforts. They play an important part in fields like industrial and manufacturing. Small businesses assist in creating employment, stimulating creativity, and developing the economy in new areas. Over the past couple of decades, China's industrialisation has had both good and bad consequences on small businesses. The market is

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dominated by giant corporations and international competitors everywhere in the world, and it's very challenging for most of them to perform well. To succeed, small businesses must employ very good methods that assist them in acquiring a market advantage. A lot of things are happening in China's manufacturing sector currently. Regulatory changes, new technology, and globalisation all come into play. The government has started programs like "Made in China 2025" to encourage small businesses to start their own businesses and modernise (Wang et al., 2020). The difficulty is that small businesses often have a smaller budget, less skilled people, and less financial backing. Due to these constraints, they struggle to compete with large corporations. So, to be successful and grow, it is important to know how to compete. Competitive edge helps small businesses stand out in the market. It helps bring in customers, make things work better, and make more money. Management of expenses, product diversification, and new ideas are all important skills that help businesses get this edge. Small businesses that focus on improving quality and technology are better positioned to compete both nationally and internationally. Digital technology and good strategy could also benefit small businesses in China. The economy is changing swiftly in China's industrial initiatives projects. Customers expect better service and greater standards. Small businesses are also hurt by problems with international logistics and unstable finances (Sun, 2022). For small businesses in China to be competitive, they need to be flexible and come up with new ideas. They may be able to improve their standing in the marketplace by making partnerships, putting money into research, and improving their management skills.

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PURPOSE OF THE RESEARCH

The research aimed to evaluate how small firms in China's service and production industries employed their own assets to gain a competitive advantage. The investigation aimed to ascertain the comparative significance of financial, technological, psychological, and material assets in influencing corporate profitability or failure. Another purpose was to see how the business relationship management affects a company's ability to remain competitive in a market that is always changing.

The study's major purpose was to find out how rules from the government, business resources, and new ideas assisted small firms. The study's declared objective was to ascertain if profitability, customer satisfaction, and productivity could all be improved by using resources more efficiently. The study also aimed to assist legislators and leaders in promoting growth inside small enterprises. The goal was to show how important it is to use and adapt resources to stay ahead of the competition in China's business climate for generations to come.

LITERATURE REVIEW

Previous research assessed the achievements of small and medium-sized enterprises in the global economy. The goal was to learn how they dealt with global problems and kept moving forward. Investigators investigated the impact of management competencies, innovation, and market orientation on competitiveness. The research concentrated on the strategic measures used by small and medium-sized firms to enhance their productivity amid global transformations (Zulkifli-Muhammad et al., 2021). The study identified administrative proficiency and originality as two of the most critical factors affecting competitiveness. Small and medium-sized businesses that put money into their workers' skills and were good with technology did well in global markets. The poll also showed that good leadership and good networking helped organisations take advantage of global opportunities. When the focus shifted from market conditions to the customer, both products and services became better. Their research indicates that companies that adopt innovative concepts, engage in collaboration with other enterprises, and dedicate themselves to continuous education are likely to thrive in the worldwide marketplace over time. Another study looked at how green innovation affects a business's capacity to compete. The main purpose was to look at how learning in organisations works as a link in this case. The study investigated the impact of eco-friendly practices and information sharing on efficiency and innovation (Tu & Wu, 2021). The findings showed that green innovation made processes more efficient and less harmful to the environment, which led to more economic benefits. Organisational learning made this effect stronger by helping companies learn new things and adjust to changes in the outside world. The research says that green innovation and ongoing learning helped companies get ahead of the competition and do well in environmentally friendly industries over the long term. Another prior study aimed to examine the performance of construction industry organisations regarding organisational strategy, innovation in business models, and overall organisational success. The main goal of the research was to find out how strategic orientation influenced creative production and improved commercial performance (Han et al., 2022). The findings indicated that a strategic viewpoint substantially improved business model innovation. Companies with clear strategic goals were more likely to come up with new ideas and do better. A mediator between achievement and direction of strategy was also found in the study: business model innovation. It concluded that construction companies might achieve

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continuous growth and a competitive advantage via the adoption of revolutionary methods.

RESEARCH QUESTION

What is the influence of business resources in gaining competitive advantage in China?

RESEARCH METHODOLOGY

Research Design

The investigators utilised SPSS version 25 to evaluate the quantitative data. A 95% confidence interval and odds ratio were employed to assess the strength and direction of the statistical link. Statistical significance was defined as p-values lower than 0.05. To extract useful information from the data, they utilised descriptive analysis. Quantitative methods are often used to assess data that has been computerised for statistical analysis. This dataset is the result of a plethora of questionnaires, polls, and surveys.

Sampling

Researchers used a simple random sample strategy to find out what the method used for the study was. For their data to be included for the research, individuals were requested to fill out questionnaires. Following the administration of 830 participants using the Rao-soft

program, 950 surveys were distributed by the researchers. After removing 48 responses that were deemed inadequate, the researchers were able to collect a total of 850 valid responses for the study.

Data and Measurement

A questionnaire survey was the main tool for gathering data in this study. The survey began with a brief inquiry about the participant's demographics and then moved on to ask them to rate various aspects of both online and offline mediums using a 5-point Likert scale. There are a lot of resources to choose from when gathering secondary data, but none are more important than internet databases.

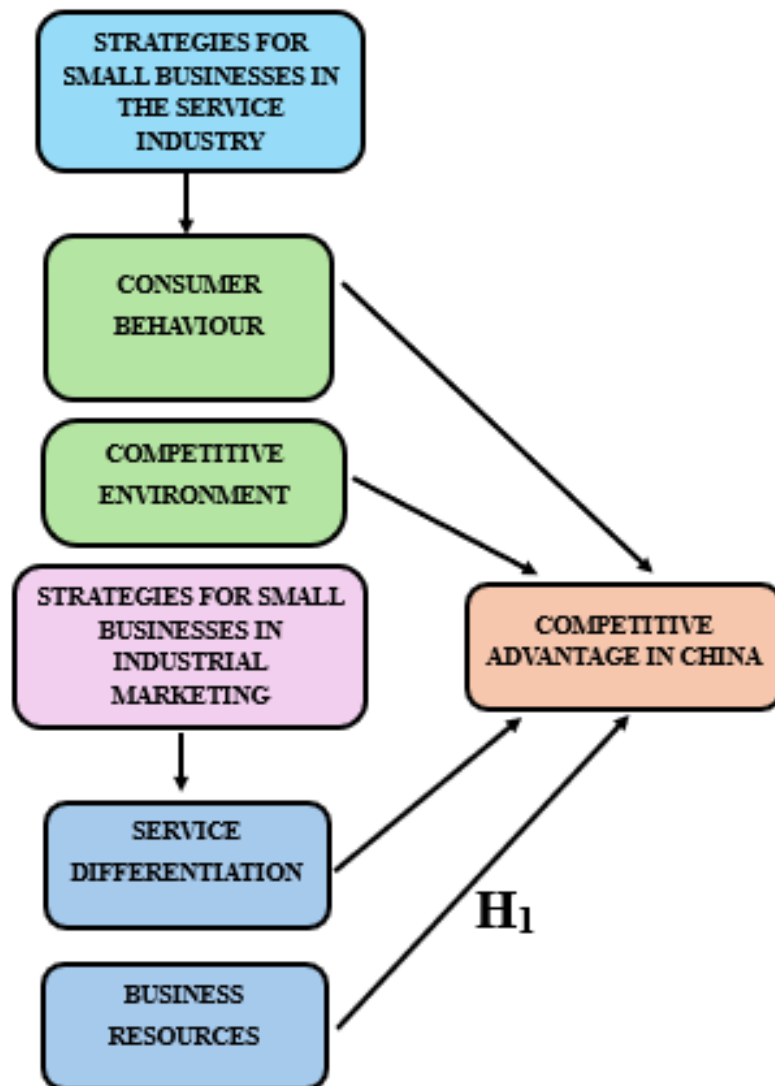
Statistical Software

For the statistical study, the investigators utilised SPSS, version 25, in combination with Microsoft Excel.

Statistical Tools

The data's fundamental framework has been determined after a systematic analysis. Following a thorough investigation, investigators have uncovered the crucial aspects of the data. There was no discrepancy found in the analyses of variance (ANOVA) or factor analysis.

CONCEPTUAL FRAMEWORK



RESULT

Factor Analysis

Factor analysis (FA) is one method for delving into data that can be observed. When there aren't enough visual indicators or diagnostic factors, coefficients of regression are frequently employed in assessments. Modelling focusses on potential weak points, breaches, and linkages. Kaiser-Meyer-Olkin (KMO) Tests allow one to evaluate various regression datasets. Reliable projections are produced by the theoretical framework and its sample variables, as shown by the results. Maybe the dataset will include signs of duplicate data. When data is condensed, it becomes easier to read. A value between 0 and 1 is returned to the researcher by KMO. It is permissible to have a sample size with a KMO value between 0.8 and 1. In Kaiser's opinion, these are the permissible boundaries: Here are the authorisation requirements that Kaiser has established:

A pitiful 0.050 to 0.059, below average 0.60 to 0.69. Middle grades often fall within the range of 0.70-0.79. With a quality point score ranging from 0.80 to 0.89. They marvel at the range of 0.90 to 1.00.

- Table 1: KMO and Bartlett's Test
- Testing for KMO and Bartlett's Sampling Adequacy Measured by Kaiser-Meyer-Olkin: 0.873
- The results of Bartlett's test of Sphericity are as follows:
- Approx. chi-square= 4850.145
- df =190; sig =.000

Table 1: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.873
Bartlett's Test of Sphericity	Approx. Chi-Square	4850.145
	df	190
	Sig.	0.000

In most cases, the supplied number makes it easy to manage the collected observations for the chosen sample. It was the hope of the investigators that "Bartlett's Test of Sphericity" would confirm whether the signs of strong correlation were significantly related. A Kaiser-Meyer-Olkin value of 0.873 or higher is an adequate sample. Results from Bartlett's Sphericity test were considered statistically significant with a p-value close to 0.00. Because it passes Bartlett's Sphericity test with flying colours, the correlation matrix is meaningless.

INDEPENDENT VARIABLE

Methods for small firms in industrial initiatives:

Small businesses in industrial initiatives need a clear plan to stay alive and grow. They ought to focus on coming up with new ideas while simultaneously cutting expenses if they want to stay ahead of the competition. The solution to steady demand is having strong relationships with suppliers as well as customers. Investing in modern technologies helps individuals get better results with fewer hours of work (Jabbar et al., 2020). To gain the trust of clients, a business needs to handle things well. Doing some market research is one approach of figuring out what consumers desire. Small businesses must also develop skilled personnel via regular training. Companies may reach more clients by working together with other companies and communities. Flexible leadership lets a business respond quickly to changes in the market. a business can lessen the risks by making smart budgets and keeping an eye on them. It is crucial to use government help and policy changes in a smart way. Individuals recollect the company and come back because of their advertising and marketing (Safari & Saleh, 2020). Exporting choices may also help prospects for development. Small industrial initiatives businesses may stay profitable in competitive markets by finding a balance between efficacy, quality, and originality.

FACTOR

Business resources:

The company's business resources are the elements that help a firm function and grow. Individuals, cash, floor space, and technological advances are all examples of materials. Human resources are the skills, expertise, and time that people put into their jobs. Money assets include things like funds, expenses, and income (Varadarajan, 2020). Physical assets include anything from buildings and machines to raw materials and finished items. In terms of technology, assets are things like software, gear, and procedures that help people get more done. When all these assets are used correctly, it is feasible to reach goals. The most important thing for every business to do is to learn how to use its resources properly. If companies build and use resources effectively, they can be sure that the business will grow over time (Chowdhury et al., 2024). Companies that hire skilled workers, buy modern equipment, and invest in environmentally conscious investments acquire a competitive edge. When resources are handled well, resilience is developed. This allows businesses adapt to changes in marketplace conditions and remain resilient.

DEPENDENT VARIABLE

Competitive advantage in China:

In China, a company may get ahead of its competitors by coming up with new ideas, running its business well, and knowing the market inside and out. Many Chinese businesses try to control expenses so that the prices of their items stay low. Many businesses have turned to innovative methods to increase production while lowering costs (Zameer et al., 2020). Companies can quickly test and put into action new ideas since the country's market is so big. Development is also helped by strong supply chains and skilled workers. Government efforts help the globe expand and modernise its industries. Chinese businesses spend an extensive amount of money on new technology to stay ahead of their competitors. Establishing a solid reputation and enhancing standards are currently the most important things. Minority firms may get professional help and attract prospective consumers by working with big companies. Because they are quick and

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adaptable, Chinese businesses do better in environments that evolve (Huang et al., 2021). Chinese businesses may keep their edge over competitors at home and abroad by using a combination of innovative thinking, cost management, and vigorous growth. This benefit for China remains to influence the international banking system.

Relationship between business resources and competitive advantage in China:

China has a strong and always-changing connection between its business resources and its competitive advantage. Business assets including skilled workers, money, new technologies, and inventions have a big impact on efficiency. Chinese businesses rely on these resources to improve their efficiency and make more money. Human resources are very important since skilled individuals are what fuel productivity and creative thinking (Chen & Lin, 2021). Financial assistance helps both contemporary technology investments and business growth. Chinese businesses have been able to go ahead of their competitors in global marketplaces by using new technologies and improving their products. Practical assets, including machinery and buildings, increase the ability to produce. How skilfully these resources are exploited will determine how successfully China's economy grows. The Chinese government tells firms to use assets in a manner that is good for the environment so that they can stay ahead of the competition. Businesses that align their resources with their strategy get long-term rewards. Chinese companies can stay on top of both the domestic and international marketplaces because they are good at combining employees, technology, and money (Nu'man et al., 2020). So, since China's economy is always evolving and become more competitive, companies need to manage their resources well to stay ahead of the competition.

The strong correlation between company resources and competitive advantage in China was the initial motivation for developing the theory:

- “H01: There is no significant relationship between business resources and competitive advantage in China.”
- “H1: There is a significant relationship between business resources and competitive advantage in China.”

Table 2: H₁ ANOVA Test

ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	83,746.439	351	9743.743	1030.212	0.000
Within Groups	837.894	498	9.458		
Total	84,584.333	849			

The findings of this study are significant. At the 0.05 threshold of significance, the F-value is 1030.212 and the p-value is approximately 0.000. This determined that the alternative hypothesis, “H1: There is a significant relationship between business resources and competitive advantage in China” has been accepted, while the null hypothesis has been rejected.

DISCUSSION

The results showed that smaller Chinese companies may do better than their bigger rivals by making better use of their resources. Human resources were very important because skilled workers increased production and creativity. Companies were able to invest in novel technologies and concepts because they had money, which made their operations better in the end. The analysis showed that businesses that were skilled at handling their money also fared well in the market. They cared about keeping strong ties with both customers and their suppliers, and they performed a wonderful job of satisfying consumer demands. These firms were able to generate more money and spend less money by using technology. The findings showed how crucial it is to be creative and provide services that set a business apart from the competition. Companies who offered their clients unique items and excellent service had been

more likely to maintain those customers. The government also pushed for innovative, eco-friendly methods of doing things, which helped small enterprises concern more about the environment. The study showed that there was a strong and positive link between the assets of an organisation and its competitive advantage. Property administrators who did well made their company more competitive and made more money. The results showed that in China's ever-changing business world, one needs to be adaptable and continually look for methods to do better. Companies that put education, information technology, and administration of resources first were able to keep their success. The research said that using financial and technological resources wisely led to stability over the long run. When a business looks at all the data, they show how tiny firms in China have been capable to remain in front of other companies by being creative, productive, and well-run.

CONCLUSION

The findings of the research showed that Chinese small enterprises had the ability to go ahead in the marketplace through making the most of the resources they had. Individuals, financial resources, and technological advances were all important assets that helped drive creativity and efficiency. It was better for businesses and customers if both parties used these tools in a smart way. The study shows that a company's assets have a direct effect on its ability to compete. Also, it was shown that adding new services and coming up with new ideas helped the business grow. It's important for small businesses to come up with new ways to make money. It was possible because of the government's eco-friendly rules and help. The findings showed clearly that a firm has to be able to learn and change in order to be successful in the long run. The companies were able to stay ahead of the competition by hiring qualified staff, leveraging the latest technology, and making their internal processes as efficient as possible. The research found that small businesses with creative and imaginative ideas were more inclined to do well in a business world that was always changing. Thus, the study found that China's ability to make good use of its resources may be what has kept it growing steadily and made it very competitive.

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