



**THE CONNOTATION OF GUANXI IN CONTEMPORARY
CHINESE MARKETING CHANNEL: A GLOBAL
MANAGEMENT MODEL CONSTRUCTION
AND VERIFICATION**

WU XIAOQIN

**A dissertation submitted in partial fulfillment of the requirements for the degree of
Doctor of Philosophy in Management
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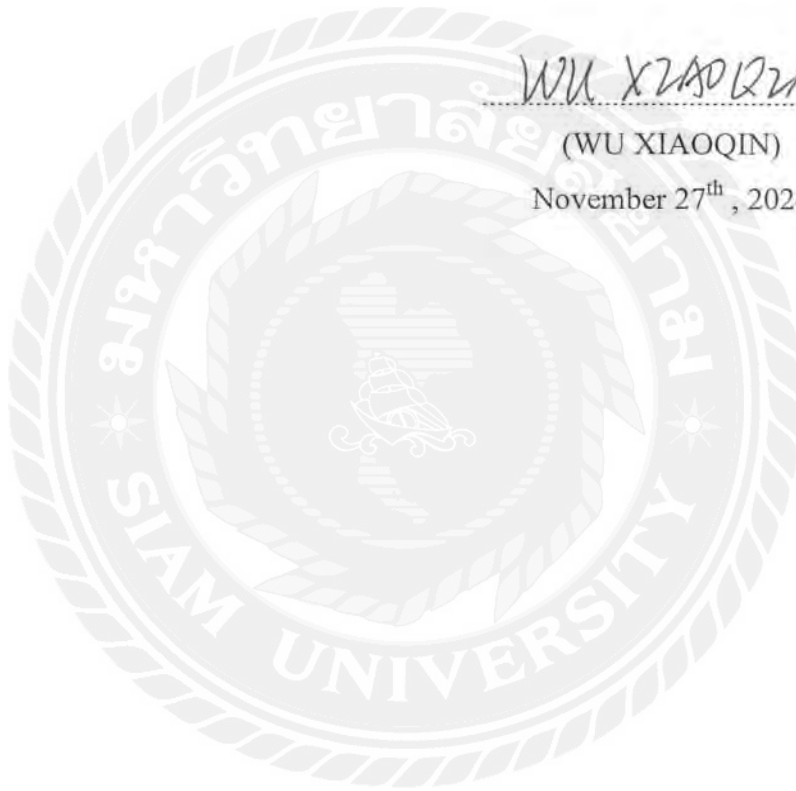
DECLARATION

I, WU XIAOQIN, hereby certify that the work embodied in this dissertation entitled " The Connotation of Guanxi in Contemporary Chinese Marketing Channel : A Global Management Model Construction and Verification" is result of original research and has not been submitted for a higher degree to any other university or institution.

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ABSTRACT


Title : The Connotation of Guanxi in Contemporary Chinese Marketing Channel: A Global Management Model Construction and Verification

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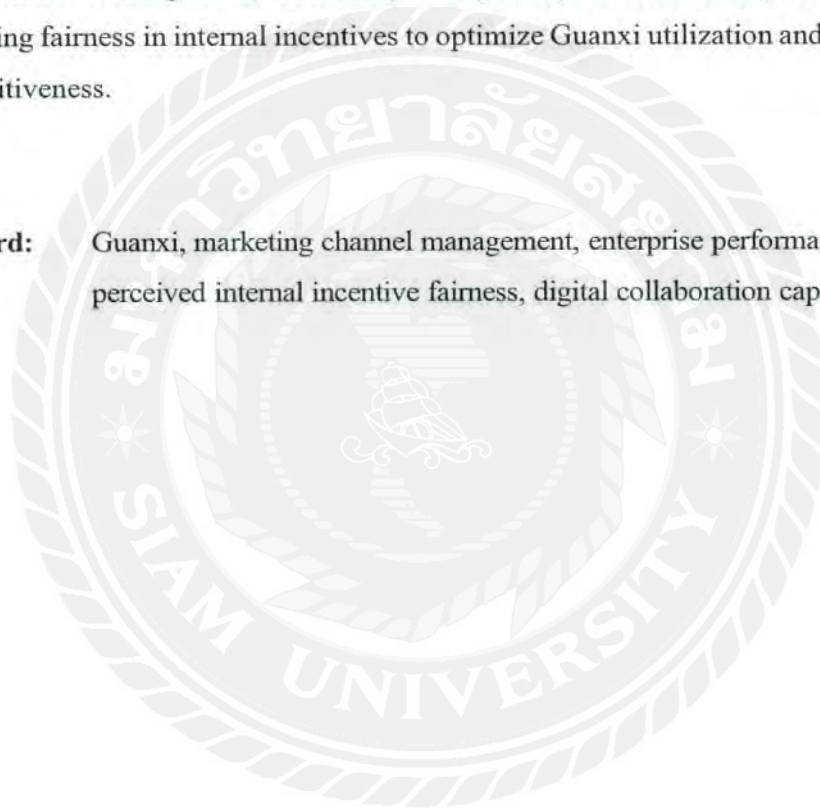
This study examines the concept of Guanxi within contemporary Chinese marketing channels and develops a global management model grounded in its principles. The research focuses on Guanxi's instrumental and emotional dimensions and their impact on corporate performance, offering theoretical insights and practical strategies for Chinese firms to leverage relationship management in global competition.

Using a mixed-methods approach, the study synthesizes findings from literature reviews, in-depth interviews, large-scale surveys, and statistical analysis to explore Guanxi's connotation, formation mechanisms, and influencing factors. The dimensions of Guanxi were refined through expert consultations, resulting in a measurement scale encompassing instrumental and emotional relationships. The reliability and validity of the scale were confirmed through a survey of dealership executives, which revealed the dual effects of Guanxi: the instrumental dimension enhances firm performance by improving dealers' flexibility. In contrast, the emotional dimension may hinder performance by reducing necessary supervision.

(II)

The findings highlight the importance of balancing Guanxi's dual roles in marketing channel management. Firms should capitalize on the benefits of fostering trust and collaboration while mitigating risks such as decreased flexibility and diminished oversight from over-reliance on relationships. Recommendations include strengthening digital resource integration, enhancing transparency in relationship management, and promoting fairness in internal incentives to optimize Guanxi utilization and improve global competitiveness.

Keyword: Guanxi, marketing channel management, enterprise performance, perceived internal incentive fairness, digital collaboration capabilities



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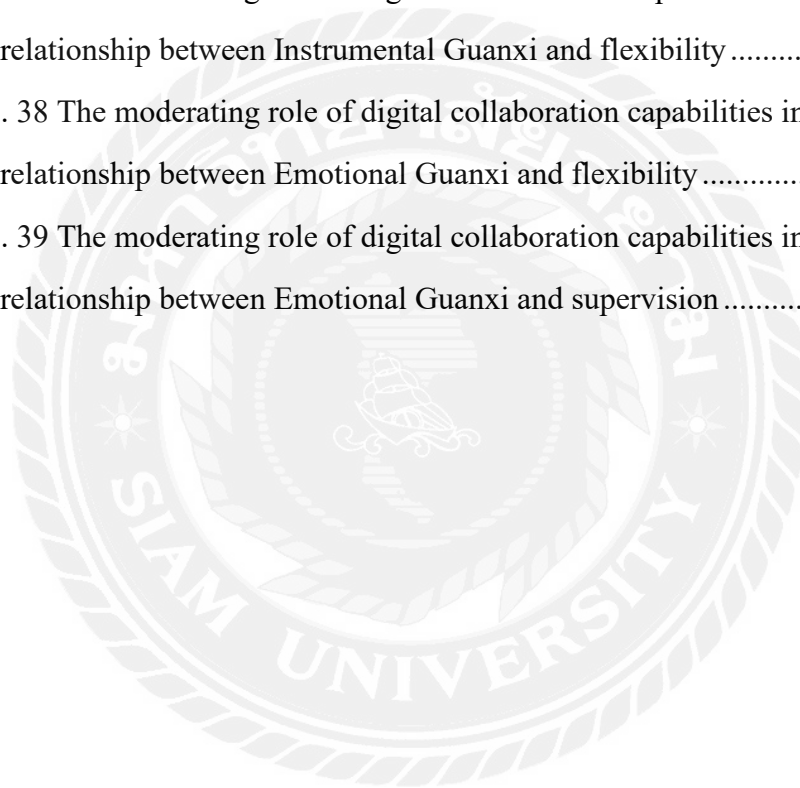
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CHAPTER 1

INTRODUCTION

This study will explore, from both theoretical and empirical perspectives, how to construct and verify a Guanxi-based global management model in contemporary Chinese marketing channels. By analyzing the instrumental and emotional dimensions of relationships, this study hopes to provide a scientific basis for Chinese companies to better understand and apply relationship management in the context of globalization.

1.1 Background of the Study

Guanxi is a special personal connection (Yang, 1994) or bond (Hwang, 1987). This kind of connection or bond applies not only to relatives and friends, but also to social ties. Guanxi has been the main element of China's value system for thousands of years. As a social network tool, it has penetrated into every corner of Chinese society (Bian, 2018; Luo et al., 2011). Guanxi is deeply embedded in Chinese people's consciousness and business world (Wu and Chiu, 2016). Guanxi is considered to be a unique phenomenon, a product of contemporary Chinese political and socio-economic systems (Fan, 2002). It is a cultural construct of human relations, but its underlying philosophy has long been prevalent in the socioeconomic sphere. Guanxi is complex and pervasive, involving mutual obligations, guarantees and understanding, and have existed for centuries in all aspects of China's socioeconomic sphere. Guanxi not only have complex connotations, but are the lifeblood of China's economic and commercial activities. In the current rapidly changing of Chinese culture, guanxi has a direct impact on social and business practices (Zhang and Zhang, 2006).

In recent years, China's economic growth has achieved world-renowned achievements. China has become the second largest economy in the world. According to National Bureau of Statistics of China(2022), even in 2022, when the epidemic affected, China's total GDP broke the 100 trillion yuan mark, reaching 114.3 trillion yuan, a year-on-year increase of 8.1% compared with 2021. In the context of the global spread of the epidemic, China has become the only major economy in the world that has achieved positive economic growth. Converted by the annual average exchange rate,

China's total economic output was expected to account for more than 17% of the world economy in 2022, becoming the main force driving global economic recovery.

With the rapid development of China's economy and the technological change led by digitalization, Chinese management model based on the characteristics of Chinese society and culture has attracted attention. Chinese culture is different from other countries' cultures in many ways, one of the important aspects is Guanxi . Chinese culture emphasizes a person's position in a relationship network and different attitudes. Behaviors should be adopted for different people (Zhuang & Zhou, 2004). Guanxi thus presents a "self-centered" approach from near to far. The "different order pattern" (Fei, 2019) and the interpersonal network "taking human relations as the longitude and closeness as the latitude" (Barbalet, 2021). Personal ties are special personal ties (Hwang, 1987), which apply not only to relatives and friends but also to social ties. Because it exists and is embodied in the relationship network, people not only talk about relationship in daily life, but also in political life and economic life. Guanxi has become a resource of mutual trust and cooperation between people. It is also a convenient path (Han & Xi, 2001) for people to participate in society. Guanxi therefore play a far more important role in Chinese economic exchanges than in Western countries. This point has been widely recognized by the academic community, and made Guanxi a hot topic in academic research (Bian, 2018; Burt et al., 2018; Luo, 1997; Lovett et al., 1999; Wong & Tam, 2000; Lee et al., 2001; Su et al., 2003; Leung et al., 2005; Lee & Dawes, 2005; Zhuang & Tsang, 2010). The Guanxi with localized characteristics has received more and more attention and discussion from scholars.

China's localized Guanxi have penetrated into every corner of Chinese society (Bian, 2018), and this unique phenomenon arose with the continuous development of Chinese politics and social economy (Fan, 2002). Enterprises are the constituent elements of economic society and the carrier of economic development, promoting the progress of society. The fundamental purpose of an enterprise is to coordinate various resources to maximize benefits. Especially under the sudden epidemic situation, many enterprises rely on the good Guanxi with their partners to obtain financial and other support to overcome the difficulties of production and operation. For example, Tuniu(an information technology company) paid more than 100 million yuan in

advance for customers without receiving refunds from suppliers, assumed losses of more than 100 million yuan, and worked with suppliers to tide over the difficulties. Shenzhen Xinhuike Company found that suppliers were struggling with capital turnover. In this regard, Xinhuike's senior management actively cared about these supplier partners and took the initiative to arrange payment in advance for cooperation to help suppliers tide over the difficulties.

A channel is a systemic organization that completes or achieves all activities or functions that transfer a specific product and its ownership from producers to consumers. A marketing channel refers to the path through which a product or service is transferred, and consists of all organizations that participate in product or service transfer activities to make the product or service easy to use or consume (Coughlana et al., 2001). As an integral part of social activities, the marketing channel management and behavior patterns of Chinese enterprises are rooted in Chinese culture and have Chinese characteristics (Zhuang & Xi, 2004). In channels, manufacturers and distributors establish Guanxi is an important factor for success in business (Luo, 1997). Through the development of Guanxi, manufacturers and distributors can enhance work effectiveness and efficiency, increase sales revenue, obtain more information and thus improve enterprise performance (Warren et al., 2004).

Based on existing research, Guanxi can improve corporate performance (Ding & Jie, 2021). The Guanxi between employees in enterprises can help enterprises overcome institutional obstacles and uncertainties in the process of operation (Park & Luo, 2001); help enterprises improve channel capabilities and response capabilities (Gu et al., 2008), so that enterprises can continuously obtain such privileges such as special business opportunities or scarce resources; Guanxi can also promote knowledge sharing among enterprises, increase mutual trust among enterprises, promote the application of non-mandatory power among enterprises, and reduce conflicts between parties in the channel, thereby reducing enterprise Cost, the ultimate goal of improving corporate performance (Fan, 2002). However, existing research also found that Guanxi have negative effects (Luo et al., 2012). For example, some scholars believe that Guanxi may make organizations insensitive to market technological fluctuations and demand changes, leading to organizational blindness (Gu et al., 2008); some scholars believe

that although Guanxi can bring substantial short-term benefits to stakeholders, they will damage the overall social interests in the long run (Warren et al., 2004). The Chinese market has huge potential, and business activities in the Chinese market have unique characteristics (Xin & Pearce, 1996). Guanxi plays an important role in marketing channels.

A large number of academic papers have been published on each of inter-organizational management behavior and Guanxi in marketing channels. Moreover, some people combine the two to explore the influence of Guanxi on Chinese enterprises' channel cross-organizational management and control (Zhang et al., 2023; Zhuang & Xi, 2004; Lee & Dawes, 2005; Zhuang & Tsang, 2010). So far, the academic circles have focused on the research on relational behaviors at the organizational level on Guanxi, and most of them have discussed the importance of Guanxi in a general sense. However, due to the rich connotation of the concept of Guanxi, everyone's understanding is not uniform. Therefore, relevant researches have not paid special attention to the Guanxi of marketing channel members. There are problems with unclear concepts, confusing measurement tools, and insufficient in-depth discussions. What Guanxi means in marketing situations is still not very clear.

Currently, research on Guanxi is gradually enriching. In terms of the dimension of Guanxi, scholars divide the dimension of Guanxi into single-dimensional, two-dimensional and multi-dimensional according to different research backgrounds and research objects. Specifically, Guanxi includes feelings, favors, trust, face, etc. (Dobrucali, 2020). In the marketing channel, according to the practice of the enterprise and the interviews with the employees of the enterprise, Guanxi of channel members also includes the benefit part, and Guanxi of channel members can bring benefits to the enterprise. This is in line with Hwang and Hu Baoling's understanding of Guanxi, that is, Guanxi contain instrumental connotations of interest (Hwang, 1987; Hu, 2008). However, the existing research on the division of Guanxi dimensions rarely involves the interest part.

In marketing channels, channel member's Guanxi is an important resource. In order to obtain these resources, it becomes an important research problem to identify which factors can affect Guanxi, that is, to find the driving factors of Guanxi. In addition

to the common identity relationship basis, such as congenital relatives, there are other driving factors for the formation of Guanxi between people. Only by finding these driving factors and improving these factors can Guanxi be enhanced. Existing research mainly focuses on the positive drivers of Guanxi, such as decision uncertainty (Hartmann et al., 2018), conflict handling skills (Hartmann et al., 2018), and satisfaction and trust (Hartmann et al., 2018), etc.. The existing research on the influencing factors of Guanxi is not comprehensive enough. Further research is needed.

With the rapid changes in China's economic and social environment, the role of Guanxi cannot be ignored. Guanxi is a kind of resource. How to transform the energy of Guanxi originally belonging to individuals into the driving force for the development of enterprises is an important problem that plagues enterprises. In particular, corporate executives may seek their own interests at the expense of organizational interests (Luo et al., 2012). In addition, with the rapid development of the digital economy, Guanxi have also been given new meaning. Therefore, how to analyze the Guanxi of channel members and manage them reasonably is very important. This study attempts to explain the dimension of channel member's Guanxi from the connotation of channel member Guanxi, develop a channel member's Guanxi measurement scale and help companies clarify the role of channel member Guanxi in marketing channels.

1.2 Problem statement

This study intends to take the Guanxi of marketing channel members as the starting point, summarize the connotation of the Guanxi of marketing channel members and executives through literature review and analysis, construct and develop a Guanxi measurement scale of marketing channel members and executives through in-depth interviews, expert consultation and questionnaires. It can be seen that this study has both theoretical and practical significance

In the marketing channel's Guanxi, except for a few exceptions, the vast majority of Guanxi should be classified into the category of mixed Guanxi. There are very few studies on the role of mixed Guanxi in the context of business transactions in Chinese society. The research on business friendship in Western relationship marketing theory can provide a reference point for this study. Haytko Diana L (2004) summarized

the Guanxi in the background of inter-enterprise business relationship into three types: highly Guanxi, acquaintance Guanxi and strict business Guanxi. The difference between the three Guanxi also lies in the intensity of the affective elements in the Guanxi, and the business friend Guanxi that mixes two components of business transactions (instrumental) and friendship (affective) is consistent with the mixed Guanxi in Huang Guangguo's model. Although the development of friendship in a purely commercial transaction relationship is beneficial to the performance of the commercial relationship, there are two conflicting orientations in the commercial friendship relationship. Intrinsic affective orientation will bring great tension and conflict to the Guanxi between business friends, which in turn will have a negative impact on the performance of business Guanxi.

Obviously, in American culture where the Guanxi and "public-private boundaries" are relatively clear (Fei, 2019; Yang, 2009), this kind of tension and conflict between roles is very obvious. However, in the Guanxi Chinese society, "self" is defined by the Guanxi with others. Therefore, the "person-self Guanxi" and "public-private Guanxi" in Chinese society are more like the yin and yang poles in the Taiji diagram. (Fei, 2019). Therefore, in a commercial Guanxi, as long as it is not a "one-shot deal", both parties will deliberately shorten the Guanxi and turn a stranger relationship into an acquaintance relationship, because unfamiliar Guanxi are often considered to lack the necessary strength to support important economic transactions. Obviously, transforming an Instrumental Guanxi into a mixed relationship is a process of continuously injecting emotions into pure economic transactions, followed by the transformation of the roles of both parties in the relationship from the original unified businessman to the binary role of both friends and businessmen (Rho et al., 2023). The harmony of Guanxi is the highest goal of Chinese people's social life. Under the principles of "peace is the most precious" and "harmony makes money", Chinese tend to hide the instrumental orientation in the mixed Guanxi under the affective orientation and put The pursuit of economic goals is covered with a layer of tenderness.

Since it was introduced into the research on the Guanxi between enterprises in the marketing channel, the Guanxi dimension has become the main topic of channel research (Barbalet, 2018). The cooperation between enterprises must produce

relationships. Compared with the West, China puts more emphasis on the influence of channel Guanxi on business cooperation. In the Chinese context, Guanxi will moderate the effect of the inter-firm dimension on inter-firm opportunistic behavior. Guanxi are personal in nature, and there are few studies on how to transform Guanxi into corporate resources and play a role. It is well known that Chinese enterprises tend to hire employees with strong relationships (Xin & Pearce, 1996), however, if the relationship is in a "primitive" and "non-institutionalized" state of Guanxi, the enterprise is likely to become a hostage of employees with strong relationships, because once the employee leaves, it will bring risks to the enterprise (Gu et al., 2008). This study summarizes and expands the connotation of channel members' Guanxi, explains the conflict between positive and negative views of Guanxi, and enriches the theory of inter-firm governance mechanism to a certain extent.

In view of the important role of Guanxi in Chinese business activities, management and marketing scholars have begun to study the role of Guanxi in business situations since the 1990s (Luo et al., 2012; Chen et al., 2013). In the field of marketing channel research, existing studies have found that cross-organizational Guanxi will increase the use of non-coercive power in the channel, limit the use of coercive power, effectively promote channel cooperation, reduce channel conflict and enhance trust (Nie et al., 2011) and ultimately directly or indirectly improve corporate performance (Zeng et al., 2020; Su et al., 2009; Ambler et al., 1999; Gu et al., 2008; Sheng et al., 2011; Zhou et al., 2014). Although the existing research literature believes that Guanxi is an important mechanism of channel marketing (Yang & Wang, 2011), less attention has been paid to the inhibitory effect of Guanxi on channel members' opportunistic behavior. Zhuang Guijun et al. (2008) found that inter-organizational interpersonal Emotional Guanxi can reduce the channel opportunistic behavior perceived by personnel at the enterprise boundary, while inter-organizational interpersonal Instrumental Guanxi can increase the perceived channel opportunistic behavior of personnel at the enterprise boundary. Qian Liping et al. (2012) conceptualized Guanxi as favor, face and emotion. They discussed their moderating effect on the Guanxi between special investment inequality and speculative behavior. The conclusion of the study shows that favor and emotion have no significant moderating effect on the above Guanxi, while face will strengthen the above relationship. In the contract agricultural

product channel, Tian Min et al. (2013) found that favor, face and trust all inhibit the speculative behavior of the purchaser, and at the same time, favor and trust can also weaken the influence of market uncertainty on the speculative behavior of the purchaser, while face The effect in it is not significant. Xia Chunyu et al. (2015) found that Guanxi (favor, affection, and trust) inhibited opportunistic behavior by enhancing farmers' perceived fairness.

Although scholars have reached a consensus on the definition of Guanxi, the conceptualization and measurement of Guanxi in empirical research operations show a high degree of difference. There are also possible researches space on the mechanism of Guanxi in channel activities. In terms of conceptualization and variable measurement, previous studies have either adopted a social capital perspective to define Guanxi as business ties and political ties (Sheng et al., 2011; Zhou et al., 2014), or started from a local Chinese perspective, or defined Guanxi as face, emotion, and trust as the dimensions of Guanxi and treat it as a second-order variable (Nie et al., 2011), or regard Guanxi as a single-dimensional variable and measure it as a whole (Gu et al., 2008). On the one hand, defining and manipulating Guanxi through social capital theory, which is the perspective of Western management theory, will lead to unacceptable conditions (Zhang et al., 2013). On the other hand, taking Guanxi with rich connotations as a single-dimensional variable not only fails to distinguish the effect of different constituent elements, but also causes a large amount of information loss. Therefore, we believe that analyzing the connotation of Guanxi in marketing channels from the perspective of Chinese local culture can restore its role in Chinese culture to the greatest possible extent. At the same time, pay attention to the different dimensions of Guanxi (such as human feelings, face saving, etc.), then the mechanism of action of Guanxi can be revealed more profoundly. Since the characteristics of interests in the Guanxi of channel members exist in reality, and Hwang and Hu Baoling proposed the instrumental nature of Guanxi (Hwang, 1987; Hu, 2008), but there is currently a lack of operational measurement, which is very important for exploring the Guanxi between employees in enterprises. The connotation and function of the Guanxi played a hindering role. The measurement of Guanxi helps companies perceive the status of Guanxi more clearly. By identifying the measurement elements of channel members' Guanxi and developing the channel member's Guanxi measurement scale, it provides an operational method for

measuring channel member's Guanxi, and makes the enterprise's understanding of Guanxi more specific. This study identified that the Guanxi of channel members includes two dimensions: Instrumental Guanxi and Emotional Guanxi, and developed a measurement scale to help companies more clearly perceive the state of their own Guanxi, and then improve it in a targeted manner. In order to obtain a good Guanxi among channel members, it is necessary not only to pay attention to the affective part of the Guanxi, but also to pay attention to the instrumental part of the Guanxi. This study provides a theoretical basis for follow-up research and a tool basis for future empirical research on marketing theories involving this concept.

In the Guanxi of marketing channels, with a few exceptions, the vast majority of Guanxi should be classified as mixed Guanxi. There are few studies on the role of mixed Guanxi in commercial transactions in Chinese society. Research on business friendship in Western Guanxi marketing theory can provide a reference for this study. Haytko Diana L (2004) summarized Guanxi in the context of inter-enterprise commercial Guanxi into three types: high Guanxi, acquaintance Guanxi and strict business Guanxi. The difference between these three types of Guanxi also lies in the intensity of emotional factors in Guanxi, while the business partner Guanxi that mixes the two components of commercial transactions (instrumentality) and friendship (emotionality) is consistent with the mixed Guanxi in Huang Guangguo's model. Although developing friendship in pure business transaction Guanxi is conducive to the performance of business Guanxi, there are two conflicting orientations in business friendship Guanxi. Intrinsic emotional orientation will bring great tension and conflict to the Guanxi between business partners, which will in turn have a negative impact on the performance of business Guanxi.

Obviously, in American culture where the boundaries between Guanxi and "public and private" are relatively clear (Fei Xiaotong, 2019; Yang Zhenning, 2009), this tension and conflict between roles is very obvious. However, in China's Guanxi society, "self" is defined by Guanxi with others. Therefore, "people-self Guanxi and public-private Guanxi" in Chinese society are more like the yin and yang poles in the Tai Chi diagram. (Fei Xiaotong, 2019). Therefore, in business Guanxi, as long as it is not a "one-shot deal", both parties will deliberately shorten the Guanxi and transform

strangers Guanxi into acquaintances Guanxi, because strangers Guanxi are often considered to lack the necessary strength to support important economic transactions. Obviously, the transformation of Instrumental Guanxi into hybrid Guanxi is a process of constantly injecting emotions into pure economic transactions, followed by the role transformation of both parties in Guanxi, from the original unified businessman to the binary role of both friends and businessmen (Rho et al., 2023). Guanxi harmony is the highest goal of Chinese social life. Under the principles of "harmony is precious" and "harmony brings wealth", Chinese people tend to hide the instrumental orientation in hybrid Guanxi under the emotional orientation, and put a layer of tenderness on the pursuit of economic goals.

In marketing channel management, quantitative data evidence shows that Guanxi plays a key role in inter-enterprise cooperation and corporate performance improvement. According to statistics, more than 70% of Chinese corporate executives believe that good Guanxi can effectively improve the competitiveness of enterprises in the market, especially in marketing channel management, the proportion is as high as 78% (Source: Market Research Report, 2022). In a survey of 500 Chinese companies, the results showed that companies that maintained close Guanxi with their partners had an average sales growth rate that was 15% higher than their peers (Chen et al., 2023). In addition, about 65% of companies reported that by establishing an effective Guanxi, they were able to obtain market information more quickly, thereby gaining an advantage in the competition. Another study pointed out that companies that maintained good Guanxi with channel members in marketing channel management could significantly reduce the frequency of channel conflicts, reducing the conflict rate by 25% (Li et al., 2021).

These data evidences fully demonstrate that in China's marketing channel management, Guanxi is not only a cultural phenomenon, but also an important factor that can have a substantial impact on corporate performance. This also highlights the need to study the role and connotation of Guanxi in marketing channels in order to provide companies with a more scientific management model and promote sustainable development of companies in a complex market environment.

1.3 Research Questions

1. What are the connotations of Chinese Guanxi in a recent global academic literatures and how this construct should be systematically measured?
2. What are the antecedents of the Guanxi of marketing Channel in China?
3. What the relationships between Guanxi of marketing channel and enterprise performance?
4. How can we apply this concept of Guanxi to develop a management model in response to organizational context in china?

1.4 Research Objectives

1. To study the connotation of Guanxi in modern global management literature and develop a Guanxi measurement scale.
2. To analyze the driving factors of Guanxi usage in China modern marketing channels.
3. To examine the impacts of Guanxi on enterprise performance in China.
4. To construct a management model on Guanxi marketing channel and enterprise performance.

1.5 Scope of the Study

In terms of themes, this study revolves around three thematic areas: connotation, dimensions, and the measurement scale development of channel members' Guanxi.

(1) As far as the context of the study is concerned, in order to avoid the difficulties caused by too large research scope in the empirical analysis, the research scope is appropriately limited. The scope of this study is the top management of Chinese manufacturer-distributors.

(2) Methodologically, the study will be of mixed methods research type.

(3) Data collection. The selection of research objects in this research is the same as that of most marketing channel research, such as Samaha, Palmatier and Dant (2011), Zhang Chuang (2014) and other researches all choose dealer perspective for research.

According to different research backgrounds, scholars choose different subjects for Guanxi research. This research involves both the manufacturer and the dealer, but the research only proceeds from the perspective of the dealer, and investigates the senior managers of the dealer who are responsible for channel cooperation with the manufacturer. This is mainly due to the following two reasons. First, in order to better sell their products, manufacturers usually choose multiple distributors to sell their products together; due to the limitations of employees, venues and funds, distributors generally choose a limited number of manufacturers or a manufacturer supply it. Therefore, distributors will have a clearer understanding of the important role of Guanxi between closely cooperating manufacturers. Second, from the perspective of the difficulty of research, there are more dealers, and most of the stores are open to the outside world, so it is better to research.

Based on the research scope and data of this study, the Guanxi of channel members mentioned in this paper refers to the Guanxi between manufacturer-distributor executives.

1.6 Research significance

This study intends to take the Guanxi of marketing channel members as the starting point, summarize the connotation of Guanxi of marketing channel members and executives through literature review and analysis, and construct and develop a Guanxi measurement scale for marketing channel members and executives through in-depth interviews, expert consultations and questionnaires. It can be seen that this study has theoretical and practical significance.

1.7 Theoretical significance

This study provides a new perspective for the theoretical development of Guanxi in marketing channel management. Most existing studies focus on the impact of Guanxi on corporate performance, but rarely explore its specific mechanism of

action between channel members. This study enriches the understanding of inter-organizational relations in marketing channels by refining the connotation of Guanxi and dividing its dimensions, which helps to clarify the actual role of Guanxi in channel management. By analyzing the instrumental and emotional dimensions of Guanxi, the study not only deepens the theoretical understanding of the complex social phenomenon of Guanxi, but also reveals the dual nature of Guanxi in inter-enterprise cooperation, that is, it has both a positive side to promote cooperation and a negative impact that may inhibit innovation.

Previous studies on Guanxi have mostly focused on social capital theory or relationship marketing theory, while this study provides a systematic operational tool and quantitative method for Guanxi research in channel management by constructing a measurement scale for Guanxi in marketing channels. The development of this scale will not only help promote the empirical application of Guanxi theory in management research, but also provide future researchers with a basic tool to evaluate the role of Guanxi in different contexts.

Traditional Guanxi theory mainly focuses on emotional dimensions such as face, favors, and trust, while this study, based on the characteristics of marketing channels, adds the dimension of Instrumental Guanxi and highlights the practicality and interest orientation of Guanxi in business cooperation. This theoretical contribution not only deepens the understanding of the composition of Guanxi, but also provides a theoretical basis for how enterprises can effectively use Guanxi resources in practice. In addition, based on the dual perspectives of interest drive and emotional connection, the study explains how enterprises can choose and use Guanxi in different contexts to achieve the best management results.

To a certain extent, Western management theories and practices are difficult to fully fit the Chinese corporate environment. As an important element of Chinese social culture, the widespread application of Guanxi in business activities constitutes a unique management phenomenon in China. This study provides an important theoretical basis for building a management theory system with Chinese characteristics through the analysis of the role of Guanxi in China's marketing channel management, which helps to enrich the diversity and inclusiveness of global management theories.

In the process of improving corporate performance, how to achieve the optimal allocation of resources and maximize cooperation efficiency by effectively managing Guanxi between channel members has always been a difficult problem in the field of management. Through empirical analysis, this study reveals the unique role of Guanxi in reducing channel conflicts, promoting information sharing, and enhancing cooperative trust, providing theoretical support for the governance mechanism between enterprises. At the same time, the study also explores the inhibitory effect of Guanxi on opportunistic behavior. This finding helps enterprises to effectively avoid potential risks in actual management and improve the overall management level.

Practical significance

On the basis of previous studies that Guanxi has an instrumental connotation, this study summarizes and expands the connotation and composition dimensions of the Guanxi of channel member. It exploratorily develops a measurement scale with Instrumental Guanxi and Emotional Guanxi dimensions and applies it to the research of driving factors of Guanxi; this study is expected to a certain extent that enriches the theory of Guanxi as an inter-firm governance mechanism and helps firms understand how to measure the ties owned by firms to improve firm performance.

(1) This study expands the connotation and composition dimension of Guanxi, enriches the related theory of Guanxi as an inter-firm governance mechanism to a certain extent and provides a theoretical basis for future research.

(2) The results of the study are related to the performance of other enterprises. Enterprises can adjust the Guanxi of channel members according to the measurement scale in this study. From a practical perspective, enterprises can understand the role of Guanxi of channel members in marketing channels and help enterprises know how to Measures the Guanxi the firm has.

(3) The results of this study supplemented the influencing factors of Guanxi among existing channel members. Existing research has rarely explored the drivers of channel members' Guanxi. Based on the theory of interpersonal attraction, this study studies the driving factors of Guanxi and enriches the research on the antecedents of Guanxi.

(4) Enrich the theory and research environment of inter-firm governance mechanism. This study explores the dual impact mechanism of channel members' Guanxi on corporate performance, and explains the two views of whether channel members' Guanxi are positive or negative. While discovering the mediating mechanism of the impact of channel members' Guanxi on corporate performance, it also explores the boundary conditions of its impact, which will enrich the theory of inter-firm governance mechanism.

1.8 Definition of Key Terms

Depending on the research context, the term will have different connotations. There is no best definition, only the one that best fits the research situation. According to the research background of this study, in order to facilitate readers' understanding, this study summarizes the definitions appearing in this article as follows:

(1) Marketing channels: A series of functionally interdependent but financially independent organizations dedicated to enabling a product or service to be used or consumed.

(2) Channel member's Guanxi: A psychological connection (Levine et al., 2021) that includes emotion and reciprocal rules (Hu, 2008) deliberately established with each other based on communication experience and transactions in order to realize the interests of individuals or companies.

(3) Instrumental Guanxi: A means or a tool to achieve other goals, and it is utilitarian.

(4) Emotional Guanxi: Act of people's needs for warmth, security and attachment, and it can present a person's family affection, warmth, security and attachment, and it is affective satisfaction.

(5) Professionalism: Professionalism refers to the amount of knowledge in a certain field (Shenet al., 2010).

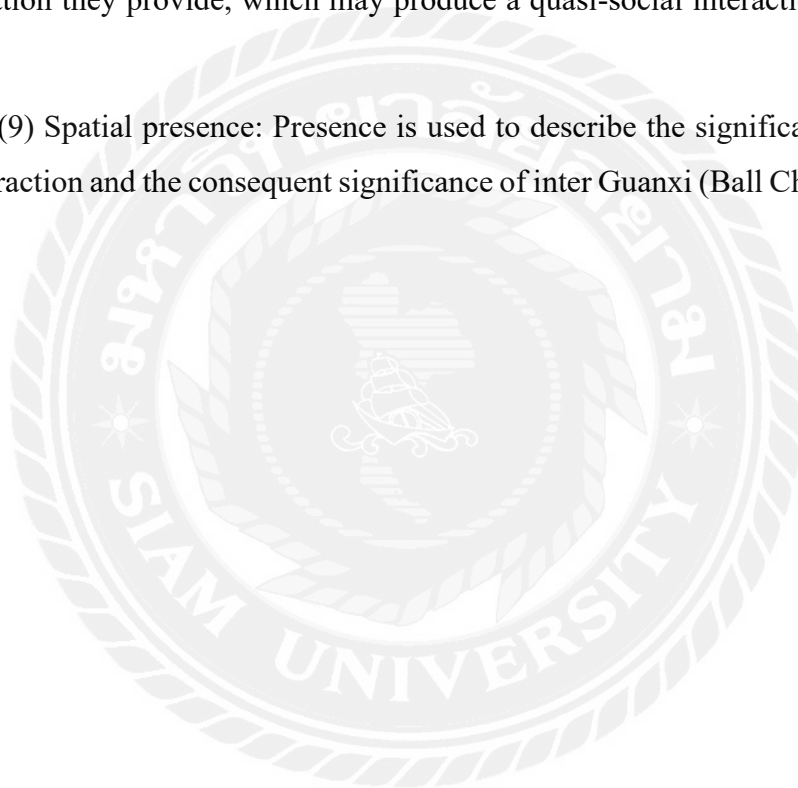
(6) Exposure frequency: Exposure frequency refers to the number or frequency of individuals exposed to specific information every day. It can be used to measure the

importance and influence of specific information in individual life. (Yang, 2021)

(7) Shared values: Shared values are the value awareness of the value-oriented values of innovation, coordination, green and open required by the new development concept, which are supported by modern information technology and based on various sharing platforms to promote the efficient use of sharing objects and achieve the goals of sharing subjects. (Yangr, 2020)

(8) Popularity: People prefer to interact with likable people and believe the information they provide, which may produce a quasi-social interaction (Xiang et al., 2016).

(9) Spatial presence: Presence is used to describe the significance of others in the interaction and the consequent significance of inter Guanxi (Ball Christopher, 2023).



CHAPTER 2

LITERATURE REVIEW

This chapter will comprehensively review and analyze the connotation of Guanxi in contemporary Chinese marketing channels. Through the collation of relevant academic literature, it will explore the development process and importance of Guanxi in marketing channel management. The literature review aims to provide a systematic theoretical perspective for understanding the complexity and multi-dimensionality of Guanxi in Chinese marketing channels, and to provide the necessary academic support for the construction and verification of global management models.

The detail in this chapter would be separated into 11 parts as follows:

2.1 Introduction

2.2 Guanxi

2.3 Marketing channel

2.4 Guanxi of marketing channel members

2.5 Factors affecting corporate performance

2.6 Spatial presence

2.7 Digital resource collaboration capability

2.8 Theoretical basis

2.9 Related literature on Guanxi

2.10 Conceptual Framework, Operational definition, Hypothesis and
Explanation of Hypothesis

2.11 Summary

2.1 Introduction

A market channel is a systemic organization that completes or achieves all activities or functions that transfer a specific product and its ownership from producers to consumers. As an integral part of social activities, the marketing channel

management and behavior patterns of Chinese enterprises are rooted in Chinese culture. Guanxi is a kind of resource. How to transform the energy of Guanxi that originally belonged to individuals into the driving force for corporate development is a problem but important issues for business. Therefore, in this study, the literature review focuses on the related concepts of Guanxi among marketing channel members and executives. This chapter first expounds the concept of Guanxi by explaining the theory of Guanxi, marketing channel and marketing channel's Guanxi. Secondly, this chapter combines the application of interpersonal attraction theory, resource-based theory, social exchange theory and cultural dimension theory in this research, analyzes the literature related to Guanxi and summarizes the connotation structure of Guanxi.

2.2 Guanxi

Guanxi is a native Chinese concept. The modern Chinese dictionary defines Guanxi as: "A connection of a specific nature between two people or two parties; A state of interaction and mutual influence"; An association or implication. Literally, Guanxi contains two meanings: guan and xi. Guan means a gate or barrier, and means to connect, relate, connect; Xi means to cross the gate and get in touch. Those inside the door are regarded as their own and can be trusted, while those outside the door are regarded as strangers and cannot be trusted (Fan et al., 2012).

Guanxi corresponds to Japanese "Kankei", Korean "Kwankye" and Russian "Blat" (Yen et al., 2011). Guanxi is a natural manifestation of Confucianism (Guo & Miller, 2010) and a unique cultural phenomenon in Chinese society. Although it has a long history, it is a modern concept that cannot be found in classical Confucian books (Zhang & Zhang, 2013). It embodies complex and unique Chinese cultural values (Berger et al., 2018). It is not an exact term, nor does it have a precise definition in the literature (Luo et al., 2011).

Until today, there is still no consistent definition of Guanxi, and it has been introduced into Western business terms since the 1980s, as has its English translation (Luo et al., 2011). The English words used to describe Guanxi roughly include: relationships, networked relations, social capital, social connections, managerial ties, reciprocal obligations (Luo et al., 2011), connections, networking and members. These

words are almost culturally related words that cannot be understood in English. (McNally, 2011). This cultural and social concept profoundly affects the behavior of Chinese businessmen (Song et al., 2012), and different scholars have given different descriptions to it (Dunfee & Warren, 2001). The definitions are summarized in Table 2.1 .

Table 2.1 Summary of Guanxi's definitions

Author(s)	Definitions
Davison, & Martinsons, 2018; Pye, 1982; Alston, 1989; Yang, 1994; Leung, Luk & Wong, 1995; Xin & Pearce, 1996; Leung, Wong & Wong, 1996; Guthrie, 1998; Buttery & Wong, 1999; Guo & Miller, 2010; Zhang & Zhang, 2013	Special bond between two people
Jacobs, 1979; Hwang, 1987	A special bond based on common characteristics that are the foundation of the Guanxi
Pye, 1986	Guanxi with an ongoing exchange of favors
Bian, 2019; Guthrie, 1998; Bell, 2000; Dunning & Kim, 2007	Physical contact and frequent contact between people
Hwang, 1987	A reciprocal exchange between two people (requester and assigner)
Butterfield, 1983; Ambler, 1995; Carlisle & Flynn, 2005	A social investment or social capital
Yeune & Tune, 1996; Fan, 2002; Gold. Guthrie & Wank, 2002; Qiu, 2005; Huang et al., 2014	Multiple Processes of Network Social Connections

Scholars have two different views on the definition of Guanxi. One view is based on social characteristics and defines Guanxi as a connection between people that is formed through social interaction and affects both parties. Another view is from the perspective of social capital, defining Guanxi as a social resource for gaining benefits. The Guanxi between corporate executives will have an important impact on corporate operations (Zhang, 2011). Guanxi contain feelings and obligations, and the feelings they contain exist beyond interests (Wang et al., 2019). Chen, Jeffrey Jun, and Patrick F. O'Leary (2018) believe that Guanxi is a social connection established by people through continuous cooperation and benefit exchange based on reciprocal Guanxi. Li Chunmiao (2001) defined Guanxi as a kind of psychological connection formed by

people through social interaction, which affects all parties. Hu Baoling (2008) believes that Guanxi is a kind of psychological friendship formed between personnel at the border of an enterprise based on feelings and rules of reciprocity. Grewal (2018) defines Guanxi as a tool used by employees of the enterprise to obtain the desired benefits from customers. Lin Nan (2010) believed that Guanxi has the function of resource exchange. It has the fair value that both parties think is a kind of social capital. The subject of Guanxi calculates the cost and income. Only when the income is greater than the cost can the Guanxi continue (Blair & Chareunsi, 2018).

2.2.1 Types of Guanxi

According to different classification angles, Guanxi can be divided into two different types:

(1) Classification according to psychological distance

Yan & Xiong (2018) divided the psychological distance into family Guanxi, acquaintance Guanxi and stranger Guanxi. Among them, the family Guanxi is based on blood relationship, without expecting anything in return. It has the shortest and strongest psychological distance. The acquaintance Guanxi is based on trust, which requires cost to establish and may be broken. The subject of the acquaintance Guanxi has a certain demand for return, but it does not require immediate return and allows the other party to delay return. There is a lack of trust in the relationship between strangers. The subject of the acquaintance relationship will demand immediate rewards for the purpose of self-protection.

(2) Classification according to the cause of formation

According to the different causes of formation, Guanxi are divided into pre-formed and post-formed. Wang (2023) believes that the pre-formed Guanxi includes family members, relatives, classmates, fellow countrymen, etc.. The pre-formed Guanxi has high stability; the post-formed Guanxi is similar in hobbies, needs, personality, value orientation, etc.. The Guanxi established by people, money, energy and emotion mainly refers to the relationship of friends. Based on role theory, Zhang Chuang (2018) studied the difference between these two types of Guanxi. He

implemented different channel governance strategies according to the characteristics of interpersonal interactions at different stages, thereby promoting the sustainable and healthy development of Guanxi.

2.2.2 Function of Guanxi

Summarizing Chinese and western scholars' research on Guanxi, combined with the actual situation, it is found that in commercial activities, Guanxi mainly has the following functions:

(1) Credit guarantee.

China is in a state of development, the relevant legal system is still not perfect, there are still some defects in law enforcement, it is unable to effectively provide some legal protection in commercial activities, the contract is not binding enough, and the phenomenon of breach of contract cannot be avoided (Cai et al., 2017). Therefore, in order to ensure the smooth progress of transaction activities, it is natural to use Guanxi. A good Guanxi can provide an effective credit guarantee for both parties to the transaction (Haytko, 2004). We will trust people who are familiar with and have a good Guanxi.

(2) Reciprocity network.

Every person has his own network of Guanxi, starting with the closest relatives, progressively expanding layer by layer, such as friends of family members, friends of friends, connected layer by layer (King et al., 2007). The application of this interpersonal network to commercial activities is a reciprocal network for commercial activities (Kelley, 2013). Conducting commercial activities based on this reciprocal network can not only improve efficiency, but also promote the smooth completion of transactions.

(3) Long-term interests.

Guanxi can provide credit guarantee for people to carry out business activities, but it takes a long time to establish such a good Guanxi. We always say: time sees people's hearts, so it will be more difficult for Chinese to do business at the beginning.

If the first cooperation between the two parties is relatively smooth and a friendly Guanxi has been established, subsequent transactions will be a matter of course, so both parties pay more attention to long-term interests (Berscheid et al., 1989).

(4) Reduce vicious friction and strengthen benign interaction.

In business activities, each has different interests, so there will be some friction, but if the two parties have a good Guanxi, then even the friction that arises can be easily resolved (Berger, 2014). The two sides communicate and interact more in private, trust and understand each other. The matter will be resolved.

Based on the above analysis, it can be seen that Guanxi provides credit guarantee for both parties to the transaction, and can also reduce friction and risk between the two parties. Many scholars(including Koojaroenpaisan (1996), Armstrong & Yee (2001), Anton & Tony (2002) and Zhuang Guijun (2004), etc.) have verified the function of Guanxi in commercial activities——its influence on the choice of middlemen, inter-enterprise interpersonal trust, using of channel power, etc. All have a certain influence. It plays a certain function in promoting the development of the Guanxi between cooperative enterprises. Zhang Chuang and Xia Chunyu (2015) and others found that the Guanxi between the transaction parties can promote the stability of the transaction relationship and can inhibit the speculative behavior of the transaction parties (Zhang Xia and Liang, 2009; Xia Tian and Zhang, 2015) . Bai Rubin (2010) studied the function of Guanxi in commercial activities from the perspective of transaction costs. He believed that Guanxi can reduce transaction costs and transaction risks (Bai et al., 2010). It can be seen that in commercial activities, Guanxi can reduce transaction costs and risks, and promote the conclusion of transactions. The transformation of scientific and technological achievements is a kind of transaction activity, and the function of Guanxi is also very important. Lee's (2012) empirical research shows that technology transfer in colleges and universities often involves Guanxi between faculty inventors, universities and enterprises. These Guanxi can effectively facilitate technology transfer, which is why companies often try to attract teacher-inventors by arranging consulting roles and board appointments (Lee P, 2012). Zhang Feng (2017) studied the informal Guanxi in the transformation of scientific and technological achievements in universities through the in-depth interview method and

concluded that due to information asymmetry. The trust between the two parties is not guaranteed, and the informal Guanxi can solve this trust problem. The opportunistic behavior of both parties enables the two parties to achieve reciprocity (Zhang Jia and Lu, 2017). University researchers also said that if they have acquaintances such as teachers, students, and friends with enterprises, they will be more willing to transform their achievements. Because both parties trust each other, they are more confident in the transformation of results, the negotiation cost is lower, the contract is easier to reach, and the risk is lower.

2.2.3 The role of Guanxi

Existing Guanxi studies have studied Guanxi from three levels: individual, organization and society (Zhang & Zhang, 2006). Among them, there is a broader definition of Guanxi as parties to achieve personal goals, research on the impact of Guanxi between superiors and subordinates on personal income (Law et al., 2000). Potential rewards such as commissions, bonuses, job promotions, kickbacks and stock options (Park & Luo, 2001). As well as research on relationship-based decision-making in employee recruitment, strategic planning and relationship auditing (Warren et al., 2004; Huang et al., 2014). There is also a large body of research exploring the impact of Guanxi on business relationships and their performance, ranging from early explanatory, qualitative theoretical explorations to recent systematic, quantitative empirical analyzes (Luo et al., 2012).

There is no question that Guanxi is essential business assets. Guanxi can help to obtain key resources such as information on government policies, market trends, and business opportunities. Or to obtain special treatment (Fan, 2002). It is more credible, useful and timely than official channels, enabling faster decision-making (Yau et al., 2000). The improved flexibility of Guanxi can save transaction costs such as search costs, contract costs and information costs. The reciprocal exchange between each other is likely to bring great satisfaction to Guanxi between the two parties, provide high satisfaction, and also provide thresholds for other competitors (Wong et al., 2007). Gift exchange and human interaction for organizational purposes (Peng & Luo, 2000). Mutual cooperation can be more solidarity. The organization can operate more

efficiently to increasing productivity (Lin & Si, 2010). In general, financial performance is final and primary in most organizations. Guanxi can help organizations reduce costs, expand market share and growth rate. It can improve financial performance such as asset return or return on investment (Fan, 2002; Luo. et al., 2012). Other potential benefits include the improvement of the sales force, Credit forbearance and extension (Ewing et al., 2000), enterprise growth, market response, company innovation, etc. (Lin. and Si, 2010).

Guanxi can bring economic benefits to companies. But Guanxi is essentially utilitarian rather than affective (Luo, 1997) and personal rather than inter-firm (Luo and Chen, 1997). Only when Guanxi extends to the business situation of the enterprise and Guanxi is used by the organization, Guanxi becomes an organizational asset (Millington et al., 2005)). At this time, trust among individuals promotes commitment among firms. A high level of trust and commitment can not only offset the initial imbalance of power dependence, but also transfer trust to firms. When trust increases enough, border personnel will encourage companies to invest, thereby increasing commitment to Guanxi. Companies can also transform this interpersonal commitment into institutional commitment (Narayandas & Rangan, 2004), reducing the impact of border personnel changes.

Guanxi is effective in China and can bring positive effects. With the continuous reform of China's economy, the use of Guanxi will become more extensive and intensive. There are still many confusions about its concept and function in business (Fan, 2002). At the same time, Guanxi have negative consequences which mainly including collective blindness that can affect the future of the company, reciprocal obligations that are forced to respond to unreasonable demands (bribery, smuggling, poor quality, hiring forgoing) business opportunities through Guanxi (Gu et al., 2008; Warren et al., 2004). Therefore, the conclusions about the impact of political relations on enterprises are inconsistent (Chen & Wu, 2011; Guo & Miller, 2010; Sheng et al., 2011; Chen et al., 2013). There are also studies believe that Guanxi is at the expense of the interests of other individuals or units, causing great damage to members outside the network and obtaining personal benefits at the expense of overall social welfare (Fan, 2002). Guanxi should only be used as a proxy within the legal framework to facilitate

business performance, not to change or disrupt business rules (Yen et al., 2011).

Existing research emphasizes the formation and development of Guanxi between individuals. No matter what the purpose is, as long as the Guanxi is used in the enterprise, Guanxi will play an important role at the organizational level (Luo, 1997). Guanxi is social rather than corporate constructs. Due to the social embeddedness of business relationships, Guanxi as a ubiquitous relationship lubricant can help improve the efficiency and effectiveness of daily business operations. They can help companies increase social and economic value. There are few informal governance mechanisms (Fock & Woo, 1998; Gu et al., 2008; Xin & Pearce, 1996). The underlying assumption is that firms can use Guanxi to manage interdependence among firms and mitigate institutional weaknesses, structural weaknesses and other environmental threats (Park & Luo, 2001). Informal mechanisms of governance among members that are emphasized in marketing channels can also be problematic, as formal governance mechanisms can reduce or control the impact of inappropriate or corrupt behavior within the organization (Millington et al., 2005). Informal mechanisms reduce the importance of formal mechanisms such as process management and markets. Borderline personnel may seek personal interests rather than corporate goals in Guanxi transactions (Rong et al., 2021).

Fan (2002) defines business Guanxi as the process of discovering business-to-business (B2B) or business-to-government (B2G) business solutions through personal connections. With strangers, there is little trust and commitment (Bedford, 2011). The product of political and socio-economic systems of commercial relations, utility-driven, transactions of money and power. The two parties in the transaction are most concerned about the commercial interests and utility of the other party (Fan, 2002). Guanxi is an informal, private network of secret transactions that cannot be shared with outsiders (Fan, 2002). Especially in China, when Guanxi is turned into an art of calculation, the Guanxi becomes more subtle and complicated (Yau et al., 2000). So Guanxi is prone to corruption (Bedford, 2011).

2.3 Marketing channel

There are many concepts and definitions of marketing channels, and it is

generally accepted that Philip Kotler(2002), an American marketing scientist, stated: Generally speaking, marketing channels are a set of interdependent organizations that enable final customers to the smooth use or consumption of products and services, which is a series of paths that products or services go through after the production process, and ends up being purchased and consumed by end users (Cheng et al., 2020). Usually, consumers or end customers do not directly purchase products from producers, there are intermediaries or organizations between them, and through layer-by-layer transmission, the products are finally sold to end users (Kotler et al., 2015). These intermediary agencies execute and perform different functions and roles, together they make up the marketing channel.

2.3.1 Marketing Channel Functions

The function of the marketing channel is mainly reflected in a more convenient sales model and higher operating efficiency, so as to achieve better sales results (Kim, & Chun, 2018). It can reduce the sales cost of manufacturers, allow consumers to obtain more convenient purchase services and after-sales services, and thus promote products to the market better(Johnston et al., 2018).

Marketing channel members are an important component of marketing channels (Hibbard et al., 2001). Channel members are composed of one or more independent manufacturers, wholesalers and retailers. Each party is an independent enterprise seeking to maximize its own interests (Achrol et al., 2012). No channel member can control the other members, and there is no formal way to assign tasks and resolve channel conflicts. They perform a series of important functions. Some functions in the channel (storage and transportation, ownership and dissemination) constitute the positive flow from the company to the customer; and functions such as ordering and payment initiated by the end user constitute the flow from the consumer the reverse flow to the company; and the functions such as information transmission, communication, negotiation, risk, etc. that exist on both sides have become two-way flow, and the flow of all these functions has activated the channel (Rosenbloom, 2012).

2.3.2 Behavior Performance of Marketing Channels

Marketing channel behavior is the conscious action expression of its members (Giesler & Fischer, 2017). Usually, marketing channel behavior is affected by the target interests and manifested as channel cooperation and channel competition. Due to different target interests, such as short-term target interests, medium-term and long-term target interests, etc., the gathering point, expression form, expression degree, and influence degree will be different. Marketing channel cooperation refers to the purpose of mutual benefit (Gonzalez-Padron, 2017). When the benefit increase brought by marketing channel cooperation is far greater than the benefit loss caused by channel competition, the cooperation among channel members will become stronger and stronger (Pelton et al., 1997).

On the contrary, channel members will be more motivated to participate in channel competition (Palmatier et al., 2019). The main manifestation of channel competition is the confrontation of roles among members, the robbing of limited resources, and the process of achieving their own goals and expectations (Pelton et al., 1997). The cooperation and competition of channel members usually occurs between upstream and downstream members in the channel chain, between manufacturers and distributors, between different marketing channels, and between distributors and distributors.

2.3.3 Marketing Channel Evaluation Principles

The choice of each marketing channel requires a comprehensive evaluation of economy, controllability and adaptability (Bilovodska et al., 2019). Because different channel selection methods have different effects on sales volume and sales cost, if the added value of benefits created by each sale is sufficient, then the seller will have the internal drive to use the lowest cost as much as possible (Brown et al., 2019). Marketing channels to replace high-cost marketing channels. When the sales volume remains constant, when the sales cost of the sales distributor is higher than the sales representative of the company, the company will tend to choose the sales representative of the company; on the contrary, when the sales cost of the company sales representative

is higher than the sales cost of the distributor, the company will be more inclined to choose distributors to sell (Pelton et al., 1997).

There will be problems of controllability whether the company's sales representatives are selling or selling by distributors (Kozlenkova et al., 2015). If you choose to use the sales method of sales distributors, it will cause controllability problems. For the company's sales representatives, you can use a series of management means of control (Palmatier et al., 2019). However, the distributor and the company are relatively independent of each other, and the distributor company is an independent corporate legal person from a legal point of view. Distributors tend to pay more attention to those customers who buy the most products of their agents, and do not always pay attention to the sales volume of the company's products, which will make it more difficult to control the sales of distributors (Palmatier et al., 2019). Therefore, when choosing a marketing channel, manufacturers need to conduct an overall evaluation based on their own product sales characteristics, user portraits and other factors (Pelton et al., 1997).

2.3.4 Marketing Channel Members

Any component that constitutes the industrial chain is a channel member (Brown et al., 2019). Therefore, manufacturers, agents, dealers, and users are all channel members, and they are basic channel members (basic channel members), because they own the ownership of products or services and bear substantial risks accordingly (Kashyap & Sivadas, 2012). Except for the basic channel members, such as advertising companies, public relations companies, market research agencies, transportation companies, etc., they do not own the ownership of products or services, nor bear the corresponding market risks, but they are responsible for the transfer of products or services from manufacturers to this process in the hands of users has a facilitative effect, so such channel members are classified as special channel members (Wieczerzycki, 2021; Hibbard et al., 2001).

Compared with special channel members, basic channel members play a more critical role in the healthy development of the industry chain system. Therefore, basic channel members are the main focus of marketing channel management.

2.4 Guanxi of marketing channel members

Guanxi refers to a connection of a certain nature between people or between people and things. The channel member Guanxi refers to the Guanxi formed by the interdependent agencies in the marketing channel to promote the consumption of products or services (Brei et al., 2023). This definition is somewhat concerned as representing. Some scholars also pointed out that in the Chinese market, there are certain defects in such a definition of channel Guanxi (He Heping, 2006). They believe that the difference in the Guanxi between China and the West will lead to the difference between China's "Channel Guanxi" and the West's "Channel Guanxi".

Channel Guanxi can be divided into broad sense and narrow sense. "Channel Guanxi" in a broad sense is a Guanxi that regards all transaction interactions among channel members as the category of Channel Guanxi. Correspondingly, Dwyer et al. (1987) separated the single transaction from the relational transaction, thus forming the concept of "Channel Guanxi" in a narrow sense. They argue that ties arise when individual transactions are not evaluated in isolation, but are continuously linked to past transactions and possible future transactions (Brei et al., 2023). The cost-benefit analysis of a single transaction is assessed independently, without taking into account past and ongoing transactions (Gonzalez-Padron, 2017). The determination of its historical continuity and its future outcome is therefore central to the definition of a Guanxi.

This study adopts the narrow concept of Channel Guanxi. This Guanxi exists between the manufacturer and the dealer, and it is different from the single transaction Guanxi (Van Bruggen et al., 2010). It is a collection of transaction states based on the historical continuity of a single transaction and its continuous impact on future transactions (Kim & Chun, 2018). Its essence is that it is a collection of transaction states between the enterprise and the market, and it includes a collection of several hierarchical Guanxi forms after the continuous transaction Guanxi between the two parties.

2.4.1 Channel Member Guanxi form

The Channel Guanxi is divided into several typical forms according to certain standards. These different forms embody different nature and characteristics of the Guanxi, and also have different governance mechanisms (Giesler & Fischer, 2017).

Due to the inherent conflicts of interests in marketing channels, differentiating ownership is a key factor in the study of channel Guanxi. Starting from the factor of differentiating ownership, Weitz & Jap (1995) divided the channel Guanxi into company-integrated channels and regular channels composed of independent enterprises. Although dividing the channel Guanxi into two types according to ownership can clearly reveal the difference between the two channel forms. This division does not fully reflect the reality (Bilovodska et al., 2019). Facts both at China and west show that there is still a third form of channel Guanxi, that is, quasi-integrated channels, which do not belong to a single capital in terms of ownership (Brown et al., 2019). Distribution channels jointly funded by manufacturers and distributors or franchise models under franchise agreements are quasi-integrated channels.

From the perspective of whether both parties have the willingness to establish a long-term standardized Guanxi, the so-called conventional channels composed of independent enterprises can be divided into traditional conventional channels and relational marketing channels (Jørgensen et al., 2001). The traditional regular channel consists of one or more independent manufacturers, wholesalers or retailers, each of which is an independent enterprise, seeking to maximize its own interests, sometimes even at the expense of the interests of the entire system (Brown et al., 2000). There is no channel member has full or sufficient control over other channel members. Usually, people are accustomed to associate traditional conventional channels with the characteristics of pursuing short-term goals, emphasizing current interests, not paying attention to customer service and long-term Guanxi with customers (Hyland-Wood et al., 2021). The Guanxi-based marketing channel refers to the channel Guanxi between independent channel members based on long-term Guanxi orientation, which is an intermediate state between the traditional conventional channel Guanxi and the vertically integrated channel Guanxi, including Quasi-integrated marketing channels, such as franchising, joint ventures, joint venture distribution companies, etc., and

cooperation, partner channel Guanxi and other forms. Zhuang Guijun, Zhou Xiaolian & Wang Guilin (2004) divided marketing channels into three organizational forms: corporate channels, market transaction channels and intermediary channels between the two. From their elaboration, intermediary channels and market transaction channels Corresponding to the relational marketing channels mentioned above and the traditional regular channels respectively.

The channel Guanxi in the narrow sense reflects the result of the continuous Guanxi management of the manufacturer. It is a continuum of various Guanxi forms between the pure market transaction Guanxi and the cooperative transaction Guanxi between the manufacturer and the dealer (Hyland-Wood et al., 2021). It also reflects the development process of the Guanxi between the manufacturer and the distributor from a purely market transaction Guanxi to a quasi-integrated alliance Guanxi that surpasses normal market transactions but does not reach the degree of merger (Dwyer & Oh, 1987). Therefore, the form of channel Guanxi involved in this study refers to the intermediary channel, which includes quasi-integrated marketing channels, cooperation, and partner channel Guanxi.

2.4.2 Guanxi-Based Channel Behavior

Most Guanxi studies explore the importance of Guanxi in a general sense without focusing specifically on marketing issues (Brown et al., 1995). What guanxi means in a marketing context and its role in business operations is still not well understood. However, some studies have made some useful discussions on this, focusing on the influence of guanxi in the environment on variables such as trust, commitment, and power use.

(1) Guanxi and trust

Armstrong & Yee (2001) conducted a survey of Chinese enterprises in Malaysia and found that Guanxi have a significant positive impact on interpersonal trust among enterprises. Guanxi as a three-dimensional construct, including three dimensions of face, reciprocity and emotion, and explore the Guanxi between this dimension and the purchasing company's trust in the supplier's salesperson (Lee & Dawes, 2005).

Empirical research finds that face and reciprocity have no effect on salesperson trust, and there is a significant correlation between emotion and salesperson trust (Dwyer & Welsh, 1985). This shows that the instrumental component of the Guanxi does not contribute to the purchasing company's trust in the supplier's salesperson, while the affective component promotes the development of trust. In China's industrial product market, the trust of buying companies in sales personnel is more important than their trust in suppliers. Personal trust is more conducive to buying companies' trust in sellers. Because the purchasing company's long-term orientation to the supplier mainly depends on the purchasing company's personal loyalty to the sales manager. The loyalty comes from the Guanxi between the sales manager and the purchasing company's boundary personnel. The closeness of the Guanxi between the distributors' Guanxi with the supplier's marketing personnel and the degree of trust in the supplier's personnel has a positive impact on the results of the empirical research on China's home appliance distribution channels (Wang Xiaoyu, 2006a, 2006b). Therefore, suppliers who want to do business with the Chinese should carefully manage their Guanxi with those at the border of the buying business.

(2) Guanxi and Commitment

Guanxi plays a key role in establishing, developing and maintaining inter-organizational relationship (Mavondo & Rodrigo, 2001). Guanxi includes the dimensions of social solidarity, interpersonal trust, face, reciprocity, and empirically tests the impact of each dimension of Guanxi on inter-organizational commitment. The empirical results show that Guanxi is indeed the key factor for the establishment and promotion of inter-organizational Guanxi. Social solidarity has a significant positive impact on inter-organizational commitment. There is a significant negative impact between face and inter-organizational. Commitment Interpersonal trust has no direct impact on inter-organizational commitment, but there is a significant positive indirect effect and total effect Human affection has no effect on inter-organizational commitment Significantly affected. Abdul-Muhmin (2005) researched on foreign supplier-manufacturer Guanxi and found that the manufacturer pays more attention to interpersonal factors, and it perceives the goodwill and credibility of supplier personnel as the key factors for its Guanxi commitment, while instrumental factors are relatively

less important such as price , product, distribution, etc.. Zhu Jiqing and Li Jinzao's (2006) empirical research on the banking industry in Shanghai and Suzhou shows that the better the Guanxi between bank marketing personnel and customer related personnel, the higher the degree of inter-organizational commitment.

(3) Use of Guanxi and channel power

Channel Guanxi is usually long-term. Past experiences and expectations for the future may affect the current behavior of both parties. Guanxi between border personnel may have an impact on the use of coercive power strategies by the source enterprise (Frazier & Summers , 1986). When the Guanxi between border personnel is good, the source enterprise may reduce the use of coercive power strategies. Therefore, when channel members decide which power strategy to use, they should also consider the factor of Guanxi among border personnel (Frazier & Sheth, 1985). So far, the Western channel power literature has not included the concept of Guanxi into the conceptual model and empirically tested the relationship between Guanxi and the exercise of power.

In relational-oriented China, the Guanxi between channel border personnel is more likely to affect channel members' choice of power strategy. The impact of Guanxi on the use of power in Chinese marketing channels (Zhuang & Xi, 2004). The results of the study found that there was no significant relationship between Guanxi and non-coercive power use by retailers. There was a significant negative impact between Guanxi and retailers' coercive power use, which meant that the better the Guanxi among border personnel, the more likely retailers were to Less use of coercive power to influence suppliers' business decisions (Bolino, 1999).

However, existing research has some obvious shortcomings.

① Continue to use the concept of Guanxi in the non-commercial field, without clearly defining the concept and dimensions of Guanxi in the background of marketing channels.

② Just simply divide power into mandatory power and power. In this way, a lot of useful information is lost. The guiding significance for practice is not very strong. At the same time, from the definition and measurement of variables, the article regards the use of power should be regarded as the use of power base rather than power strategy.

③ Without considering the influence of cultural differences on perceptions of power, the impact of power on the use of power in the context of Chinese culture was not discussed.

④ Only the Guanxi between power use and conflict was discussed, the influence of power use, other important Guanxi variables and the effect of personal ties on power outcome variables don't be followed.

2.4.3 Definition dimensions of channel member Guanxi

At present, scholars define and divide Guanxi according to different research objects and research backgrounds. Although scholars have begun to realize that Guanxi contains the connotation of Instrumental Guanxi (Hu, 2008), they have not made a clear definition, division of dimensions and operational measurement of it. In this part, we will give the definition of channel member's Guanxi on the basis of the existing definition of Guanxi. Then, through qualitative interviews on the Guanxi of channel members, it summarizes the constituent dimensions of the Guanxi of channel members.

According to the definition of Guanxi in the aforementioned literature review, in general, Guanxi includes the following three characteristics.

(1) Personality. Even within circles on an individual basis, Guanxi is owned by both parties. Therefore, Guanxi is informal and opaque. Hwang (1987) and Hu Baoling (2008) also believed that the subject of Guanxi is an individual and the exchange of Guanxi is also exchanged between individuals which is essentially different from the market exchange of multiple subjects.

(2) Invisibility. Guanxi are built through mutual help many times and are maintained over time through unspoken commitments (Tsang, 1998). Ignoring this commitment can seriously damage a person's social reputation and lead to a decline in their prestige. The psychological contract and commitment of individual feelings are the basis for establishing a Guanxi. Some unexplainable exchange of interests can be realized through hints and insinuations (Tsang, 1998).

(3) Utility. A Guanxi may be built on the basis of an exchange of interests, and when the exchange of interests is no longer possible, the Guanxi may collapse. When

the resources owned by the owner of the Guanxi are inconsistent, some people will use Guanxi to obtain the help of scarce resources. The owner of the Guanxi will also follow the principle of mutual benefit to give back to the helper (Bao & Zhao, 2008).

The current definition of Guanxi is mainly from the two perspectives of connection and resources. The specific definitions are summarized in Table 4.2. From the point of view of connection, Guanxi is composed of several elements: social interaction, influence on both parties, gaining benefits and connection; from the point of view of resource, both parties are willing to exchange more because of Guanxi and Guanxi is a kind of social interaction (Litwin & Levinsky, 2022). Great resource for investing or finding help and support. In order to maintain Guanxi, money, energy, and even emotions must be invested. This is similar to buying insurance. The policyholder invests in advance so that he can obtain insurance benefits when needed. The increase or decrease of Guanxi assets is directly related to the increase or decrease of human feelings.

Although in political life and economic life, Guanxi, as a resource of mutual trust and cooperation, is the boundary path for people to participate in society. Guanxi present a network with human relations as the longitude and closeness as the latitude. The resource nature of Guanxi is Based on connection.

In the existing definition of Guanxi, Li Chunmiao (1996) believes that Guanxi is a psychological connection formed between people through interpersonal communication or contact that affects both parties (Lin & Li, 1996). This definition has a certain generality, including the characteristics of Guanxi, intangibility and utilitarianism. Hu Baoling (2008) took the border personnel of the enterprise as the research object and believed Guanxi of the border personnel is a "friendship" that includes emotion and reciprocity rules and is deliberately developed based on communication experience and transactions (Stavrova & Ren, 2021; Lin & Li, 1996). This definition clarifies the emotions and interests contained in the Guanxi of border personnel, which is consistent with this study. Therefore, combined with the definitions of Li Chunmiao (1996) and Hu Baoling (2008), this study defines the Guanxi of channel members as follows: In order to realize the interests of individuals or companies, based on communication experience and transactions, deliberately establish rules with each

other that contain emotion and reciprocity (Hu Baoling , 2008) to the psychological connection (Li & Lin, 1996).

Table 2. 2 Review of dimensions of guanxi

Perspective	Definition of Guanxi	Literature Sources
Connect	Guanxi is a bond formed by people through continuous cooperation and exchange of benefits based on reciprocal obligations.	Yang&Peng (1999)
	Guanxi is a kind of psychological connection formed between people through interpersonal communication or connection that affects both parties.	Li Chunmiao (2001)
	Guanxi is people's common blood relationship or relatively close friendship.	Weber, Yaakov (1996)
	Guanxi is a connection formed for gain in an interpersonal or business relationship.	Luo (1997)
	Guanxi is human connections based on special criteria such as shared traits, identities, etc.	Tsui & Farh (1997)
	Guanxi is bonds based on geography, relatives, colleagues, social groups, and friendships.	Tong & Yong (2014)
	Guanxi is a unique construct in China. It is an informal and special bond formed between two individuals connected by an implicit psychological contract in order to maintain long-term connections and obligations.	Chen & Chen (2004)
	Guanxi is a friendship formed by people at the border of an enterprise based on the mutual transaction and communication history deliberately developed to condense the emotions of both parties and the rules of reciprocity.	Hu Baoling (2008)
	Guanxi is all human connections that involve social and economic exchange.	Latham (2012)
	Resource	Guanxi is tools to get what you want.
Guanxi is an object or form that is recognized as valuable by a society or a group. It has the function of exchanging resources and is an individual's social capital.		Lin Nan (2010)
Guanxi is an important social resource for people looking for jobs.		Bian (2019)

2.5 Factors affecting corporate performance

2.5.1 Flexibility

Flexibility first appeared in management literature in the 1950s. However, in

the decades since then, the concept has been defined in many ways, but no consensus has been reached. Some scholars believe that flexibility is a strategy to respond to the challenges of environmental changes, break free from the constraints of legitimacy systems, and actively expand the space for action. Through a review of existing literature, it was found that Sorkun et al. believed that flexibility refers to the ability to manage, solve, and adapt to unforeseen new changes and environments. We found that most conceptualizations involve internal (i.e., manufacturing or operational) flexibility perspectives, and perhaps more importantly, rarely consider it from a strategic marketing perspective. Existing research surprisingly consistently ignores strategically critical channel activity flexibility.

If it is not market-centric, any type of flexibility (i.e., strategic, tactical, or operational) will not lead to superior value creation and sustainable competitive advantage. Therefore, despite the existence of a large amount of literature on flexibility, these approaches often ignore key issues related to products and markets. In summary, our review of the literature on flexibility has drawn two important conclusions. First, existing conceptualizations rarely consider strategic marketing perspectives or incorporate channel strategies and issues. Second, with very few exceptions, existing conceptualizations view flexibility only as reactive or responsive. Although the concepts of reaction and response to change are certainly important, flexibility is not limited to them. For example, according to many dictionary definitions, flexibility means the ability to change or modify, which suggests that it is more than just the ability to respond or react. In other words, it does not necessarily require some external factors or problems to drive or evoke it. Therefore, we suggest a conceptual refinement of flexibility that combines the two perspectives of proactiveness and responsiveness.

Based on the previous discussion, this paper defines channel member flexibility as the flexibility of channel members, that is, the willingness of the company to make adaptive changes in the face of changes in external conditions.

Through the review of the literature on workarounds, we found that there are three main types of workarounds: the first is operational workarounds, which are short-term workarounds related to daily operations, including the ability to cope with short-term fluctuations in demand, shortages of raw materials or equipment failures (Carlsson,

1989); the ability to cope with the complexity of the production process caused by manufacturing various products (Suarez et al., 1995); and the ability to cope with the implementation of new products or new technologies in the production process (Galbraith, 1990). Therefore, operational workarounds determine the speed and cost of demand response and reinvestment in the existing system, as well as the impact of the resulting production interruption (Sethi and Sethi, 1990). The ability to respond to emergencies is an important manifestation of an enterprise's operational workaround, which shows that the planning and implementation of an enterprise's marketing activities can be coordinated (Moorman and Miner, 1998). Higher operational workarounds allow companies to shorten the time between planning and implementation through rapid adjustments, thereby enhancing the company's ability to respond to emergencies. The second is tactical workarounds, which refer to changes in product design or product mix, and also include changes in productivity or plant/equipment utilization in response to demand fluctuations or market defects (Carlsson, 1989). The third is strategic flexibility, which involves creating, maintaining and realizing value options for the company's future. Existing definitions generally indicate that the concept of strategic flexibility depends on the ability to take some action in response to environmental changes (Buckley, 1997).

Existing research is consistent in its views on the role of resources in influencing corporate flexibility. Channel member flexibility depends largely on the resource portfolio of member companies. Theoretical research shows that both non-permanent tangible resources (capital, production facilities, etc.) and intangible resources (technical knowledge, reputation, effective procedures, etc.) owned by enterprises may help build their competitive advantages (Rumelt, 1995; Wernerfelt, 1984). In addition, these resources must be valuable, rare, unique and have no substitutes (Peteraf, 1993). In particular, in terms of obtaining a superior product market position, researchers have noted the importance of certain scarce assets or resources and their configuration (Dierickx and Cool, 1989). Therefore, channel members can develop their own skills in four ways to develop market-centric strategic flexibility. Specifically, companies develop capabilities in the following aspects: resource identification, resource acquisition, resource deployment, and value selection. To obtain market-centric strategic flexibility, it is necessary to have resource identification capabilities to build

a marketing resource combination with the potential to generate competitive advantage. After identifying resources, the resource acquisition capability function comes into play, and the company must be able to accumulate these resources through internal development or external resource acquisition. After resource identification and acquisition, resource deployment capability involves the company's ability to utilize and use resources. The company must effectively configure and deploy resources in daily operations, and then continue to reconfigure and redeploy them when emergencies occur. In order to obtain market-centric strategic flexibility, the marketing resources identified and acquired must be easy to change and able to accommodate multiple deployments and configurations. In addition, the more durable the adaptability of marketing resources, the better they can be reconfigured and redeployed again and again. Finally, the enterprise value selection capability is also the key to influencing flexibility. It refers to the ability of enterprises to use existing resources to match customers' potential value needs to maximize resource benefits. Therefore, market-centric strategic flexibility stems from the ability to organize and maintain an appropriate resource combination.

2.5.2 Supervision

In the marketing channel, supervision is inevitable due to different goals of manufacturers and distributors, incomplete contracts, and the existence of opportunism.

(1) The meaning of supervision

Supervision reduces opportunism in two ways. First, supervision creates uncomfortable pressure on the supervisor. In order to reduce this pressure, the supervised are willing to obey. Second, supervision helps to discover the opportunistic behavior of the supervised. Usually, opportunistic behavior is punished. In order to avoid punishment, the supervised will reduce opportunistic behavior.

(2) Types of supervision

Supervision is divided into two types: behavioral supervision and result supervision (Das and Teng, 1998). Behavioral supervision is that the supervisor pays attention to the behavior of the supervised, including marketing activities, business

activities, etc.. Behavioral supervision is a unidimensional construct (Oliver and Anderson, 1994; Jaworski et al., 1993), which is probably the reason for the contradictory conclusions of previous studies. Result-based supervision focuses on objective outputs and evaluates them based on objective results. It does not supervise their behavior and management process, and rarely makes management suggestions or interferes with their decision-making.

(3) The role of supervision

Supervision helps improve corporate performance. Supervision can reduce information asymmetry and thus reduce opportunistic behavior. Due to the principal-agent relationship between enterprises and the nature of employees pursuing their own interests, supervision is indispensable, otherwise more opportunistic behaviors will occur. And opportunistic behaviors have a negative impact on enterprise performance.

2.6 Spatial presence

2.6.1 Definition of presence

Presence is used to describe the degree of salience of the other person in the interaction and the degree of salience of the inter Guanxi that follows (Ball Christopher, 2023). From the perspective of psychological analysis, the sense of Presence is divided into Physical Presence and Social Presence (Ijsselsteijn, 2000): The former describes the feeling of "being there" as a result of the medium, while the latter mainly reflects the feeling of "being with or communicating with other people". With the development of emerging media technologies (such as home theater, video conferencing, and 3D technology), researchers have found that the sense of presence can weaken an individual's perception of the role of media and strengthen the perception of "more real" media.

The concept of Presence was first proposed in communication studies. At that time, the concept of Social Presence refers to the degree to which a person is regarded as a "real person" and the degree to which he or she is connected with others in the process of communication through media (Breves Priska, 2023). Presence was first used to describe a characteristic of communication media, which later evolved into "Virtual Presence" and then "Telepresence" (Breves et al., 2022).

2.6.2 Spatial presence

Spatial presence is a multifaceted concept. When it comes to virtual environments, spatial presence refers to the feeling that a person is placed in a virtual environment, and the virtual space will give people a feeling of "being there". According to Sheridan (1992), physical presence refers to presence in some specific virtual environments in the literature. Spatial presence is a psychological and subjective three-dimensional concept, which is the memory of the environment and the perception of the real scene in the physical sense. According to Slater (1999) and other scholars, spatial presence is influenced by immersion. Witmer (1998) further defined presence as a subjective experience in the environment, even if physically located in a different environment. The main assumption is that spatial presence relies on the ability to focus on specific stimuli in a virtual environment to the exclusion of separate stimuli in real life. As a result, a person feels psychologically engaged due to their concentration and concentration, thus becoming engrossed in the activity. This realistic scene is called immersion, a state of mind characterized by the perception of being surrounded, immersed in the environment, and interacting with an environment that provides continuous stimulation and interaction. It is essential for individuals to experience a sense of presence through immersion and participation.

Witmer (1998) proposed that the higher degree of presence is the result of more immersion and participation in the virtual environment. At this level, spatial presence can be described in different terms, such as presence of spatial existence form, personal presence, remote presence, etc. Lombard et al. (2010) extensively considered the literature on spatial presence and proposed a definition of spatial presence based on the commonalities among the six definite concepts, which could be simply summarized as non-media perceptual illusion. They regarded presence as people's attention to media in technological interaction. They further subdivide the sense of presence into two forms of physical and social expression, physical presence is the awareness of the physical environment, and social presence is the feeling of interacting with others in a media environment. The intersection of physical and social presence produces a sense of co-presence, also known as the feeling of co-presence in a shared space, which is a combination of the basic characteristics of these two groups.

There are some conceptual similarities between communal presence and social presence. Shared presence attempts to measure another person's feelings, which is consistent with the concept of social presence, which includes the ability of the medium to make a person perceive the presence of social relationships. Therefore, there is a higher correlation between shared presence and social presence than between shared presence and physical presence. Nowak (2014) distinguishes the forms of presence and predicts that there is a correlation between them. The perceived physical presence was stronger when partners had more in common or social connections. Similarly, as social presence increases, people may feel more shared presence. In addition, he has studied the extent to which these dimensions of presence can be used to evaluate different interfaces and systems, and according to his research, measuring presence or connectivity between users is one way to assess a medium's ability to achieve its communication goals.

2.6.3 Application of spatial presence

Spatial presence theory has been widely used in virtual reality technology and distance education. In recent years, it has been found that a few scholars have introduced it into the research of e-commerce. Mahfouz (2020) regards presence as a feature of "immersive experience" of web browsing and considers it the most important discovery of his research. Kong et al.(2007) found that clothing online shoppers experience a sense of spatial presence, which affects consumers' imagination and jointly affects shopping pleasure with consumer imagination. Lu Hongbing's research found that the three dimensions of social presence indirectly affect consumers' stickiness towards online stores through intermediary variables such as utilitarian value, trust and hedonic value.

2.7 Digital resource collaboration capability

With the continuous development of information technology and e-commerce, digital technologies such as mobile Internet, cloud computing, and the Internet of Things have brought unprecedented revolutions to human society. The new generation

of digital technologies has brought rapid and huge impacts on how enterprises survive and grow continuously, and the various departments within the enterprise and the external environment of the enterprise have become unpredictable (Li, L. et., 2022). Digital technology has an increasingly important impact on the internal management of enterprises and the operation and management of upstream and downstream supply chains. With the further development of digitalization, the way of linking enterprises, products and consumers is changing, and its content is becoming richer. The connection between products, between products and enterprises, and between enterprises is becoming increasingly close.

2.7.1 Digital capabilities

(1) Research background

In the digital economy, enterprises need to reconstruct organizational forms and business elements such as resources, value, structure, relationship, and boundary based on the digital economy. Before using digital resources and digital technology to reconstruct business models, they need to master the methods of integrating digital economic production factors into the digital transformation of enterprises, and cultivate and build digital capabilities that transform digital economic production factors into digital transformation and business model innovation (Mathues, E., 2024).

(2) Definition of digital capabilities

Eric and Richard proposed the concept of digital capabilities and believed that digital technology forms a digital capability system for enterprises to promote business model reconstruction and organizational innovation. Okere et al. (2016) believed that the ability to identify opportunities in the digital environment in the context of the digital economy is one of the important capabilities of enterprises to promote business model innovation. The results of René et al.'s research on innovative solutions for IoT platforms based on emerging digital technology capabilities showed that digital capabilities are an important link and converter for applying digital economy to organizational innovation.

(3) Characteristics of digital capabilities

Digitalization has led to an explosive growth in the data processing capabilities of enterprises. Traditional research models have lost their meaning. Artificial Intelligence, Blockchain, Cloud Computing, and Big Data have made it easy to discover universal connections between things, while theories based on assumptions and falsification procedures and their scientific evidence have become outdated. However, more scholars believe that theory is still an evergreen tree. Causal relationships are the basis for our understanding of the complex world. Although digitalization can quickly discover the correlations between things, these universal connections cannot replace causal relationships based on theories. Therefore, in the digital age, theory is more important. Digitalization has brought a series of sublimations from quantitative change to qualitative change to the management theory of enterprises. At the same time, digitalization's re-examination and new expansion of existing theories is an important factor in the practice of management theory in enterprises under the new environment.

There is obvious heterogeneity among digital enterprises, which is mainly reflected in the three dimensions of digital twins, infinite convergence, and self-iteration, and on this basis, the characteristics of digitalization are extended. Digital twins make the data analysis and presentation of algorithms including machine learning and cloud computing significantly different from previous technologies; infinite convergence enables previously scattered demands, feedback and experiences to converge to their respective digital terminals through reprogramming and data homogenization; self-iteration enables the iteration of technology and business models to go beyond the original track, forming a new phenomenon with dynamics and extensibility.

(4) Dimensions of digital capabilities

Scholars have conducted preliminary research on digital capabilities from the perspective of technology and industrialization. For example, Warner established a dynamic capability model for digital transformation and proposed a model that includes digital perception capability, digital acquisition capability and digital transformation capability. Mark summarized a practical formula for enterprises to forge digital capabilities. If Y is a successful digital strategy, then $Y=f(\text{technology, business, channel, data})$. The operational process of organizing these four key elements to improve

customer experience is the process of enterprises cultivating digital capabilities. Kapoor et al.(2022) pointed out that in the face of the wide coverage and low cost characteristics of digital finance and digital services brought by mobile Internet, enterprises need to have digital capabilities that can effectively use digital knowledge and information as a new production factor and digital resource coordination capabilities. Ritter and Pedersen started from the conditions of enterprise digitalization and divided digital capabilities into three dimensions: data acquisition, data use, and data analysis. Li Wen et al.(2024) emphasized the collaborative aspect of enterprise digital capabilities, which is mainly reflected in cross-industry, cross-enterprise, and cross-link digital resource sharing and full value chain collaborative optimization, creating a multi-dimensional, multi-level, and multi-chain digital resource collaborative system. Yi Jiabin et al.(2024) believe that digital capabilities are a multi-dimensional, systematic capability that includes digital perception capabilities, digital operation capabilities, and digital resource collaboration capabilities. Gartner defines digital transformation as the development of digital technologies and supporting capabilities to create a new and dynamic digital business model. Digital transformation is based on digital conversion and digital upgrading, upgrading the company's core business to establish a higher-level new business model transformation. In the face of digital transformation, many scholars in the field of capability theory have paid attention to the issue of digital capabilities. Gupta and George (2016) followed the evolution of capability theory and proposed big data analysis capabilities based on RBV; Ritter and Pedersen (2022) believed that digital capabilities including data (acquisition), use (license) and analysis (application) are prerequisites for enterprise digitalization. Some scholars have also paid attention to consumer participation in the construction of digital capabilities, believing that the core of digital capabilities is to achieve value co-creation with customers through perception and response mechanisms, and digital capabilities can be decomposed into three categories: intelligence, connection and analysis. The construction of these digital capabilities is inseparable from digital infrastructure such as the Internet, data centers, open standards such as IEEE802.11, and consumer devices such as smartphones and tablets.

Different from the resource-based view (RBV) and its dynamic capability theory with clear boundaries under the traditional economic paradigm, the construction

of digital capabilities also depends on the interaction between the main enterprise, customers, suppliers and other stakeholders; from the perspective of extensive connections, it must depend on the platform and its multilateral system. This is because the widespread application of digital technology has promoted the rapid and large-scale exchange of products and information among various entities, while also promoting platform business models and platform thinking. "Platforms" are replacing "old world companies". This means that the construction of digital capabilities must break organizational boundaries and be built on digital platforms. Helfat and Raubitschek (2018) emphasized that digital platforms facilitate internal communication and the coordination of resources, capabilities, activities and their goals, but digital platforms will not directly improve corporate performance, but can only be achieved through dynamic capabilities. On the one hand, digital platforms help companies integrate internal resources and form key shared knowledge; on the other hand, they promote the reconfiguration of internal and external resources to jointly respond to highly changing market demands. Therefore, the formation of platform-based digital capabilities is of great significance to promoting the digital transformation of enterprises.

Research on digital governance discusses how enterprises build digital platforms, implement platform governance, improve agility, promote business process transformation and change corporate governance structures, thereby solving the gaps and traps in the digital transformation process, including strategic, organizational, tool, governance and performance traps, and overcoming local and global conflicts and organizational inertia.

2.7.2 Definition and role of digital resource collaboration capability

(1) Definition of digital resource collaboration capability

Digital resource collaboration capability refers to the ability of enterprises to share digital information and make the value chain agile and flexible, integrate and collaborate internal and external complementary resources and competitive resources to break data silos, and achieve digital resource sharing, co-construction and co-governance.

(2) Role of digital resource collaboration capability

Faced with digital transformation, enterprises make corresponding changes to their organizational structures. Whether it is a newly established digital native enterprise or a traditional retail enterprise facing transformation, they all need to change and adjust their strategies, organizations and values. Digital governance, unlike corporate governance, involves the supervision of digital assets, the evaluation of value contribution and the prevention of digital risks. Xiaomi and its ecological chain enterprises have gotten rid of the constraints of traditional upstream and downstream relationships, sorted out related businesses, made the organizational structure more reasonable, and made the team more combat-ready.

In the business ecosystem, different stakeholders who cooperate and support each other constitute a "value network". Red Dragonfly is preparing to build a shoe town, where all transactions related to shoes can be completed. This open platform is the source of innovation, growth, and competitive success. Only digital collaboration between enterprises can go long-term, which is also the embodiment of new retail-supply relationship and channel relationship in the digital context. In the current digital practice, most platform enterprises and IT integration enterprises have opened their own Internet ecological "circle of friends". The relationship between them and users is no longer a simple "I provide hardware, you provide software" relationship in the traditional sense, but a partnership that is closely integrated in multiple fields and multiple scenarios. The practice of digital collaboration allows industrial users to be upstream and downstream of each other. Xiaomi's smart home products are co-created in the industrial chain with whole-house intelligence and scenario-based intelligence as the core after the boom of smart single products. They are jointly established by retail enterprises and smart home manufacturers with upstream and downstream manufacturers using ecological tactics. These enterprises are mutually ecological and jointly promote the development of smart homes.

In the long run, the establishment and improvement of the digital business ecosystem will further expand to production, supply, design, partners, shareholders, stakeholders, etc. The development of the system will be driven by multiple leading enterprises in the ecosystem, and ultimately achieve the common development of the

entire industry. Product-centric companies introduce digital technologies to improve service delivery efficiency and product service value, and at the same time change the original process of the enterprise to form a new business model. Some scholars have found in their research on the role of digital capabilities in organizational inertia and business model innovation that digital resource collaboration capabilities have a significant promoting effect on business model innovation, and have a mediating effect on the relationship between structural inertia and cognitive inertia and business model innovation. In addition, digitalization also has a moderating effect on the interactive effect between product innovation and service transformation. Digital technology can significantly promote the coordinated development of product innovation and service transformation.

Different from traditional manufacturing enterprises with clear organizational boundaries and management levels, Internet enterprises are open, have blurred boundaries, and are interactively coupled. The construction of digital capabilities relies more on extensive interactions with suppliers, intermediaries, customers, governments, and other stakeholders. In addition, the in-depth application of digital technology drives Internet enterprises to establish platform thinking and cultivate digital capabilities based on platform business and business model innovation.

2.8 Theoretical Basis

This research will use Interpersonal Attraction Theory, Resource-based Theory, Social Exchange Theory and Cultural Dimension Theory as the theoretical basis, this part includes the definition, development process and how to apply these theories in this research.

2.8.1 Interpersonal Attraction Theory

Interpersonal attraction refers to a positive attitude towards others (Ellegaard, 2012), which is a positive affective evaluation of another person. The social psychology of interpersonal attraction was established between 1950 and 1980. It reemerged in a mostly unknown form in the 1990s as a major branch of evolutionary psychology and

largely abandoning the core research questions for decades. Some researchers insist that the focus of interpersonal attraction be on behavior (Costa, 2022), while others emphasize affectively positive feelings (Zajonc, 1968). The consensus among these definitions is the description of another person's positive evaluation as a construct that needs to be measured. Some scholars use the tripartite model (Berscheid, 2010) to define attractiveness. Attractiveness has affective, behavioral and cognitive components. The resurgence of widespread interest in the study of interpersonal engagement has been inspired in part by the power provided by major social innovations in the business world, including online socialization and rapid socialization. It is believed that interpersonal attraction refers to liking for others and the willingness and actions to associate with them (Li et al., 2015). Burt & Burzynska (2017) reviewed research on interpersonal attraction, covering the fields of social exchange, social psychology and marketing.

(1) The role of interpersonal attraction

Interpersonal attraction is valuable because it creates attraction. Attracted individuals look to increase the frequency, breadth, and intensity of communications to reap rewards in future communications. The attracted individual identifies with the attractor and adopts the attractor's behavior, attitudes, and perspectives (Smart, 2020; Kelman, 1961). Mutually identified relationships become especially strong when the roles of both parties are defined in reference to each other, leading to a high degree of association. Harris et al. (2003) developed a model in which interpersonal attraction positively affects trust and commitment, increasing the level of cooperation and interaction. Hald et al. (2009), mainly inspired by social exchange theory, had an insight into the attraction process some interesting observations are made. For example, the importance of intrinsic rewards is pointed out; the potential of attractiveness as a mechanism to attract customers and suppliers is pointed out. Attractive individuals are considered to be highly impartial and trustworthy, which further increases the capacity and strength of the exchange relationship (Smart, 2020). Interpersonal attraction can also reduce the possibility of coercive behavior, increase cooperation, strengthen the impression of the group to which the attractor belongs to, increase the willingness to invest in exchange, improve communication, etc. Positive influence (Hopkinson &

Blois, 2014; Blau, 1964; Cropanzano et al., 2017; Smart, 2020). Characteristics of attractiveness produce exceptionally strong relationships characterized by flexibility, persistence, commitment, and loyalty. Such intimacy implies the relationship is resistant to all kinds of external forces, able to withstand the problems that inevitably arise in communication and resolve conflicts of varying degrees. In fact, attraction produces an overwhelmingly positive result, not only for relationships, but also of great value in inter-organizational communication.

(2) Key points to enhance interpersonal attraction

One of the most influential ideas, starting with the psychological study of interpersonal attraction, is that people are attracted to others depending on what others reciprocate to them. In many areas of value, one person's views and attitudes require social support, another person's agreeing views constitute a reward for him. Newcomb (1956) argued that when we are rewarded or punished by others, we acquire attitudes that are favorable or unfavorable to others. People are often very eager to get evidence that others like them. They even tend to be attracted to those who apply themselves in order to win favor (Endrikat et al., 2021; Ikeda & Aoki, 2022). People tend to be attracted to people who are rich or have the potential to be rich or ambitious, possibly because interdependence with these people provides people with a lifestyle that provides high levels of hedonic enjoyment. Based on the research of service professionals, Ellegaard (2012) found evidence that social psychology regards intimacy, familiarity and similarity as antecedents of attraction.

(3) Dimensions of interpersonal attraction

Friendship and social relationship researchers believe that competence and trustworthiness are at the heart of Guanxi judgments. Neuberg etc. (2011) proposed "a social function analysis" that postulated two key dimensions for judging the relational potential of others: (a) Trust and cooperation, which allow interdependent relationships to develop; (b) The relevance and quality of a person's personality traits, in which an individual values another person's personality traits differently to the extent that those traits are positively related and quality.

The Ideal Standard Model (Fletcher & Simpson, 2000), which describes three

dimensions of Guanxi preferences that emerge from evolutionary theory and are supported by empirical investigations: (a) Intimacy and Commitment evaluates a person as a committed partner and the ability to form cooperative alliances; (b) Health and physical attractiveness, which assess an individual's overall health and fitness level; (c) Status and resources, which emphasize an individual's ability to advance social rank and gain access to valuable resources.

Ellis (1998) developed a model that emphasizes the target person's "ability and willingness" to meet sex-specific evolutionary dependency needs. For example, in women's preferences for men, ability refers to a man's ability to earn money, while willingness measures refer to a man's willingness to provide this resource to a woman. Friendship preferences also reflect dimensions consistent with the two-dimensional approach. For example, Vigil (2007) postulates that the choice of friendship is determined by (a) credibility. (b) Capability, which refers to the ability of a person to provide resources (such as financial resources) to another person.

(4) Influencing factors of interpersonal attraction

The focus of attention of interpersonal attraction theory is the cause of interpersonal attraction and the influence of interpersonal attraction. Existing literature has carried out many studies on the causes of interpersonal attraction. In general, the main factors leading to interpersonal attraction are professionalism, familiarity, similarity, reciprocity and agreeableness (Finkel and Eastwick, 2012; Montoya and Horton, 2014; Finkel & Eastwick, 2015). Among them, the latter three factors are considered to be the most important aspects affecting interpersonal attraction.

(a) Professionalism.

Expertise is a factor of interpersonal interaction and can be viewed as "the amount of knowledge a person possesses about a field" (Shen et al., 2010). People tend to perceive the opinions of experts as more convincing than those of non-experts (Kelman, 1961; Petty, 2018); thus, people are more willing to accept the advice and opinions of experts (Bonner et al., 2006). Sellers with higher expertise can provide customers with useful advice. If sellers properly provide the information that buyers are looking for, it will reduce information asymmetry (Dimoka et al., 2012), which may

lead to mutual attraction with such buyers and sellers, which will lubricate online transactions (Ou et al., 2014). Furthermore, when the information provided by the seller is useful and relevant, the buyer is more likely to have a higher level of satisfaction and trust (Zhou, 2013).

(b) Similarity.

Similarity refers to the degree of agreement between individuals and others in terms of attitudes, personality traits, or some other attributes (Gaur et al., 2012; Smith, 1998). People tend to like and make friends with people who are similar to them in attitudes, interests, values, life background and personality. Montoya et al. (2017) conducted a meta-analysis of more than 300 relevant studies and found that similarity has a positive and strong impact on interpersonal attraction.

(c) Reciprocity.

Reciprocity refers to people liking those who express liking to them (Montoya and Horton, 2014). People's positive behaviors and verbal affective expressions can convey liking for others, thereby generating reciprocal favorability. Honor etc. (Ellegaard, 2012). A meta-analysis of 17 studies on flattery found that expressing liking had a modest positive effect on reciprocal attraction (Endrikat et al., 2021).

(d) Desirable features.

The physical attractiveness of others has been identified as the most powerful determinant of people's initial attraction (Eastwick and Finkel, 2008; Ellegaard, 2012; Finkel and Eastwick, 2012). In addition, social psychology research has also found that some positive personal characteristics of others, such as sincerity, honesty, enthusiasm, thoughtfulness, intelligence, health, extroversion or cheerfulness, humor and competence, are all factors that affect interpersonal attraction (Eastwick and Finkel, 2008; Ellegaard, 2012; Montoya and Horton, 2014; Finkel & Eastwick, 2015).

Interpersonal attraction has a greater impact on people's behavior. According to the literature review of Söderlund & Julander (2009) and Ellegaard (2012), interpersonal attraction will lead to people's avoidance behavior. The more people are attracted by others, the more likely they are to communicate with others and increase the frequency and breadth of interaction; otherwise, they tend to avoid and refuse.

Interpersonal attraction also affects people's cognition, judgment and decision-making, and other-orientation. Compared with people they don't like, people will have more positive evaluations of people they like, and they will also agree with the attitudes, concepts and behaviors of attractive people, which will lead to behaviors such as learning or imitation, obedience and acquiescence (Breves, P., & Stein, J. P, 2023). The focus of attention of interpersonal attraction theory is the cause of interpersonal attraction and the influence of interpersonal attraction. Existing literature has carried out many studies on the causes of interpersonal attraction. Generally speaking, the main factors leading to interpersonal attraction are the characteristics of professionalism, familiarity, similarity, reciprocity and agreement.

2.8.2 Resource-Based Theory

In the middle of the 20th century, with the end of the Second World War, the global economy gradually recovered. Various enterprises ushered in the spring of development again. How to shape and maintain the competitive advantages of enterprises has become the focus of attention from all walks of life. In this context, Penrose (2009) focused on the internal growth of the organization and creatively regarded the enterprise as a collection of resources, pointing out that the effective acquisition and scientific allocation of heterogeneous resources, including human resources and physical resources, can help enterprises improve performance and further shape the competitive advantages that distinguish it from other companies, thereby promoting its own steady growth. This theory took the lead in knocking on the door of resource heterogeneity research, affirmed for the first time the important role of heterogeneous resources in shaping the competitive advantage of enterprises and laid a theoretical foundation for the birth of resource-based theory (Kozlenkova et al., 2014).

Penrose (2009) believes that the growth of an enterprise is the process of gradually accumulating knowledge to expand its production field, which is the earliest origin of resource-based theory.

With the continuous progress of the global economy and the gradual improvement of productivity, major western developed countries have entered the post-industrial era, with unprecedented abundance of social resources (Barney, 1996). The

competition of enterprises has gradually changed from the competition of large machines to the competition of resources. More and more scholars such as Miller (2019) and Barney found that the research on external factors could not accurately explain the mystery of the growth of enterprises in the same environment but with different performance, so the research focus began to shift to the internal organization. Miller (2019) published the article "Enterprise Resource-Based Theory", which was generally recognized by scholars and formed the resource-based school, marking the official birth of resource-based theory. According to the resource-based theory, an enterprise is a collection of various resources. "Resources" is the core of resource-based theory, which is essentially a general term for material resources, financial resources, human resources, knowledge and intelligence, and social elements (Penrose & Penrose, 2009). Due to various reasons, the resources owned by enterprises are different and heterogeneous. This heterogeneity determines the difference in the competitiveness of enterprises. It mainly includes three aspects: special heterogeneous resources, resources inimitability and the acquisition and management of specific resources (Miller, 2019). In his research on corporate differentiation strategy, Miller (2019) pointed out that attention to resources is the logical starting point for companies to make strategic choices, and emphasized that companies rely on heterogeneous resources, knowledge and capabilities to build resource location barriers are the key for companies to obtain high profits.

Although the dynamic resource-based view explains the connection between resource stock and sustainable competitive advantage from the perspective of dynamic evolution, there is still a lack of theoretical response to the specific mechanism of resource formation and allocation (Alvarez & Busenitz, 2017). Follow-up scholars have improved the dynamic behavior of organizational resource acquisition and integration from two aspects (Yang & Lirn, 2017).

(1) To explore the mechanism of resource formation by analyzing how the organization develops new resources based on its own resource base. For example, Miller (2019) pointed out that organizations should expand on the basis of existing resources. Resource combination acquires new resources to amplify the asymmetric advantages of the organization in the competition for new resources. Maritanne et al.

(2003) pointed out that focusing on resource and capacity investment, heterogeneous resource evaluation and resource management process construction are conducive to promoting resource acquisition and accumulation to achieve heterogeneous qualitative resource position transition, the most representative theory in this type of research is the resource mosaic theory that tries to help start-ups break through resource constraints from the perspective of construction;

(2) To explore the specifics of resource allocation from the perspective of process on the basis of dynamic capability theory (Das & Teng, 2000). The most representative theory in this type of research is the resource orchestration theory that explores the cross-border resource management actions of the entire life cycle of enterprises in general situations, and emphasizes that managers play an important role between resources and capabilities.

The above two types of research both explore in depth the key role and internal mechanism of the organization's dynamic behavior of focusing on internal and external resources from the perspective of action in the relationship between organizational resource accumulation and capacity building (Blair, 2020). The theory of "how" is insufficient, so the academic circle draws on the term "resource-focused action" proposed by Sirmon et al. (2011) to further summarize it as a resource-focused action view.

Ketchen and Hult (2007) put forward a theoretical framework of "resources-behavior-performance" based on the resource-based theory, and believed that the resources of enterprises will affect the performance of enterprises by affecting the behavior of enterprises. Enterprise performance, as the primary goal of enterprise management, has always been a hot topic in the field of economic management (Teece, 2014). Since the birth of resource-based theory, the academic field has linked the two to discuss. From the perspective of resource classification, the academic community points out that tangible assets such as infrastructure and intangible assets such as knowledge available to organizations are important foundations for value creation (Barney & Clark, 2007).

Different combinations of resources and capabilities owned by organizations are beneficial to improve enterprise performance (Holdford, 2018). With the

development of Internet technology and the diversification of market demand, the academic circles have focused on the resource management and application practice in cooperation and discovered the important role of Guanxi as a key resource in the improvement process between the main enterprise and the cooperative enterprise (Acedo et al., 2020).

The applied research of resource-based theory in the context of big data, digitization and networking needs to be deepened. Since the 21st century, the global economy has developed rapidly and market demand has rapidly iterated (Das & Teng, 2000). Emerging technologies represented by big data, Internet, blockchain and economic forms represented by sharing economy, platform organization and ecosystem constitute a new era of innovation management (Hitt et al., 2016). New context, which not only brings opportunities and challenges to the development of modern enterprises, but also puts forward new requirements and issues for the current research on resource-based theory: Influencing factors of modern enterprise resource management practices what has changed under the context of big data, digitization and networking? In the future, we can focus on the above directions to carry out applied research on resource-based theory. On the one hand, we will enrich the knowledge system of resource-based theory with cutting-edge theories following the tide of the times (Arnould et al., 2014). On the other hand, we will provide scientific methodology and paradigms for modern enterprise resource management practice academic reference (Andersen & Kheam, 1998).

2.8.3 Social Exchange Theory

Drawing lessons from anthropology, behavioral psychology, and classical political economics, social exchange theory was gradually formed in the 1960s, mainly used to explain competition, conflict, integration, and power in human society.

Social exchange theory uses economic methods to analyze social relations, and believes that the basis for establishing social relations is that the benefits generated by social relations are greater than the costs, which is the basis for the existence and development of social relations. The theory of social exchange assumes that the

subjects of social relations are egoists, and the essence of social relations is exchange. Exchange will be stopped immediately (Blau, 1994).

Table 2. 3 Literature review of social exchange theory

Subject	Representative	Theoretical thinking
Classical political economy	Adam Smith	Utilitarianism is prevalent in human society. In the process of exchange, rational people often expect to obtain the maximum benefit at the minimum cost (Smith, 1987).
Anthropology	James Fraser Stoddart	Human economic motivation is embodied in specific culture and social structure, and it is the root of social exchange, while power and status are the appendages of exchange. Power, prestige, and privilege are judged by the ease of obtaining valuable goods (Stoddart, 2017).
Anthropology	Bronislaw Kaspar Malinowski	The motivation for exchange may be economic or psychological. Material exchange and non-material exchange are defined. Utilitarianism does not explain all social exchange activities. (Koptzeva & Reznikova, 2009).
Anthropology	Marcel Mauss	The fundamental reason why exchange occurs and is sustained is society and groups. Exchanges between groups use contracts to guarantee the obligations and responsibilities of both parties; the market is one of the opportunities for various exchanges; dedication and rewards are moral norms, and are often completed voluntarily. Combining utilitarian exchange and social structure analysis is conducive to the formation of social exchange theory. (Mauss, 1973).
Sociology	Claude Levi-Strauss	The social exchange model needs to follow social norms and social exchange ethics. The exchange is based on the principle of equivalence of benefits obtained and benefits provided. Exchange studies should focus on the study of exchange objects; The main function of exchange is to promote the integration of social structures. (Lévi-Strauss, 2013).
Anthropology	Georg Simmel	Five principles of exchange: the principle of attraction, feeling that the other party's items are valuable, and it is possible to establish an exchange relationship; the principle of value, the less likely it is to get the desired item, the stronger the desire, the

Subject	Representative	Theoretical thinking
		greater the value of the desired item; the power principle, the possession of The greater the value of the resource, the greater the power; the principle of tension; the more the emotion of the desired item is concealed, the greater the tension in the exchange process; the more likely conflicts will occur; the principle of reciprocity, the exchange is beneficial to both parties. (Simmel, 2011)
Sociology	Burrhus Frederic Skinner	Infer and explain human actions through observational experiments of animal behavior, and believe that human behavior is determined by the external environment and changes as the environment changes. The external environment will stimulate people's behavioral responses, and the "stimulus-response" mode of seeking advantages and avoiding disadvantages is the basic way of human action. (Skinner, 1965)
Psychology	George Casper Homans	Individual behavior is governed by interests. The repetitive drive of interest is an important condition for individuals to maintain and reproduce interest-seeking behavior. Fairness criteria are generated by individuals based on past experiences and identified comparison groups. The foundation of power is ability. (Homans, 1961)
Sociology	Peter Michael Blau	Social exchange activities are only one of all human activities. Inter-individual interaction is similar to inter-group interaction and needs to be based on mutual trust. Social exchange is a reciprocal model in which individuals or groups voluntarily reciprocate in exchange for rewards. (Blau, 1963) Proposed social exchange principles: rationality principle, reciprocity principle, fairness principle, marginal misappropriation principle and inequality principle. (Blau, 1964)
Sociology	Richard Emerson	An enterprise is just a node in the entire social network. Due to differences in capabilities and resources, inequality and power exist in the social network. (Emerson, 2019)

Social exchange theory can explain many phenomena. Anderson and Narus (1984) applied social exchange theory to analyze the social interaction between

manufacturers and distributors. They took downstream distributors as research objects to understand their perception of the social relationship with manufacturers. Through empirical analysis, they found that the social relationship output compared with others will affect their satisfaction with the manufacturer's social relationship, which in turn will affect the manufacturer's level of control over the dealer. Zhao Zhipeng et al. (2016) used social exchange theory to analyze consumer brand word-of-mouth communication behavior, proposed a brand word-of-mouth communication strategy based on social exchange theory, and put forward suggestions for preventing false word-of-mouth information. Zhang Zhirong (2011) used the theory of social exchange to analyze the Guanxi between consumers and enterprises, believed that the social interaction between consumers and enterprises is a process of mutual exchange of resources, and deeply analyzed the characteristics, formation process, and content of resource exchange of this exchange. Wang Hongfang (2019) and others used social exchange theory to explain the impact of employee compensation on employee performance.

According to the social exchange theory, the basis for the establishment of social relations is that the benefits generated by social relations are greater than the costs, which is the basis for the existence and development of social relations. As a social relationship, Guanxi is also an exchange relationship of interests. Therefore, Guanxi includes the dimension of interests.

Michael Blau (1964) believed that social exchange is a kind of responsibility relationship including unspecified future. When one party gives help or favor to the other party, he will expect to be rewarded in the future. Future rewards are based on one party's belief that the other party will reward him fairly in the long run. In addition, for an action to be social exchange, two conditions must be met: first, the ultimate goals of the behavior can only be achieved through interaction with others, and second, the behavior must adopt means that help to achieve these ends.

For social exchange, Michael Blau (1964) proposed five basic principles:

(1) rational principle.

Since exchange is an action aimed at expecting and exchanging returns, the actors involved in the exchange process are very similar to the "rational economic man"

model who are proficient in calculation. They follow the principle of "action = value X possibility" Formula to engage in various actions.

(2) the principle of reciprocity.

It includes two aspects: once a social exchange occurs, the beneficiary party must undertake and fulfill the obligation of repayment; once the reciprocity norm is destroyed and violated, the exchange process will automatically stop, and even lead to conflicts.

(3) The principle of justice.

Its social regulations on the proportion of reward and price in the established exchange relationship directly restrict the degree of people's reward expectation.

(4) The principle of marginal utility.

The more rewards people get for engaging in a particular action, the less valuable the action is, and the less likely they are to engage in this activity.

(5) The principle of disequilibrium.

Within a social unit, the more stable and balanced some exchange relations are, the more likely others will become unbalanced and unstable.

Social attraction, competition, differentiation, integration, conflict and change constitute the basic process of social exchange, and this process itself is full of dialectics. Among them, differentiation is an important part of the dialectical development of the exchange process. In the early competition of social exchange, exchange members who have achieved success continue to compete with other early winners in order to maintain their competitive achievements and dominance, while those who have not succeeded have to withdraw from the competition to obtain rewards and become a successful exchange partner. In this way, the early winners achieved high status in the social structure. Winners in the competition can obtain multiple support in the social structure and joint support from subordinates, thereby ensuring their high status and improving their foundation, that is, legitimizing their power. In a sense, leaders gaining legitimized power are again polarizing. Because of the stable power base, some leaders can increase their tolerance to subordinates, thus making the obedience of power more

stable; some leaders will strengthen the exploitation and oppression of others because of the same reason, which will eventually lead to resistance to power (Blau, 1963;1994).

The premise of this study is based on the social exchange theory: executives are in a two-way mutually beneficial exchange Guanxi, and both parties need to pay and receive certain benefits. Here, responsibility is the basic element in the exchange. When the mutual responsibilities are equal, or when the contribution and return are equal, a long-term, stable and positive Guanxi can be maintained. At the same time, the content of the exchange is not limited to the exchange of clear, economic benefits.

2.8.4 Cultural Dimension Theory

Geert Hofstede(1980) published the book "The Influence of Culture: A Cross-Country Comparison of Values, Behaviors, Institutions, and Organizations" and proposed the theory of cultural dimensions, pointing out that there are four types of differences between different cultures: Dimensions, that is, power distance (from low to high), individualism-collectivism, femininity-masculinity, and uncertainty avoidance (from weak to strong), together form a four-dimensional model of national (regional) cultural differences. Geert Hofstede (1991) published the book "Culture and Organization: The Power of Mental Software", a fifth cultural dimension was added: long-term orientation-short-term orientation, which was based on the Chinese University of Hong Kong Chinese Values Survey Questionnaire conducted by Professor Mike Peng. Geert Hofstede and Gert Jan Hofstede(2005) proposed the sixth cultural dimension—indulgence and restraint.

Scholars have conducted extensive and frequent verification research on Hofstede's cultural dimension theory, and applied it to business, education and culture. Ho and Chiu (1994) used Hofstede's cultural dimension theory to analyze Chinese attitudes towards individualism and collectivism. The author mentioned that Chinese believe individualism is selfish and will have an adverse effect on collective interests, and collectivism is highly valued in China; Merritt (2000) conducted a 98-item questionnaire survey on pilots' work, communication skills and values concepts. In the analysis, the dimensions of individualism/collectivism, power distance, uncertainty avoidance, masculinity and femininity were obtained; Tinsley and Brett (2001) used

Hofstede's cultural dimension theory to analyze the Students in the Hong Kong Special Administrative Region conducted a comparative analysis. The results showed that American students were more independent and had less uncertainty avoidance than students in Hong Kong, China; P. Maria Joseph Christie, IK-Whan G. Kwon, etc. (2003) used Hofstede's cultural dimension theory studies the Guanxi between it and the moral attitudes of business managers. They prove that individualism and collectivism, power distance are closely related to the moral attitudes of business managers, but the research problem is that the other three dimensions are related to Merkin (2006) confirmed that the uncertainty avoidance dimension in Hofstede's cultural dimension theory can enable people to better understand cultural differences.

(1) Power Distance

Inkeles (1969)'s investigation and research on national culture opened the first of its kind in the academic circles to conduct systematic research on the power relationship between superiors and subordinates in the cross-cultural field and at the organizational level. Existing studies have believed that Guanxi determine organizational operations and member actions The key issue. Defines power as "the ability to determine or (to some extent) directly determine the behavior of others". Power distance is the degree of inequality in power between a disadvantaged individual (Lam & Xu, 2019). Here, Lam (2019) mainly refers to the affective distance between superiors and subordinates. Hofstede's (1980, 1988, 1991, 2001) discussion on power distance is the most representative point of view at present. As an important dimension, power distance is Hofstede's questionnaire survey of employees in the same position of IBM in different countries, and according to the statistical results, the power distance index of different countries is measured to compare different countries due to cultural differences (Liang, L. Y. , 2023). The difference in the degree of unequal power distribution that members can accept. According to the difference, it is divided into high power distance (HPD) and low power distance (LPD). Because power distance is rooted in the inequality of social relations, it can be seen everywhere in different units of our society, such as between children and parents in the family, between teachers and students in schools, and between bosses and subordinates in organizations. Power distance is indispensable, however, because such an unequal distribution of power in

organizations is essential for organizational control, preventing the growth of organizational disorder (Chen & Bedford, 2022).

Bond (1988) carried out a survey of Chinese values by selecting college students from 23 countries and regions (100 students were selected from each country and region) to conduct questionnaire statistics, and analyzed. After summarizing, the influence factors of four values are also calculated: (a) Integration (b) Confucian work dynamism (c) Human-beartedness (d) Moral discipline (Coggeshall, 2023). Regarding the meaning of power distance, Hofstede (1991) pointed out that power distance refers to the degree of expectation and acceptance of unequal distribution of power by vulnerable members in a social organization or institution. Institutions are the basic units of society, such as families, schools, etc.; organizations are the places where people work. Later, Hofstede (2001) revised this definition, arguing that power distance is the degree to which people accept and expect the unequal distribution of power. Although inequality exists in any cultural context, the degree to which people accept inequality is determined by cultural differences. In a society with high power distance, it is more acceptable for people to have significant power gaps in organizations or groups. In fact, because technology, class and status can show more important meanings in this kind of society, employees will show great awe to those supervisors who have authority. In a society with low power distance, the phenomenon of power inequality within the organization is minimized as much as possible, so even if supervisors have authority, employees will not show special respect for fear of authority. From Table 2.4 we can see the general norms of differences in social perceptions of power distance.

Table 2. 4 Differences in Social Concepts of Power Distance

Low power distance	High power distance
Human inequality should be minimized	Human Inequality Can Be Expected and Pursued
People with different powers should try to rely on each other	People with low power should rely on or stay away from high power
Parents treat children equally	Parents teach their children to obey
Subordinates expect to be consulted	Subordinates expect to be informed of actions

Low power distance	High power distance
The ideal boss is tactful and democratic	The ideal boss is a benevolent dictator or parent
Privilege and Status Symbols Are Disgusting	Managers expect and love privilege and status
Bureaucracy is inequality built for convenience	Bureaucratic organization reflects existing inequalities
Preference for decentralization	Preference for centralization
Reduce the gap between rich and poor	Widening the gap between rich and poor

Source: Hofstede, G., Hofstede, G. J., & Minkov, M. (2005). *Cultures and organizations: Software of the mind* (Vol. 2). New York: Mcgraw-hill.

Daphna (2006) believes that power distance does not measure or represent the degree to which people have power, but the degree to which a society accepts people's inequality in power, wealth or reputation and regards it as inevitable or as a functional degree. A high power distance does not mean having higher power, but that people can accept a higher degree of power inequality (Breves, P, 2023). The core difference between high power distance and low power distance does not refer to an actual power inequality, but refers to people's attitudes towards the status quo of such power inequality. Power distance refers to the extent to which members of a culture expect and accept power inequality (Zhang et al., 2009). Power distance involves people's attitudes towards inequality, and it is clearly the embodiment and reflection of the asymmetric nature of social relations (Xu Xiaojun, 2010).

(2) Uncertainty Avoidance

Under the uncertain situation, the decision-making subject is faced with the choice of multiple plans, and different utility levels will be obtained after weighted evaluation of various possible outcomes, and the decision-making subject finally chooses the plan with the largest expected utility as the final choice (Neumann & Morgenstem, 1947).

Taking advantage of the opportunity of working in IBM, Hofstede conducted a survey on the cultural values of old employees, and analyzed the different answers of these employees to the same questions, reflecting that the different value orientations

of employees are affected by the cultural environment of their countries and regions. . Among them, uncertainty avoidance, as one of the cultural dimensions, has also received Hofstede's attention. Hofstede (1980) pointed out that people with high uncertainty avoiding cultural values are unwilling to take risks, prefer stability, and are full of worries about the future; while people with low uncertainty avoiding cultural values are the opposite, they are brave and willing to take risks, and they are full of confidence in the future. Willing to undertake challenging projects and work (Chen Xiaoping, 2012). As shown in Table 2.4, general norms for differences in social perceptions of uncertainty avoidance are illustrated.

Uncertainty avoidance refers to the degree to which people tolerate ambiguity (low uncertainty avoidance) or feel threatened by ambiguity and uncertainty (high uncertainty avoidance), and people will avoid such uncertain situations through technology and other means (Hofstede, 1980); it is the degree to which a society avoids and controls uncertainty through formal channels when considering its own interests are threatened by uncertain time and ambiguous environment (Hao Wenting, 2009); it is a measure of culture It measures the degree to which people accept risks and unconventional behaviors (Wang, 2009). Members of different societies accept and respond differently to the unknown and the degree of risk in an uncertain world. When members of some societies face uncertainty, because they do not feel threatened or feared, they can calm down and deal with risks and uncertainties calmly; while there are also some societies whose members are highly stressed and anxious, deeply The fear of this uncertainty and the threat of ambiguity.

Therefore, although scholars have different starting points for discussing the connotation of uncertainty avoidance, the definition of uncertainty avoidance is consistent in essence, that is, uncertainty avoidance is the degree of tolerance for future ambiguity. The higher the tolerance, the lower the uncertainty avoidance; the lower the tolerance, the higher the uncertainty avoidance.

Table 2. 5 Differences in social concepts with different degree of uncertainty

Socialization of low uncertainty avoidance	Socialization of High Uncertainty Avoidance
Uncertainty is the normal state of life, accept the arrival of each day naturally	The uncertainty that exists in life is a constant threat that we must fight
lower stress and anxiety	higher energy and anxiety
Aggression and emotion should not be shown	Aggression and emotion should be revealed at the right time and in the right place
Higher scores on agreeableness on personality tests	Higher scores on neuroticism on personality tests
Be comfortable with ambiguities and uncommon risks	Accept routine risks, fear ambiguity and avoid common risks
Family life is more relaxed	family life is tense
More children are born in rich western countries	Fewer children are born in wealthy western countries

Source: Hofstede, G., Hofstede, G. J., & Minkov, M. (2005). *Cultures and organizations: Software of the mind* (Vol. 2). New York: McGraw-hill.

(3) Individualism and Collectivism

The existence of individualistic values in Western culture dates back to the 18th century. In the mid-19th century, the non-aristocratic trend of thought emphasized by New Democracy in American society had a profound impact on the development of individualism. Non-Western philosophies and political concepts such as Confucianism and Buddhism originated in the East are regarded as the origin of collectivism. Confucianism attaches great importance to the status of "public", "group", and "people", and advocates that group society should be put first (Triandis, 2018). "Restraining oneself and returning to the ritual" is a concentrated expression of the absolute subordination of individual interests to group interests. Collectivism was first mentioned by Plato in "Utopia" (Kagitcibasi, 1989).

The 80s of the 20th century were considered to be the peak period for the study of individualism and collectivism, and it was popular to use different attitudes to compare the differences between societies. Hofstede (1980) is considered to be the first scholar to introduce the concept of individualism/collectivism into the cross-cultural field. Through empirical research on IBM Corporation, he defined individualism and

collectivism from the perspective of national culture. Then Hofstede (1991) interpreted the main differences between collectivist society and individualist society in the book "Culture and Organization", as shown in Table 2.5.

Individualism refers to an association of loose connections among people, in which individuals in a society care only about themselves and their families. Collectivism means that people are integrated into a strong and close group from birth, and this group provides people with lifelong protection in exchange for people's absolute loyalty to the group (Hofstede, 1980). Standard individualism is personal responsibility and freedom of choice, respect for others, and the development of individual potential (Côté & Levine, 2015). The basis for the existence of an individualistic society is contractual relations, and it also includes a small number of dominant and negotiable social relations that stipulate specific obligations that need to be fulfilled in order to obtain social status (Schwartz, 1990). Collectivism means having a broader set of values, attitudes and behaviors. In a collectivist society, individuals are just tiny organizational structures in a vast organization, and groups form coincident values and goals through concentration. In a collectivist society, social members share the obligations and expectations of society (Schwartz, 1990). Baumster (1999) chose a different perspective, pointing out that individualism means forming a positive awareness of the self and maintaining and maintaining this awareness.

Table 2. 6 Differences between collectivist and individualist societies: General Norms and the Family

Collectivist society	Individualistic society
People are born into extended families or other ingroups, and groups always offer protection, and members reciprocate loyalty.	As adults, people only take care of themselves and their nuclear family
Children learn to think in terms of "us".	Children learn to think from the perspective of "I"
Harmony should always be maintained and direct conflict avoided.	Being outspoken is a sign of being honest.
Friendship is predetermined.	Friendships are voluntary and should be nurtured.
Resources should be shared with loved ones	Individuals own resources and do not share them with others.
high-context communication.	low-context communication.

Collectivist society	Individualistic society
Negligence can lead to shame and loss of face for oneself and the group	Negligence can lead to feelings of guilt and loss of self-esteem.

Source: Hofstede, G., Hofstede, G. J., & Minkov, M. (2005). *Cultures and organizations: Software of the mind* (Vol. 2). New York: McGraw-hill.

Triandis has been engaged in research on individualism and collectivism for many years. The main contents include: the difference in how individualists and collectivists define themselves; The question of the importance of achieving personal goals; the comparison of the importance of personal attitudes and social norms as the motivation for individual behavior; the attitude towards the completion of tasks and the establishment of good inter Guanxi; In-group) and those without close relationship (out-group) are clearly defined and treated differently (Triandis, 1994). The dimensions of individualism and collectivism he focuses on are different from those of Hofstede (1980, 1991). He regards individualism and collectivism as a cultural complex, emphasizing cultural diversity, and Hofstede believes that individualism and collectivism belong to the same The two poles are different in the cultural dimension. Triandis focuses more on the description of personal culture orientation, and points out that affected by cross-cultural communication and Guanxi, people of the same cultural background will behave both individualistic and collectivistic.

Triandis (2001) synthesized the viewpoints of many scholars and made a further distinction between individualism and collectivism, as shown in Table 2.7:

Table 2. 7 Differences between individualistic and collectivist cultures

Collectivist culture	Individualistic culture
Sacrifice: Collective interests take precedence over individual interests.	Hedonism: Self-interest takes precedence over collective interest.
Think of yourself as an extension of the team you belong to.	The self and the group it belongs to are considered to be separate from each other.
Care groups are the most important.	Self-reliance is the most important thing.
Get rewarded for your contributions to the group.	Get rewarded for personal achievement.
High degree of obedience to clear group norms.	Does not obey group norms.

Collectivist culture	Individualistic culture
More advocating love, status and contribution.	More respect for money and property.
More choose to work with in-group members and less with out-group members.	Often choose to work with both in-group and out-group members.
Hands down from "vertical relationships" (child and parent, employer and employee).	Comply with "horizontal relationships" (between friends, between husband and wife).
Nurture your child by frequently questioning and intervening in your child's personal life.	Nurture your child by keeping your distance, making your child independent and protecting your child's privacy.
More human-oriented to achieve goals.	More task-oriented to achieve goals.
Responsibilities to the group are many, yet receive high levels of social support, resources, and a sense of security from the group.	Have less responsibility for the group and have more personal interests, but receive less support, resources, and security from the group.
There are not many friends, but the feelings between friends are deep. Relationships are strong and carry responsibility.	It is easy to make friends, but most of them are acquaintances who are not close friends.
Smaller inner cliques, while treating all others as members of one larger clique.	Larger in-group, but less likely to see all others as out-group members.
Have a very harmonious relationship with members of the group they belong to, but may have major conflicts with members of outside groups.	The internal clique is large in scale, and interpersonal conflicts within the clique are likely to occur.
Punishment mostly takes the form of guilt (internal).	Punishment often takes the form of shame (external).
The speed of economic development is relatively fast, and the level of industrialization is high.	The speed of economic development is relatively slow, and the level of industrialization is low.
There are many social evils (crime, child abuse, domestic violence, suicide).	Fewer social ills (crime, child abuse, domestic violence, suicide).

Source: Triandis, H. C. (2001). Individualism-collectivism and personality. *Journal of personality*, 69(6), 907-924.

Collectivism means that the most important aspect of personal identity is the identity of organizational members, giving up personal interests and making sacrifices for the realization of organizational goals, and maintaining a harmonious relationship with organizational members (Lisha et al., 2017). Tang Guimei (2010) emphasized through related research that under the cultural background of collectivism, social members pay more attention to the relationship with the surrounding people and the environment, and have a strong situational or social orientation, while under the background of individualism, social members pay more attention to the individual

Independence, strong non-contextual orientation and personal orientation (Ball, C, 2023).

(4) Long-term orientation

Bond (1998) mentioned in the "Investigation and Research on Chinese Values" of 23 countries that the long-term orientation is the result of the influence of the education and influence of Confucianism on the values of Orientals. Long-term orientation is the long-term concept or short-term concept of people in life. The issues related to long-term orientation are: tenacity, which emphasizes perseverance. Long-term goals without doing something; diligence and thrift, that is, emphasizing the plan for the future, regardless of poverty or wealth, can achieve constrained consumption and life; respect and order (Bond et al., 1998). As one of the traditional Confucian cultural spirits, it emphasizes a concept of continuous hierarchy, a manifestation of respect for tradition, and a comprehensive manifestation of the core Confucian ideas of "propriety", "filial piety" and "fraternity" (Huang Zhongru, 2010).

Hofstede (1991) regards long-term orientation and short-term orientation as a new cross-cultural dimension, referring to the degree to which national culture attaches importance to tradition. A nation with a long-term orientation means nurturing and encouraging virtues oriented toward future rewards—particularly fortitude and thrift. Short-term orientation means nurturing and encouraging virtues about the past and the present—especially respect for tradition, preservation of face, concern for the past, and fulfillment of social obligations. As for Hofstede's (1991) point of view, many scholars put forward different views. Fang (2002) pointed out that there are logical errors and contradictions in his interpretation of long-term orientation and short-term orientation. Features that should be included in the category of long-term orientation, such as paying attention to the past and respecting tradition, are all classified under the dimension of short-term orientation. Long-term orientation has been redefined: long-term orientation refers to the tendency to think about the future in everything, rather than just looking at the present and being short-sighted (Liang Huan, 2010).

The long-term orientation of Chinese thinking and actions is inherited and deeply rooted (Chen Xiaoping, 2008). Long-term orientation is a traditional Chinese value, which represents long-term vision, perseverance, diligence and thrift (Yang

Qingyun, 2008); it is a value of diligence, thrift, perseverance, and foresight based on traditional Chinese values (Liang Huan , 2009); it is the embodiment of the long-term cooperation willingness between the enterprise and its partners, and it is the hope of an enterprise to maximize its profits through long-term transaction cooperation with its partners (Zhou Yin, 2013). As the opposite of short-term orientation, long-term orientation refers to focusing on long-term development and eliminating short-term behavior. Do not blindly follow social trends, follow the modernization process on the basis of respecting traditional concepts, adhere to long-term goals and live within your means (Huang Zhongru, 2010). Ganesan (1994) defined long-term orientation from the perspective of Guanxi members in the channel, pointing out that long-term orientation is the willingness of channel members to maintain and develop long-term stable Guanxi with other specific channel members. Channel Guanxi can contribute to the perception of the outcome of self-performance improvement.

2.9 Related literature on Guanxi

2.9.1 Theories related of Guanxi

(1) Face-human relationship theory

Hwang (1987) put forward the face-human relationship theory, he explained the mechanism of Guanxi with different resource domination power of the subject of Guanxi. The resource allocator is in a dominant position. Due to the limited resources at its disposal, it is necessary to allocate resources reasonably. Hwang (1987) believed that resource dominators decide resource allocation plans according to different types of Guanxi with resource requesters. Under normal circumstances, they will meet the needs of resource requesters out of feelings and face factors.

(2) Differential sequence pattern theory

In 1948, Fei Xiaotong put forward the differential order pattern theory in his book "Homeland China" to explain Guanxi. The theory of differential sequence pattern holds that in a country like ours deeply influenced by Confucian traditional culture, Guanxi like ripples produced by throwing a stone into the water. The subject of Guanxi is self-centered. It is located in the center of the ripples. Other people are on different

ripples, such as A, B, and C. These ripples form a circle, and then form a psychological connection between closeness and distance. This kind of Guanxi pattern Become a "different order pattern". The differential sequence pattern is shown in Figure 2.1.

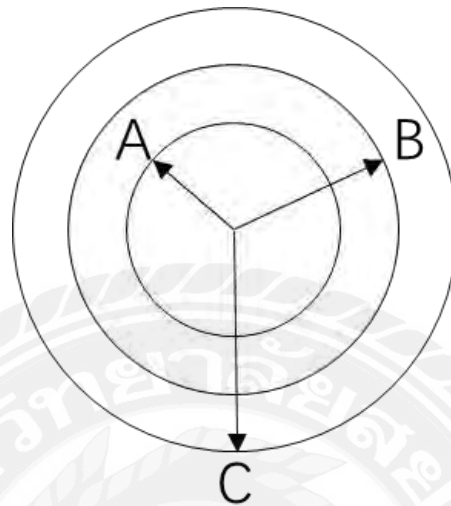


Figure 2. 1 Differentiated order

The essence of Guanxi is a resource that can help and support others. If you want to have a Guanxi, you need money and affective investment. The level of Guanxi is closely related to the amount of this capital (Chen & Ren, 2015). It can be seen from Figure 2.1 that A, B, and C represent three individuals with different distances from the center. The shorter the distance, the closer the Guanxi between individuals. Fei Xiaotong used this image metaphor to concretely reflect the characteristics of Guanxi that are self-centered and different in closeness and estrangement.

2.9.2 Antecedents of Guanxi

Through the review of existing research literature, the factors that affect Guanxi mainly include the following aspects.

(1) Decision uncertainty

The market environment is constantly changing, the decision-making risks of executives are high. The uncertainty of decision-making is also high. At this time,

enterprises need to obtain sufficient information. In this case, corporate executives need to use Guanxi to obtain decision-making information (Tam, 2016). The higher the uncertainty of decision-making, the greater the role of Guanxi. The more willingness to establish Guanxi among corporate executives, the greater the possibility of establishing long-term and strong Guanxi (Wang, 2012).

(2) Perceived similarity.

Perceived similarity is an important factor affecting interpersonal attraction. Similarities such as moral concepts, religious beliefs, social status, and education level affect interpersonal attraction; similarities in hobbies, habits, and even names also affect interpersonal attraction. Similarity can lead to liking, which in turn can lead to similarity. Psychologist Aronson (1987) pointed out that the reason why similar viewpoints affect interpersonal attraction is that when people find that other people's viewpoints are similar to their own, it will create a "I'm right" reward effect, so that people prefer to be with themselves. People who have the same or similar opinions. And others who think differently from themselves remind people that they may be wrong, which is a punishment (Reitzug et al., 2023).

(3) Conflict handling skills

Conflict handling skills are a kind of ability of enterprise employees to deal with conflicts (Samaha et al., 2011). If the employees of the enterprise do not handle the conflict properly, customers will be lost; if the conflict is handled properly, the loss of customers will be avoided. It will even help customers to develop trust and loyalty to the company. Empirical research results show that successful service recovery can actually help to improve employee satisfaction and trust. Therefore, employee conflict handling skills are very important for building Guanxi (Samaha et al., 2011). The service personnel take necessary measures to resolve the conflict, which not only solves the problem, but also saves enough face for the consumer, which is conducive to the establishment of a good Guanxi between the two parties.

(4) Satisfaction and trust

If the buyer is satisfied with the product or service, he will have trust in the seller, and the communication will be smoother, which will help both parties to establish

a Guanxi. As buyer satisfaction and trust levels increase, it becomes easier for buyers and sellers to form a Guanxi. Existing studies have shown that the higher the customer satisfaction and trust in service personnel, the smoother the communication and the improvement of Guanxi (Palmatier et al., 2008).

(5) Service quality

Service quality refers to the extent to which consumers perceive service levels to meet their expectations (Grönroos, 2002). Attitude theory holds that cognition affects emotion. Service quality is cognition. Guanxi is emotion. So service quality will affect Guanxi. It is generally believed that service quality dimensions include reliability, responsiveness, professionalism, tangibility and empathy (Opper et al., 2017). The higher the level of these five dimensions, the higher the service quality. The quality of service facilitates communication, and then in turn enhances Guanxi.

2.9.3 Consequences of Guanxi

Guanxi is a phenomenon that commonly exists in business operations. Many scholars have further research on Guanxi, including the following aspects.

(1) Business performance

The more developed the Guanxi network of corporate executives, the better the performance of their companies can be improved (Gu et al., 2008). Scholars such as Chen Xia believe that Guanxi also play a role within the enterprise and have an impact on the company's performance (Chen et al., 2018). Guanxi have a positive impact on technological innovation, because Guanxi helps to obtain markets and information and share the facilitate information. Empirical studies have shown that Guanxi can improve corporate performance (Lee et al., 2018). Many scholars and entrepreneurs agree with the statement that Guanxi can improve corporate performance. Guanxi can promote communication and information exchange between enterprises. It is an important channel to obtain more information. Firms can obtain important market information that cannot be obtained in the open market through Guanxi (Heide & John, 1992). In addition, extensive Guanxi can help enterprises to effectively and quickly replenish resources to respond to change in market demand in order to achieve the purpose of

improving the economic performance of enterprises. Transaction cost economics emphasizes that reducing transaction costs is an important means to improve the economic performance of enterprises. Guanxi helps to overcome distrust between enterprises and transaction partners, reduce opportunistic behavior and transaction costs. Moreover, frequent business contacts between enterprises under the influence of Guanxi help enterprises to form an effective communication and coordination mechanism and reduce pre-event and in-process transaction costs related to partner selection, contract signing and adjustment. Therefore, business linkages can improve the operational performance of enterprises by reducing transaction costs. Close business interaction and exchange facilitates learning among business partners, knowledge transfer and technology acquisition. First, by combining new knowledge acquired in business Guanxi with existing knowledge, firms can increase their knowledge absorptive capacity and utilization (Chen & Bedford, 2022). Second, since past behavior is observable and a key factor affecting corporate reputation, institutional theory argues that business connections will help firms gain legitimacy in business community networks (Gao et al., 2010). Finally, norms such as reciprocity and solidarity in Guanxi provide incentives for both parties to engage in value-added activities, thereby encouraging cooperation and integration in new product development and new market creation (Gao et al., 2010). Therefore, a good communication mechanism with managers and border personnel of other enterprises not only enhances the possibility of cooperation (Peng & Luo, 2000), but also has a synergistic effect, which helps to promote knowledge sharing, risk sharing, joint ventures among enterprises and development to achieve economies of scale, etc., thereby improving corporate performance. China is a typical relational society. The enterprises follow corresponding rules in the construction and governance of marketing channels. Therefore, some scholars gradually incorporate Guanxi, the core mechanism of Chinese society, into the research on channel governance. Zhang Chuang and others regard Guanxi as a unique channel Guanxi governance mechanism in the Chinese market. An empirical study based on manufacturer data found that Guanxi has a significant positive impact on channel performance (Zhang et al., 2018). Since the members of the channel system attach great importance to human relations, channel members will stand in the position of channel partners for long-term interests and give

help to channel partners by using more non-mandatory channel power. At the same time, they will also follow the corresponding rules, through use more non-coercive power to return favors to the other party. In this situation, channel performance improves.

However, there are also some different voices. They believe that establishing and maintaining Guanxi requires a lot of time, money and energy. Compared with the profits they bring, these costs may appear insignificant. They believe that Guanxi may not necessarily promote the improvement of corporate performance. Scholars such as Grewal (2018) believe that with the continuous innovation and reform of the market, Guanxi's role in the process of economic development will become more and more important. Some policy orientations will encourage enterprises to develop freely through sufficient and fair competition. Under the current situation, the development of enterprises no longer relies too much on Guanxi. At the same time, many companies have spent a lot of unnecessary expenses in order to establish and maintain Guanxi. This kind of Guanxi is at the cost of sacrificing the rules and regulations of the enterprise and society. And it will hinder the operating efficiency of the enterprise. Guanxi will not be conducive to the development of the enterprise in the long run. Scholars such as Wang Longwei (2021) found that vicious competition will enhance the relationship between Guanxi and corporate performance.

To sum up, scholars have different views on the impact of Guanxi on corporate performance. The empirical research results of some scholars show that Guanxi can improve enterprise performance. Other scholars believe that Guanxi are prone to corruption, which is not conducive to fairness and efficiency and has an adverse impact on corporate performance. However, these scholars' views are mainly qualitative analysis, lacking empirical research results to support. Wong, Leung and Hung (2007) Studies have found that Guanxi can not only improve the interests of customers, but also reduce the cost of enterprises, thus helping to improve enterprise performance. At present, the academic circles have recognized that Guanxi can play both positive and negative effects on corporate performance. For enterprises in a rapidly changing environment, Guanxi will limit their development space and development opportunities, reduce corporate efficiency and have a negative impact on corporate performance under Guanxi (Pang et al., 2019).

(2) Enterprise capability

Gu et al. (2008) found that Guanxi help to enhance channel competence and responsiveness. Channel capability is the ability of an enterprise to deliver products or services to end target customers through the selection, layout, operation and maintenance of channels (Gu et al., 2008). The establishment of a Guanxi with the channel dealer helps to improve the trust of the channel dealer in the enterprise, so that the two parties can cooperate, which in turn helps to deliver products or services to the terminal target customers, thereby improving channel capabilities. Responsiveness is the speed and effectiveness with which a firm responds to changes in the market environment (Liu & Jia, 2021). Guanxi can help companies obtain relevant information and policies in advance, so as to quickly respond to market changes, which reduces the cost of information acquisition. At the same time, the Guanxi between enterprise executives and senior government officials is conducive to enterprises to grasp the policy direction, the key points of the policy and then obtain policy dividends.

(3) Channel control

Guanxi have a significant impact on channel control behavior. Zhuang Guijun, Li Ke and Cui Xiaoming (2008) believed that Guanxi helps manufacturers and distributors to solve problems together. Zhuang Guijun and Xi Youmin (2004) found that after channel members have conflicts, there will be distrust between them. In this case, manufacturers will adopt coercive strategies for distributors. Enterprise executives have a good Guanxi with the executives of channel members. Manufacturers will adopt non-coercive strategies. Pang Fanglan and other scholars (2019) found that Guanxi can also contribute to the formation of inter-firm relationship norms.

(4) Customer loyalty

Customer loyalty is the willingness and behavior tendency of consumers to buy a company's products again. Guanxi can meet the functional needs of customers. The contact between service personnel and customers can meet the psychological and social needs of customers. After the customers have established a good Guanxi with the service personnel, they will have a willingness to return. A specific realization is the repeated purchase of the company's products or services. Empirical research results

show that the social value of Guanxi can enhance customer loyalty (Kuppelwieser et al., 2012).

(5) Opportunistic behavior

Opportunism is the phenomenon of seeking self-interest at the expense of others (Xue et al., 2018). Zhang Chuang etc. found that Guanxi is an important governance mechanism to restrain the opportunistic behavior of channel partners (Zhang et al., 2016). Shou Zhigang, Wang Jin, and Wang Tao (2018) found that partners should trust each other and rely on each other. If one party only considers short-term private interests, it will take opportunistic behavior. Empirical studies have shown that Guanxi have a positive effect on long-term cooperation, because establishing and maintaining Guanxi requires a lot of investment. In order to avoid no return on investment and to continue long-term cooperation, Guanxi can inhibit opportunism (Zhang & Zhang, 2018). Xia Chunyu (2020) studied when Guanxi have an inhibitory effect on speculative behavior from the perspective of the dual ethical structure of traditional culture and market economy. Involvement can increase the cost of opportunistic behavior (Zhan et al., 2018).

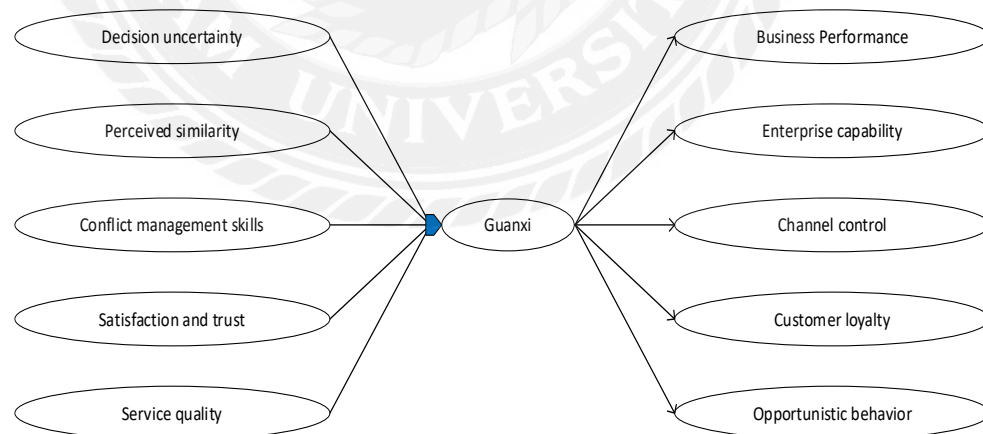


Figure 2. 2 Guanxi's antecedents and consequences

2.9.4 Comparison of Sino-Western Guanxi

In Chinese business activities, Guanxi is a fundamental variable (Han & Xi,

2003), which is different from relationship marketing advocated by the West. Therefore, only talking about 4P, but not Guanxi, is not Chinese marketing. It must start from the actual situation in China, study Chinese marketing activities and find out what is the connection and difference between Guanxi and western relationship marketing. There are not many domestic studies on this. Zhuang Guijun and Xi Youmin (2004) started from five aspects: relationship subject, relationship purpose, relationship foundation, communication principle, and relationship medium, while Chen Bo (2005) based on social network theory, from the perspective of structure, resources, norms, and dynamics to explore the similarities and differences between China and the West. Based on these studies, this study mainly compares the similarities and differences between Chinese and Western relations from the five aspects of relationship subject, relationship basis, communication rules, resource dimensions and relationship media, as shown in Table 2.8.

Table 2. 8 Comparison of similarities and differences between China and the West

Item	Western relations	Guanxi
Relationship subject	Between organizations Inter-organizational Guanxi often reflect the relationship between organizations	Leverage inter Guanxi to develop organization-to-organization relationships
Relationship basis	Weak ties, less affective	Strong Bonds, Affective
Rules of association	Between groups, common	Between individuals, inside and outside
Asset dimension	Resource homogeneity is low Guanxi are primarily an asset of the business	Resources homogeneity is high Guanxi are mostly personal assets
Relationship medium	The economic benefits obtained by each of them in the cooperation Reciprocity is strengthening	The economic benefits obtained by each of them in the cooperation Reciprocity, favor and face

(1) Relationship subject: Organization vs Individual.

Western-style relationship is a "group structure", that is, the relationship is mainly organization-to-organization, even if it involves interpersonal between organizations. It often emphasizes the relationship between organizations embodied by individuals (Arias, 1998). Therefore, Western relationship marketing appears to be more rational. Although human relations and feelings are also emphasized, human relations and feelings must give way to interests. The relationship between organizations generally does not end with the departure of a person(Trapp et al., 2023).

Guanxi is a "differential order pattern". Guanxi is mainly individual to individual. Even the interaction between organizations emphasizes the role of individuals in the establishment and development of inter-organizational relationships (Wong, 2022; Su & Littlefield, 2001). Because it is more reflected in the interaction between individuals, the quality of Guanxi between individuals will have a great impact on the quality of the relationship between organizations (Lyu et al., 2020). Often the departure of a key person is enough to bring about the end of one organization's Guanxi with another. In other words, Guanxi are the basis of inter-organizational relationships.

(2) Relationship basis: Weak bond vs Strong bond(Gao et al., 2010).

Western-style Guanxi ties are mainly weak ties, that is, reciprocal business connections and common economic interests are the basis of Western relationship marketing. Although Western relationship marketing also utilizes social ties, family acquaintance has only a secondary meaning for Guanxi building. The affective color of Guanxi is very light.

In China, although all parties in the Guanxi also talk about economic interests, the main thing that maintains the Guanxi is the strong ties such as karma, kinship, geography and friendship. Different individuals in the network have common or similar values and beliefs. Therefore, Guanxi has a strong affective color and is often relatively stable.

(3) The law of communication: Universalism vs Particularism.

The Western-style Guanxi has a universalist color, which is formed by independent individuals in communication, not different from inside and outside. Guanxi has particularism, which is manifested by emphasizing the difference between

inside and outside(Fock & Woo, 1998). Whether people in the Guanxi circle are regarded as one of our own is the premise of being accepted by this circle. For one's own people, affective solidarity is the main factor, people show a high degree of trust, put most of their attention on attachment, harmony and long-term relationships(Wang, 2007). They give each other convenience and benefits, often regardless of the cost, the credibility of verbal promises as for outsiders. Instrumental ties are the mainstay. People don't trust each other. They have a strong defensive mentality, calculate each other when dealing with each other and never do anything to lose money.

(4) Resource dimension: Enterprise vs Individual.

In a value chain-like relationship network, the resources owned by each party are complementary. So Western relationship marketing emphasizes establishing trust and cooperation with all parties in the value chain, as well as smooth information communication channels. So that the resources in the value chain, it can be shared to the maximum extent, thereby creating greater customer value and realizing double embedding and even win-win. Due to the existence of group structure, Guanxi assets are often the assets of the enterprise. It is difficult to take them away with the departure of key people(Davison et al., 2018).

As of Guanxi, the complementarity of resources is also the premise of cooperation, but the nature and distribution of resources in the Guanxi network are different from the relationship network formed by Western relationship marketing(Shaalan et al., 2013). First of all, Guanxi assets are to a large extent personal assets rather than corporate assets. So the departure of a key person will often take away customers, relationships, and so on. Secondly, due to the existence of the different order pattern and the strong ties that maintain the Chinese network, the homogeneity of resources in the Chinese network is relatively high, which to some extent reduces the role of the network in promoting effective economic exchange value.

(5) Relationship medium: Economic interests vs Affective factors.

In the relationship marketing in the west, the relationship medium is the economic benefit obtained by each of them in the cooperation. However, with the increase of the affective factors of both parties, the reciprocity is also strengthened. In

China's relationship marketing, the economic benefits obtained through cooperation are also a primary relationship medium. No matter how good the Guanxi between individuals is, if the cooperation between organizations cannot bring due benefits to both parties, the Guanxi between organizations will "end". In addition, etiquette, favor and face are unique to relationship marketing based on Chinese culture(Pearce & Robinson, 2017).



2.10 Conceptual Framework, Operational definition, Hypothesis and Explanation of Hypothesis

2.10.1 Conceptual Framework

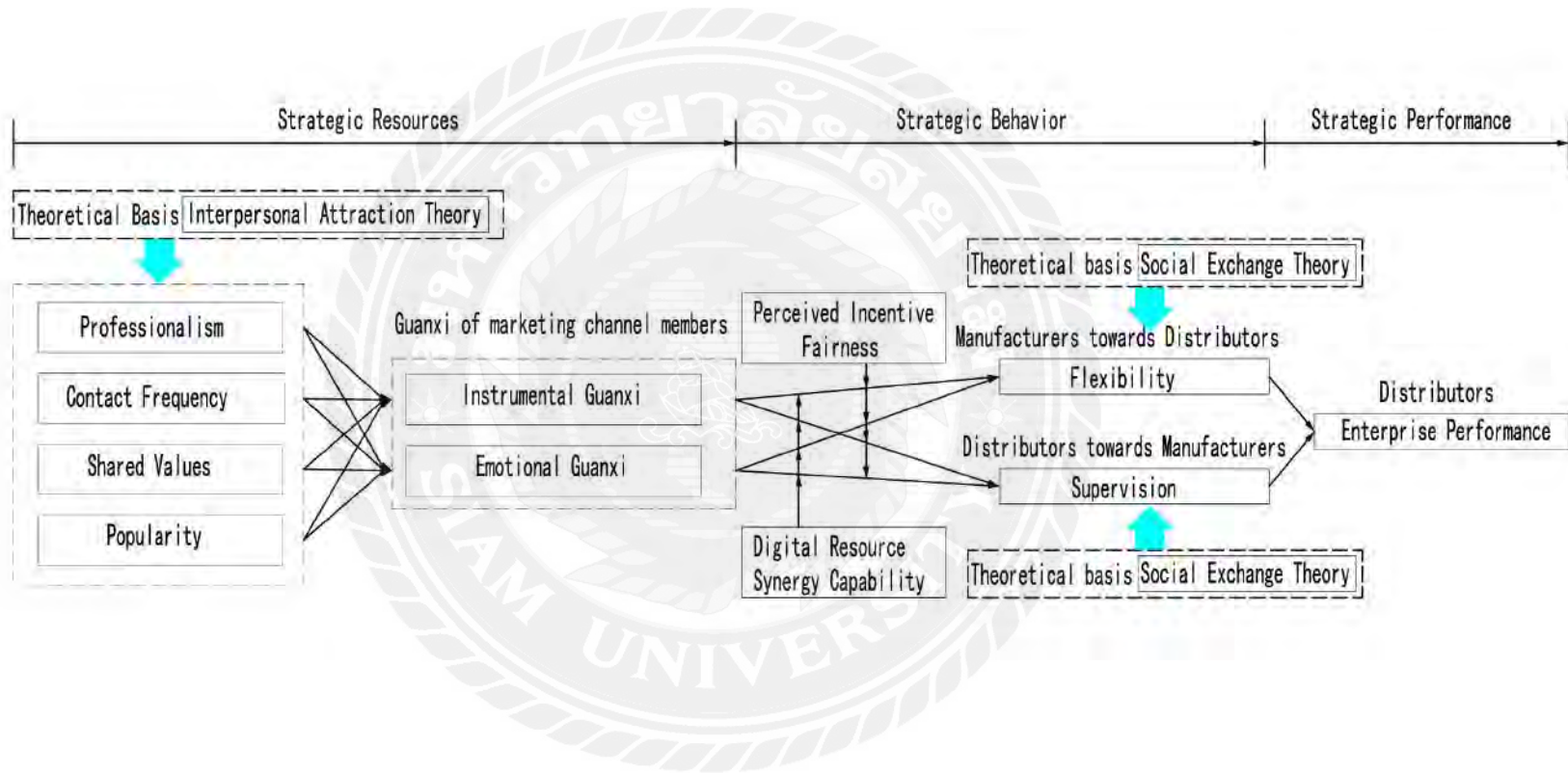


Figure 2. 3 Conceptual Framework

From the above framework, a number of hypothesis can listed as follows:

H1a: Professionalism has a positive impact on Instrumental Guanxi.

H1b: Professionalism has a positive impact on Emotional Guanxi.

H2a: Contact frequency has a positive impact on instrumentality.

H2b: Contact frequency has a positive impact on emotionality.

H3a: Shared values have a positive impact on Instrumental Guanxi

H3b: Shared values have a positive impact on Emotional Guanxi

H4a: Popularity has a positive impact on Instrumental Guanxi

H4b: Popularity has a positive impact on Emotional Guanxi

H5: Instrumental Guanxi have a positive impact on dealer flexibility

H6: Instrumental Guanxi have a negative impact on dealer supervision

H7: Emotional Guanxi have a positive impact on dealer flexibility

H8: Emotional Guanxi have a negative impact on dealer supervision

H9: Dealer flexibility has a positive impact on corporate performance

H10: Dealer supervision has a positive impact on corporate performance

H11a: The higher the perceived internal incentive fairness, the stronger the impact of Instrumental Guanxi on dealer flexibility.

H11b: The higher the perceived internal incentive fairness, the weaker the impact of Instrumental Guanxi on dealer supervision.

H12a: The higher the perceived fairness of internal incentives, the stronger the impact of Emotional Guanxi on flexibility.

H12b: The higher the perceived fairness of internal incentives, the weaker the impact of Emotional Guanxi on supervision.

H13a: The stronger the digital resource synergy capability, the weaker the impact of Instrumental Guanxi on dealer flexibility.

H13b: The stronger the digital resource synergy capability, the weaker the

impact of Instrumental Guanxi on dealer supervision.

H14a: The stronger the digital resource synergy capability, the weaker the impact of Emotional Guanxi on flexibility.

H14b: The stronger the digital resource synergy capability, the weaker the impact of Emotional Guanxi on supervision.

2.10.2 Operational Definition

2.10.2.1 Operational definition of the research on the driving factors of Guanxi among channel members

Interpersonal attraction refers to the positive attitude or affection that people share with each other, which developed on the basis of the need to fit in. In social interaction, people not only feel and know each other, but also form a certain affective connection. Interpersonal attraction is this kind of affective connection that concentrated in the form of intimacy between people. The general form of attraction is like or friendship. The strong form of attraction is romance or love. Interpersonal attraction theory focuses on the causes and effects of interpersonal attraction. Existing literature has carried out many studies on the causes of interpersonal attraction. In general, the main factors leading to interpersonal attraction include professionalism, familiarity, similarity, popularity, etc. (Chen et al., 2021; Finkel and Eastwick, 2012; Montoya and Horton, 2014; Finkel & Eastwick, 2015).

In the context of marketing channels, this study takes manufacturers and distributors among channel members as objects and uses interpersonal attraction theory to identify professionalism, contact frequency, shared values and popularity as positive influencing factors of Guanxi among channel members from the perspectives of professionalism, familiarity, similarity and popularity. On this basis, spatial presence is taken as a moderating variable. Probe into the formation mechanism of channel members' Guanxi.

Professionalism: Professionalism refers to the amount of knowledge in a certain field (Shenet al., 2010). People tend to think that expert opinions are more persuasive than non-expert opinions (Kelman, 1961; Petty, 2018); People are more willing to

accept the suggestions and opinions of experts (Bonneret al., 2006) and they will have more trust and recognition of experts. In marketing channels, if the executives of channel members have stronger professionalism, they will have more abilities conducive to smooth cooperation, reduce problems in cooperation and make cooperation more pleasant, which will also enhance the feeling of getting along with both sides and promote Guanxi. Based on this, this study chooses professionalism as the driving factor of channel members' Guanxi to test.

Familiarity: Familiarity increases liking. Zajonc demonstrated this by showing people pictures of their faces, some 25 times, others just once or twice, and then asking them how much they liked them (Zajonc et al., 1969). The results show that the more times you watch it, the more you like it (Hair et al., 1998). This effect is called the exposure effect in social psychology (Zhang Zhiguang, 2003). In the marketing channel, the communication between the executives of the channel members is more concentrated in the work, and the frequency of communication is an important guarantee for familiarity. Therefore, in this study, the frequency of communication is selected as the driving factor of the channel members' Guanxi.

Similarity: The Guanxi between similarity and interpersonal interaction has been the focus of many studies. Similarity is self-perceived similarity of the other person's psychological characteristics (such as preferences and tastes) (Liu et al., 2016). People tend to like people with psychological traits similar to themselves. Values can promote liking (Singh, 2007) and it is difficult for people to like someone who holds different opinions from them in their own group (Chen & Kenrisk, 2002). In marketing channels, whether channel members share the same values also has an impact on Guanxi. Therefore, in this study, shared values are selected as the driving factors of channel members' Guanxi.

Popularity : People prefer to interact with likable people and trust the information they provide, which may create a quasi-social interaction (Xiang et al., 2016). From the perspective of information transmission, recipients are more likely to accept and believe that information has desirable or positive features (Li et al., 2019). In the marketing channel, whether the channel member is a popular person will also affect the other party's impression of him, thus inducing corresponding attitudes and

behaviors in the follow-up and affecting the Guanxi between the two parties. Therefore, in this study, popularity is selected as the driving factor of channel members' Guanxi.

2.10.2.2 Operational definition of the mechanism of the impact of channel members' Guanxi on corporate performance

Although using Guanxi to carry out business activities in an enterprise can promote corporate success, it also has disadvantages. The effect of Guanxi on channel governance is like a double-edged sword. On the one hand, Guanxi may promote mutual trust and commitment among channel members, prompting enterprises to make adjustments for convenience and promote the improvement of corporate performance; on the other hand, the time, energy and money required to establish Guanxi may cause a burden to the enterprise. At the same time, close Guanxi may also lead to relaxed supervision, induce selfish behavior of transaction partners, and reduce corporate performance. Because close friends are more likely to form collusion for the purpose of pursuing personal interests, and because corporate executives with close Guanxi may collude with each other in pursuit of personal interests, they may relax supervision of the other party's enterprise at the expense of their own corporate interests.

Existing studies have found that Guanxi can improve corporate performance, and many related studies also agree that Guanxi have a "double-edged sword effect". However, current research on the negative impact of Guanxi is still relatively scarce, especially under what circumstances, the impact of Guanxi on corporate performance will be more positive or negative. If this problem is not well solved, it may make companies hesitant in the reasonable use of Guanxi, and it will be difficult to give full play to the role of Guanxi in channel governance among channel members. To this end, this chapter studies the mechanism of the role of Guanxi on corporate performance.

(1) The role of flexibility

According to social exchange theory, when channel members have good Guanxi, flexibility will have a positive impact on corporate performance as a positive behavior generated by the resource of Guanxi. In order to survive and develop better, companies will adapt to the rapidly changing environment by integrating and building internal and external resources. Zollo and Winter pointed out in their research that companies can

improve corporate efficiency and solve the non-routine problems encountered by companies by modifying operational management, thereby helping companies increase performance. When enterprises integrate and reorganize resources, they will adopt many flexible strategies. Therefore, this study will explain the mediating role of flexibility between Guanxi and corporate performance.

(2) The role of supervision

Based on social exchange theory, in the process of cooperation between channel member executives, in order to obtain the resources and help of the other party, they need to pay corresponding rewards. Good Guanxi between manufacturers and dealers will make each other more trusting and relax their vigilance against each other. At the same time, they will have a clearer understanding of the resources owned by the other party and the benefits they bring to themselves. At this time, dealers will relax their supervision and control over the other party in order to improve their work performance. Relaxing supervision becomes an important way of reward. For enterprises, relaxing supervision will lead to the loss of control of cooperative behavior and reduce corporate performance. This chapter takes the marketing channel relationship between manufacturers and dealers as the background, introduces the supervision variable that has a negative impact on the path of Guanxi and corporate performance, and explains the phenomenon that Guanxi reduce corporate performance when dealers relax supervision.

(3) The role of perceived internal incentive fairness

According to equity theory, people will compare their own input and output in different periods, and also compare the input and output of others under the same conditions. According to the prediction of the principal-agent theory, when executives feel that the company's incentives are fair and just, they are more likely to consider the interests of the company and be willing to use their Guanxi to improve corporate performance through flexibility and supervision. On the contrary, when executives doubt or are dissatisfied with the fairness of the company's incentive mechanism, they are likely to be unwilling to use their Guanxi, and even collude with close channel member executives to seek personal interests, deliberately influencing their own companies to relax supervision and control over manufacturers, thereby reducing

corporate performance. In other words, under different conditions of perceived internal incentive fairness, the impact of Guanxi on flexibility and supervision is different. Therefore, this study selects perceived internal incentive fairness as a moderating variable to explore the moderating role of perceived internal incentive fairness in the Instrumental Guanxi and Emotional Guanxi and dealer flexibility and dealer supervision.

(4) The role of digital resource collaboration capabilities

According to the dynamic capability theory, in the current digital economy environment, enterprises need digital collaboration capabilities to achieve sustainable development and realize the process of discovering opportunities, using opportunities and realizing value. Since the digital economy is highly platform-based, open and shared, digital resource sharing, information sharing and interactive relationships can be achieved among channel members through digital resource coordination capabilities, promoting the integration and coordination of data information and business processes, and capturing effective information in the internal and external environment to achieve enterprise development. This will reduce the information asymmetry between channel members and make business processes more transparent. Therefore, it will affect the degree to which channel member executives bypass business processes and use Guanxi. Therefore, this study selects digital resource coordination capabilities as a moderating variable to explore its moderating role in the Instrumental Guanxi and Emotional Guanxi and the dealer flexibility and dealer supervision path.

Based on the above analysis, this chapter constructs a model with Guanxi as the antecedent variable, flexibility and supervision as the mediating variables, enterprise performance as the outcome variable, and perceived internal incentive fairness and digital resource coordination capabilities as the moderating variables, and conducts empirical tests. The model will explore the following four issues: First, the predictive effectiveness of Guanxi between dealers and manufacturers on dealer flexibility, dealer supervision and dealer enterprise performance; second, the predictive effectiveness of dealer flexibility and dealer supervision on dealer enterprise performance; third, the mediating role of dealer flexibility and dealer supervision in the Guanxi between dealers and manufacturers on dealer enterprise performance; fourth, the moderating role

of dealer executives' perception of internal incentive fairness on the Instrumental Guanxi and Emotional Guanxi and dealer flexibility and dealer supervision. Fifth, the moderating role of dealer executives' perception of enterprise digital resource synergy capabilities on the Instrumental Guanxi and Emotional Guanxi and dealer flexibility and dealer supervision.

2.10.3 Explanation of Hypothesis

(1) The influence of professionalism on Guanxi

Professionalism is an important factor in interpersonal interaction. Professionalism is "the amount of knowledge a person has about a field" (Shenet al., 2010). People tend to think that the opinions of experts are more persuasive than those of non-experts (Kelman, 1961; Petttyet al., 1981); Therefore, people is more willing to accept the advice and opinions of experts (Bonneret al., 2006). In marketing channels, business executives with a high level of expertise can provide useful advice to partners. If the senior executives of one channel member can provide the other party with the professional knowledge they are looking for, it means that the senior executives of the channel member have the ability to help the other party solve the problem, help the other party reduce the information asymmetry (Dimokaet et al., 2012) and more useful to the other party and enhance their instrumental value in the Guanxi. Thus promoting the rapid establishment and development of Instrumental Guanxi.

Similarly, in marketing channels, business executives with a high level of expertise can provide useful advice to partners. If senior executives of channel members of one party properly provide the professional knowledge that the other party is looking for, which will reduce information asymmetry (Dimokaet et al., 2012), bring more convenience, enhance the pleasure of cooperation between the two parties and promote the rapid establishment and development of Emotional Guanxi (Ou et al., 2014). In addition, when the information provided by senior executives of a channel member is useful, it will bring higher satisfaction and trust level to the cooperation (Zhou, 2013). Based on this, we make the following assumptions:

H1a: Professionalism has a positive impact on Instrumental Guanxi.

H1b: Professionalism has a positive impact on Emotional Guanxi.

(2) The influence of contact frequency on Guanxi

Most scholars agree that trust develops and builds over time, and that trust can enhance Guanxi. Contact frequency positively affects trust between dealer and manufacturer executives. The process of establishing Guanxi can be explained as the increase in the number of contacts between dealers and manufacturer executives and the extension of the duration of the Guanxi. First, the length of time represents both parties' investment in the Guanxi. The longer the investment time, the more investment. In terms of this investment, you can let each other know more about the probability of each other's dishonesty, whether you can let yourself suffer losses. Second, the process of prediction can also be invoked as the Guanxi develops (Doney et al., 1997). The results of previous business events provide a basis for future interactions, and as experience increases, dealers and manufacturers border personnel are more likely to consider whether their Guanxi has passed a critical phase-out period, and to deepen their understanding of each other, enhancing their Guanxi. Therefore, long-term Guanxi and frequent contact can promote the improvement of Guanxi. Anderson and Weitz found that the Guanxi between dealers and manufacturers increased with the frequency of Guanxi contact (Williamson O E, 1985). Specifically, the more frequent the frequency of contact, the clearer the energy possessed by both parties, and the easier it is to find that the other party has the ability and power it needs (Anderson et al., 1986).

Zajonc's experiments support the argument that contact frequency can enhance mutual liking between people (Zajonc et al., 1969). He showed people pictures of faces, some 25 times, others just once or twice and asked them how much they liked them. It turns out, the more you watch it, the more you like it. This effect is known in social psychology as the exposure effect (Zhang Zhiguang, 2003). Similarly, with the increase in the frequency of contact between channel members' executives, both parties can have a deeper understanding of each other, enhance mutual understanding and trust, and thus enhance the Emotional Guanxi. At the same time, with the increase of contact frequency, based on this, this study makes the following assumptions:

H2a: Contact frequency has a positive effect on Instrumental Guanxi.

H2b: Contact frequency has a positive effect on Emotional Guanxi.

(3) The impact of shared values on Guanxi

In general, when people share common experiences and preferences, they are more likely to develop a sense of trust and belonging, emotions of empathy and understanding, and it is easier to form Guanxi. Values determine people's behavior (Cheng et al., 2020). Values also play a decisive role in self-cognition, which can play a decisive role in people's ideals, beliefs and goals and therefore also determine people's behavior. Morgan and Hunt(1994) pointed out in their research that common values can have a significant impact on commitment and trust in Guanxi. Meanwhile, Western scholars also pointed out that when service personnel and customers share common values, they will have a stronger sense of intimacy.

In the marketing channel, when the values of the channel members are more similar, then the two sides are easier to talk, the content of the conversation is more in-depth, at this time, they have a better understanding of each other's ability, resources and things that can be done. The other side is more likely to complete the exchange of interests for themselves. In other words, due to the similar values of channel members, the communication between channel members is more convenient and smooth, which facilitates the establishment of stable and extensive economic relations between the two sides and enhances the Instrumental Guanxi of Guanxi. This produces a higher level of Guanxi (Rong et al., 2020).

In the book "Rural China", Fei Xiaotong believes that there are Guanxi between people in Chinese society, which connect people together and form a network of Guanxi. Traditional Chinese society is an acquaintance society, and people feel intimate in the network formed by this acquaintance (Lincoln Y S, 1985). In the marketing channel, when the channel members and executives have similar values, the intimacy will be enhanced, and the two parties will understand and trust each other to enhance the Emotional Guanxi in the Guanxi. Therefore, this study makes the following assumptions:

H3a: Shared values have a positive impact on Instrumental Guanxi.

H3b: Shared values have a positive impact on Emotional Guanxi.

(4) The influence of popularity on Guanxi

From the perspective of information transmission, recipients are more likely to accept and believe that information has desirable or positive characteristics (Li et al., 2019). Therefore, people prefer to interact with likable people and trust the information they provide, which may produce a quasi-social interaction (Xiang et al., 1965). In the marketing channel, whether it is popular can be reflected by the popularity within the company, in the industry, word of mouth and so on. Whether a channel member is a popular person will also affect the other party's impression of him, thus inducing corresponding attitudes and behaviors in the follow-up, and affecting the Guanxi between the two parties. When the senior executive of a channel member is a popular person, it means that he has certain personal charm. When the senior executive of the other side of the channel member is cooperating with him, he will also feel this personal charm, have a good impression on him, and be willing to interact with him, thus enhancing the depth of communication and exchange, and increasing the possibility of acquiring the knowledge of the characteristics of the other side. At the same time, they have a better understanding of each other's abilities and powers, and enhance their Instrumental Guanxi.

Similarly, when the channel member executive is a popular person, it means that he has certain charm or characteristics, and the other channel member executive will also feel such charm or characteristics in the process of cooperation with him, have a good impression on him, and is willing to trust him and interact with him, so as to enhance his Emotional Guanxi. Based on the above analysis, this study makes the following assumptions:

H4a: Popularity has a positive effect on Instrumental Guanxi.

H4b: Popularity has a positive effect on Emotional Guanxi.

(5) The Relationship between Guanxi and Flexibility and Supervision

Guanxi emphasize that connections between people help companies cope with transaction risks and enable companies to achieve better performance by obtaining key resources and information. A good Instrumental Guanxi between distributors and manufacturer executives means that the relationship has sufficient social status, certain

rights, and prestige. The better the Instrumental Guanxi, the more unique knowledge, skills, and abilities (Wasserman, 1994), and the smoother the access to new knowledge, strategic resources, and new and valuable ideas, which helps improve product quality and corporate performance. In order to facilitate manufacturer executives to provide resources for themselves, distributor executives will make adjustments at work and reduce supervision. Based on social exchange theory, when the ability and authority contained in the Instrumental Guanxi are used to provide help to supplier executives, in order to get help, supplier executives need to pay corresponding compensation and facilitate the other party. Therefore, in the process of cooperation, it is difficult for distributor executives to supervise and control manufacturer executives with the original rules and regulations, which may lead to the other party's opportunistic behavior and reduce corporate performance. In light of the above research results, we propose the following hypothesis:

H5: Instrumental Guanxi have a positive impact on dealer flexibility

H6: Instrumental Guanxi have a negative impact on dealer monitoring

The principal-agent theory holds that the principal does not always maximize the interests of the principal. In the marketing channel, there are differences in the interests of the executives and the owners of the enterprise. The owners of the enterprise want to maximize the interests of themselves and the enterprise, while the executives of the enterprise want to maximize their own interests rather than the interests of the enterprise. Therefore, the executives of the enterprise do not always choose to act in the interests of the owners of the enterprise. When dealers and manufacturers cooperate, due to the existence of Guanxi between the two parties, the company's system will be weakened and Guanxi may be promoted to an important position. Guanxi can create an atmosphere of mutual trust, which makes the connection between organizations closer. The Emotional Guanxi between the executives of manufacturers and dealers will promote trust and commitment among channel members, where trust refers to the confidence that one party has in the integrity and reliability of the trading partner. The close Guanxi between dealers and manufacturer executives is characterized by cooperation, high concern and goal consistency. When the Emotional Guanxi between dealers and manufacturer executives is good, both parties will be more willing to share

information during contact, increasing the probability of cooperation. Manufacturers will also make concessions to cooperation according to changes in the external environment to create greater value for both parties, that is, to make adjustments. Similarly, because both parties have a good Emotional Guanxi, they will trust each other more, and dealers will relax their supervision of various supervision procedures stipulated by the company. Especially when facing a rapidly changing external environment, Emotional Guanxi are more likely to make dealers relax supervision. Therefore, this study makes the following assumptions:

H7: Emotional Guanxi have a positive impact on dealer flexibility

H8: Emotional Guanxi have a negative impact on dealer supervision

(6) The relationship between flexibility, monitoring and firm performance

Flexibility is the willingness of a firm to adapt or adjust the conditions required for adaptation. Flexibility enables firms to adjust their policies and procedures to more effectively utilize inter-organizational resources, enhance synergy and performance. Firms with high flexibility are willing to respond to changes and adapt to partners when these demands arise or unforeseen events occur. Johnson et al. (2003) believe that flexibility is a powerful tool for improving firm performance because it enables firms to take advantage of opportunities when they arise [188]. In the absence of opportunities, it can help firms create their own opportunities by being proactive. Grewal and Tansuhaj (2001) demonstrated that flexibility has a positive impact on firm performance. According to social exchange theory, in the marketing channel, for channel member executives, when both parties have a good Guanxi, in order to maintain the Guanxi or reward the Guanxi, and at the same time, in order to maintain a good channel relationship, the dealer will make adjustments to the cooperation with the manufacturer, for example, adopt a payment method that is more suitable for the manufacturer, formulate a more suitable delivery cycle, reduce returns and exchanges, etc. These flexible behaviors of the dealer to the manufacturer will win a more relaxed operating environment for the dealer, improve the degree of adaptability to the uncertainty of the external environment, and have a positive impact on the dealer's corporate performance.

In theory, supervision will improve corporate performance in two ways. The

first is from the behavioral perspective. When supervision occurs, people will choose to obey the behavior in order to avoid the pressure brought by supervision. When the dealer formulates a relatively complete supervision system, the executives will implement the corresponding system to supervise the manufacturer according to the company's arrangements, which will maximize the protection of corporate interests and thus improve corporate performance. The second is from the economic perspective. Supervision will increase the probability of discovering the manufacturer's behavior that is not conducive to the dealer's company. When these behaviors are discovered, the dealer can take timely actions, such as punishing the manufacturer, to protect the company's interests. Supervision can fundamentally ensure that dealer executives implement the system in accordance with the requirements of the enterprise, maximize the protection of the enterprise's interests, and ensure the improvement of enterprise performance. Based on the above research findings, we propose the following hypotheses:

H9: Dealer flexibility has a positive impact on enterprise performance

H10: Dealer supervision has a positive impact on enterprise performance

(7) The moderating effect of perceived internal incentive fairness

According to equity theory, people will compare their own efforts and rewards in different periods, and will also compare their own efforts and rewards with others. When they perceive that their efforts and rewards are lower than others, they will be dissatisfied and take corresponding actions to eliminate their dissatisfaction. The perception of fairness in the company's internal incentives may come from horizontal comparisons with other company executives, or from vertical comparisons with themselves at different periods. Vertical comparison is a cross-period comparison method.

In the marketing channel, for supplier executives, whether horizontal or vertical comparisons are used, when they perceive that the company's internal incentives are fair, they will classify themselves and the company into the same camp and consider the interests of the company; when they perceive that the company's internal incentives are unfair, they will consider their own interests more than the interests of the company

and seek to eliminate their dissatisfaction. Specifically, when the dealer has a good Instrumental Guanxi with the manufacturer's executives, in order to maximize the use of the other party's power and ability, the manufacturer's executives use their own power and ability to make adjustments for the dealer, so as to enhance their own performance, achieve their own performance goals and improve corporate performance. When dealer executives doubt or are dissatisfied with the fairness of the company's incentive mechanism, they are likely to be unwilling to use their power and ability to pressure manufacturers to supervise them and safeguard their own company's Instrumental Guanxi. They may even deliberately relax supervision for their own benefit and seek personal gain, thereby reducing corporate performance. Based on the above analysis, this paper makes the following hypothesis:

H11a: The higher the perceived fairness of internal incentives, the stronger the impact of Instrumental Guanxi on flexibility.

H11b: The higher the perceived fairness of internal incentives, the weaker the impact of Instrumental Guanxi on supervision.

(8) Similarly, when the dealer has a good Emotional Guanxi with the manufacturer's executives, the dealer's executives are likely to use their Guanxi with the manufacturer's executives to enhance the manufacturer's trust and commitment to their own company, and are willing to take risks to make adjustments, thereby enhancing their own performance and improving corporate performance. When dealer executives doubt or are dissatisfied with the fairness and justice of the company's incentive mechanism, they are likely to be unwilling to use their Guanxi, and even collude with closely related manufacturer executives to seek personal interests, deliberately influencing their own companies to relax supervision and control over manufacturers, thereby reducing corporate performance. Based on the above analysis, this paper makes the following hypotheses:

H12a: The higher the perceived fairness of internal incentives, the stronger the impact of Emotional Guanxi on dealer flexibility.

H12b: The higher the perceived fairness of internal incentives, the weaker the impact of Emotional Guanxi on dealer supervision.

(9) The moderating role of digital resource collaboration capability

Digital resource collaboration capability is the ability of enterprises to share digital information and agile and flexible value chains, integrate and collaborate with complementary resources and competitive resources of cooperative members to break data silos, and achieve digital resource sharing, co-construction, and co-governance. Digital resource collaboration capability reflects the degree to which enterprises can cope with changes in the level of technology in a specific industry (Tushman and Anderson, 1986). The new resources released by the rapidly changing technological environment will reduce the dependence of enterprises on key resources at their disposal, thereby generating new market opportunities and reducing the role of Guanxi. The "resource bridging ability" of Guanxi can help companies obtain the latest market information related to technological resources (Chen et al., 2011), so that companies can respond in a timely manner and seize the opportunities brought by technological changes. Knowledge absorption ability is the primary factor for companies to remain invincible in a turbulent market (Cohen and Daniel, 1990). In certain specific industries, the network rationality brought by Guanxi can help companies attract more technical partners in the business network that breeds innovation, thereby improving the company's ability to absorb and utilize new knowledge (Gulati, 2007). Although Guanxi have obvious advantages in helping companies obtain scarce resources and support, it does not mean that they can directly improve the company's innovation ability. First, if companies can obtain low-cost long-term resources, they will form path dependence, thereby reducing R&D investment. Second, dependence on resources is not conducive to cooperation between companies and innovative companies. If the digital resource collaboration ability is strong, the company's innovation efficiency is low, and the impact of Guanxi on corporate performance is reduced.

In the current digital economic environment, companies need digital collaboration capabilities to achieve sustainable development and realize the process of discovering opportunities, using opportunities and realizing value. Since the digital economy is highly platform-based, open and shared, digital resource synergy can be used to achieve digital resource sharing, information sharing and interactive relationships among channel members, promote the integration and synergy of data

information and business processes, and capture effective information from internal and external environments to achieve enterprise development. When the digital synergy of channel members is weak, the transaction content and transaction process of both parties will not be recorded and shared, which provides conditions for the channel members and executives to use private relationships. In order to maximize the use of the other party's power and ability, dealer executives can use their own power and ability to relax supervision on manufacturers in order to enhance their own performance, achieve their own performance goals and improve corporate performance; similarly, manufacturer executives will also make adjustments to dealer executives in order to use the other party's power. On the contrary, when channel members have strong digital collaboration capabilities, the transaction content and transaction process of both parties are open and transparent, and using Guanxi outside the procedures will be criticized. At this time, dealer executives are unwilling to take the risk of using their Guanxi to relax supervision on manufacturers; manufacturer executives are also unwilling to take the risk of making adjustments to dealers. Based on the above analysis, this paper makes the following assumptions:

H13a: The stronger the digital resource collaboration capability, the weaker the impact of Instrumental Guanxi on flexibility.

H13b: The stronger the digital resource collaboration capability, the weaker the impact of Instrumental Guanxi on supervision.

(10) Similarly, when the digital resource synergy of channel members is strong, the degree of sharing of digital resources and related information between channel members is greater, the information asymmetry between the two parties is lower, and the business dealings between the two parties tend to be more open and transparent. At this time, under open and transparent information and procedures, even if the channel members and executives have a good Emotional Guanxi, it is difficult to use their authority to make adjustments or reduce supervision. Because this will be supervised and punished. Digital resource synergy weakens the impact of emotion on flexibility and supervision. Based on the above analysis, this paper makes the following assumptions:

H14a: The stronger the digital resource synergy, the weaker the impact of

Emotional Guanxi on dealer flexibility.

H14b: The stronger the digital resource synergy, the weaker the impact of Emotional Guanxi on dealer supervision.

2.11 Summary

This chapter reviews the theoretical basis, research on Guanxi, channel behavior, and channel Guanxi. The research status of the above contents is as follows:

(1) In the existing research, several basic conceptual issues such as the definition, type and role of Guanxi are summarized and briefly reviewed. It is found that conflict handling skills, uncertainty, satisfaction and service quality have positive effects on Guanxi. At present, the research on Guanxi mainly focuses on the role of Guanxi. There are few studies on how to improve the variables of Guanxi, especially the factors that destroy Guanxi. There is a lack of corresponding research. It is necessary to expand research in this area. Follow-up research should try to summarize and expand the connotation of Guanxi so as to provide a tool basis for future empirical research on marketing theory involving this concept.

(2) In the existing research, the Guanxi of personnel at the border of the channel is personal in nature and will bring positive or negative impacts to the enterprise. Under what circumstances will different results be brought about. The dimensions of Guanxi include favor, face, emotion, trust, etc., but lack the dimension of interest. A Guanxi measurement scale including the dimension of interest should be developed.

CHAPTER 3

RESEARCH METHODOLOGY

This chapter discusses the research methods used: population and sampling methods, the process of scale development, the operationalization of variables, the questionnaire survey, research hypotheses, the analytical model and statistical analysis methods. The detail in this chapter would be separated into 7 parts as follows:

- 3.1 Method used research design
- 3.2 Sample and population
- 3.3 Variable measurement and Questionnaire design
- 3.4 Hypothesis
- 3.5 Analytical model
- 3.6 Research tools
- 3.7 Summary

3.1 Method used and research design

3.1.1 Method used

In order to achieve the research objectives, this study used both quantitative and qualitative research methods.

3.1.2 Research design

3.1.2.1 The process of development of the Measurement Scale

(1) Based on the literature and the results of in-depth interviews with dealer executives, the concept of Channel Member Guanxi and its constituent dimensions are summarized ;

(2) Generate initial items based on literature, qualitative interviews with channel members and expert opinions;

(3) Use the random sampling method to complete the formal survey with a large sample and judge whether the scale needs to be revised through the reliability analysis

and validity analysis;

(4) Obtain a good reliability and validity Channel Member Guanxi Measurement Scale.

3.1.2.2 Research idea

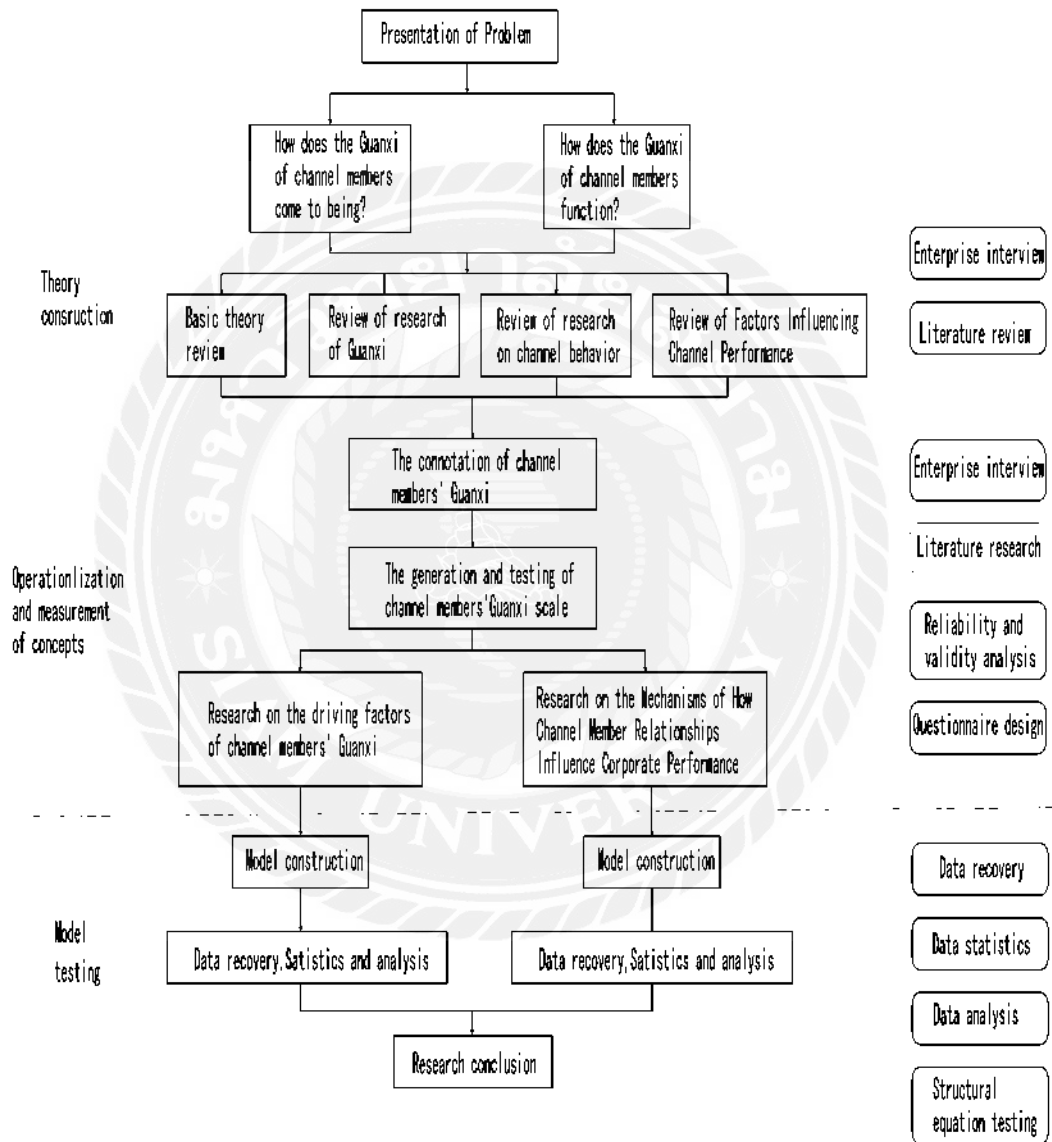


Figure 3.1 Research Technology Roadmap

3.2 Sample and population

3.2.1 Key information for qualitative analysis

3.2.1.1 Qualitative sample selection

The sample selection of qualitative research depends on the degree of information saturation (Chu et al., 2021). In order to avoid the difficulties caused by the excessive scope of research in empirical analysis, this study has appropriately limited the scope of research. The research scope of this study is senior managers of manufacturers and distributors. The specific reasons are as follows:

(1) In the marketing channel, channel members can be divided into manufacturers, distributors, wholesalers and retailers according to their different positions. Manufacturers, also known as production companies, are companies that use raw materials or components to support consumer goods through production processes. Distributors are units or individuals who have sales or services in a certain area and field. The process of cooperation between manufacturers and distributors is a typical B2B business model, with the characteristics of high contract amounts and long cooperation cycles. In the process of cooperation, the main responsible persons of both parties will have an important impact on the cooperation process and corporate performance, and the Guanxi between the responsible persons of both parties is one of the important influencing factors. Therefore, this study will select the Guanxi between manufacturers and distributors as the research scope.

(2) When manufacturers and dealers cooperate, employees of different positions, including grassroots employees, middle-level managers, and senior managers, are responsible for completing the work. Since employees of different positions have different authority and tasks at work, the impact on the organization is also different. Generally speaking, the higher the position, the greater the impact on the enterprise. In order to better show the role of Guanxi in marketing channels, this study limits the scope of research to senior managers of enterprises.

3.2.1.2 Population

The research object of this study is from the perspective of dealers, and the

senior managers in dealers who are responsible for channel cooperation with manufacturers are surveyed.

Depending on the research background, scholars have different choices for Guanxi research objects. This study involves two objects, manufacturers and dealers. The selection of research objects in this study is the same as the research objects selected in most marketing channel studies, such as Samaha, Palmatier and Dant (2011), Zhang Chuang (2014) and other studies all choose the perspective of dealers for research. This study only starts from the perspective of dealers and surveys senior managers in dealers who are responsible for channel cooperation with manufacturers. This is mainly due to the following two reasons. First, in order to sell their products better, manufacturers generally choose multiple distributors to sell their products together; due to restrictions on staff, venues, and funds, distributors generally choose a limited number or one manufacturer to supply them. Therefore, distributors will have a clearer understanding of the important role of Guanxi between closely cooperating manufacturers. Second, from the perspective of the difficulty of the survey, there are more distributors, and most of the stores are open to the public, so it is easier to conduct the survey.

This study uses a sampling method for qualitative interviews. Through social relationships, 30 distributor executives were found and one-on-one in-depth interviews were conducted with them. The specific situation of the interviewees is shown in Table 3.1 below:

Table 3.1 The specific situation of the interviewees

Gender	Position	Industry	Cooperation Time
			Under 1 year: X
Male: X	General Manager: X	Cars: X	1-3 years: X
Female: X	Deputy General Manager: X	Mechanical: X	4-7 years: X
		Communications: X	7-10 years: X
		Other*: X	Over 10 years: X
total: 30	total: 30	total: 30	total: 30

*Note:**Others include decorative construction, home appliances, and chemical industry

3.2.2 Population and sampling methods for quantitative analysis

3.2.2.1 Sample selection

Similar to the selection of qualitative research, this study limits the scope of research to senior management of enterprises.

3.2.2.2 Population

The sample sources of Questionnaire A include two parts. The first part is to contact some of the main enterprises through social relationships. At the same time, the study is based on these enterprises and asks them to help contact the enterprises they are familiar with for research. The second part is to conduct a formal survey on relationship variables based on social resources for enterprises in Tianjin Economic and Technological Development Zone, Dalian Economic and Technological Development Zone and Bonded Zone, Hangzhou Economic and Technological Development Zone, and Yantai Economic and Technological Development Zone. The survey content is conducted together with other variables involved in Chapter 4 and is filled in by the selected dealers responsible for docking with manufacturers. At the local level, we adopted the method of collecting questionnaires on site and completed online questionnaires in Tianjin, Dalian, and Hangzhou. A total of 350 survey questionnaires were distributed to supplier executives in this formal survey, and a total of 322 questionnaires were collected. After eliminating questionnaires with too many inconsistent values and missing items, 305 valid questionnaires were obtained, with a total valid questionnaire rate of 88.4%. The number of valid questionnaires exceeded 5 times the number of questionnaire items, which met the requirements (Chen Xiaoping, Xu Shuying and Fan Jingli, 2008). The sample profile is shown in Table 3.2.

The questionnaire B is distributed to senior managers of enterprises responsible for channel cooperation with manufacturers in the sample. The Guanxi in the questionnaire refers to the Guanxi between the dealer's own company and the manufacturer; flexibility and supervision measures the dealer's flexibility and supervision of the manufacturer; corporate performance measures the dealer's own corporate performance; and fairness perception measures the fairness perception of dealer executives in their own company. A total of 350 survey questionnaires were

distributed to supplier executives in this formal survey and a total of 303 valid questionnaires were collected in this survey. The sample profile is shown the same as Table 3.2.

Table 3.2 Overview of formal survey samples

	Indicator Description	Number	Indicator	Indicator Description	Number
industry type	Automobile industry	X	company age	Less than or equal to 5 years	X
	Garment Industry	X		6-10 years	X
	Building decoration industry	X		11-15 years	X
	Electronic communication equipment industry	X		16-20 years	
	other	X		21 years and above	X
Number of employees	Less than 30 people	X	Type of company	State-owned enterprises	X
	31-50 people	X		Private Enterprise	X
	51-100 people	X		Foreign companies	X
	More than 100 people	X			
Company area	Tier 1 cities	X	Respondent position	General manager	X
	Second-tier cities	X		Deputy General Manager	X
	third-tier city	X			
	Cities below the third tier	X			

3.3 Variable measurement and questionnaire design

3.3.1 Variable measurement and questionnaire design for Questionnaire A

The variables of Questionnaire A involved in this study include six variables: professionalism, shared values, contact frequency, popularity, Instrumental Guanxi and Emotional Guanxi. A Likert 5-level scale was used in all studies, with "1" to "5" indicating a degree from strongly disagree to strongly agree. In the selection of tables, this study tries to use classical scales with high citation rates in domestic and foreign literatures and good reliability and validity after repeated empirical tests. At the same time, the cross-cultural applicability of the western scale is carefully considered, and

the relevant scale with good reliability and validity is selected selectively in the Chinese context. For the English scale, follow the translation-back procedure recommended by Brislin(2006). In this study, a Chinese teacher of management who teaches in an English-speaking country was asked to translate all the questions into Chinese, and then two graduate students who are proficient in both Chinese and English were asked to translate the questions back into English. Then, the questions on whether the items can be accurately understood, whether the real intention of the subjects can be measured, and whether there are too sensitive items in the marketing and service questionnaires and their coding are shown in Table 3.4. The professional measurement items are from Liuet al.(2016), which contains 4 items. The item of shared values comes from Zhuang Guijun, Zhou Xiaolian and Xu Wen (2007), which contains 3 items in total. The item of contact frequency comes from Doney and Cannon (1997) and contains 3 items in total. The item of popularity comes from Xianget al.(2016), which contains 3 items in total. The summary of items is shown in Table 3.3.

The methods of processing 303 questionnaires included CITC and Cronbach α numerical tests for item-population correlation coefficients. Among them, the CITC measurement standard is greater than 0.5, Cronbach α is greater than 0.7. Table 3.4 Data inspection results show that the data meet the requirements.

Before finalizing the questionnaire, we invited four more managers and three senior executives to suggest some changes to the content. Following their suggestions, we fine-tuned the wording of the questionnaire again to form the final questionnaire.

Table 3.3 Code table of measurement items

Concept	Code	Measurement item
Instrumental Guanxi TG	TG 1	The other party has decision-making power that is helpful to us
	TG 2	The other party can get valuable information to us
	TG 3	The other party can give us help and support
	TG 4	The other party has the scarce resources we need
	TG 5	I am contacting the other party for the benefit of the company
Emotional Guanxi FG	FG 1	We trust each other very much
	FG 2	I feel very happy when I am with each other
	FG 3	We will consider each other's face
	FG 4	Our Guanxi has been tested for a long time
	FG 5	We are good friends and we really think about each other

Concept	Code	Measurement item
Shared values TV	TV1	Our company expects to share the same values with each other (we share a common world view; We agree on most things.)
	TV2	Our company will inform the other party of the specific opinions on the conduct of a business activity
	TV3	Our company will ask each other how they feel about a specific activity (we feel the same way about the things around us)
Contact frequency FC	FC1	He often visits our enterprise
	FC2	It takes a lot of time for him to understand our needs
	FC3	He spends a lot of time getting to know our executives
Professionalism PE	PE1	He has a good knowledge of the company's business/products
	PE2	He is a business/product expert
	PE3	He has rich experience in the other party's business/product
	PE4	He has a lot of product information and knowledge
popularity PL	PL1	He is a likable person
	PL2	He is a popular man
	PL3	He is a very nice person

Table 3.4 CITC and reliability analysis of structural variable measurement

Code	CITC	After deleting the item α	Cronbach α
TG 1	0.696	0.844	0.880
TG 2	0.686	0.846	
TG 3	0.775	0.836	
TG 4	0.732	0.842	
TG 5	0.530	0.863	
FG 1	0.639	0.851	0.855
FG 2	0.615	0.853	
FG 3	0.711	0.845	
FG 4	0.566	0.810	
FG 5	0.635	0.851	
TV1	0.594	0.844	0.857
TV2	0.542	0.854	
TV3	0.728	0.821	
FC1	0.579	0.829	0.840
FC2	0.685	0.827	
FC3	0.672	0.829	
PE1	0.668	0.779	0.812
PE2	0.708	0.767	
PE3	0.600	0.802	
PE4	0.622	0.788	
PL1	0.549	0.796	0.831

Code	CITC	After deleting the item α	Cronbach α
PL2	0.593	0.816	
PL3	0.744	0.750	

3.3.2 Variable measurement and questionnaire design for Questionnaire B

The variables of Questionnaire B involved in this study include five variables: Guanxi, accommodation, supervision, corporate performance and fairness perception. This study adopts a 5-point Likert scale, ranging from "1" to "5" indicating the degree from strongly disagree to strongly agreeing; for the variable corporate performance, ranging from "1" to "5" indicating from very poor to very good degree. . In the selection of the initial scale, this study tried to use classic scales that have a high citation rate in domestic and foreign literature and have good reliability and validity after repeated empirical testing. At the same time, the cross-cultural applicability of Western scales was carefully considered, and relevant scales with good reliability and validity in the Chinese context were selectively selected. For the English scale, the translation-back-translation procedure recommended by Brislin was followed. In this study, a Chinese management major who teaches in an English-speaking country was first asked to translate all the questions into Chinese, and then two graduate students who were proficient in Chinese and English were asked to back-translate the Chinese into English; then, the questions were Whether the items can be accurately understood, whether the true intentions of the subjects can be measured, whether there are overly sensitive items, etc. were verified by some senior executives of the surveyed companies. The questionnaire items and codes are shown in Table 3.5.

The measurement of flexibility mainly refers to Samaha, Palmatier, and Dant (2011), which contains a total of 3 items; the supervision mainly refers to the scale of Simpson (2002), which contains a total of 9 items. Enterprise performance mainly refers to the scale of (2009), which contains a total of 6 items; perceived internal incentive fairness perception mainly refers to the measurement method of Colquitt (2001), including a total of 3 items; digital collaboration capabilities mainly refers to Warner et al. (2019) measurement method, including a total of 5 items.

Table 3.5 Code table of measurement items

Concept	Coding	Measurement Items
Instrumental Guanxi TG	TG 1	The other party has the power to make decisions
	TG 2	The other party can obtain valuable information
	TG 3	The other party can provide help and support
	TG 4	The other party has scarce resources
	TG 5	I contacted the other party for the benefit of the company
Emotional Guanxi FG	FG 1	We trust each other very much
	FG 2	I feel very happy with each other
	FG 3	We will consider each other's face
	FG 4	Our relationship has been tested for a long time
	FG 5	We are good friends and we really care about each other
Flexibility FX	FX1	When encountering special problems or situations, the manufacturer's executives are willing to make adjustments to help me
	FX2	The manufacturer's executives are willing to make adjustments to help us in special situations
	FX3	When we encounter difficulties, the manufacturer's executives are willing to change the terms of the contract in order to continue cooperation
Supervision BC	BC1	The dealer executives will evaluate the manufacturer's work based on the performance goals.
	BC2	Dealer executives use performance-based evaluations to determine rewards or penalties for manufacturers
	BC3	Dealer executives tell manufacturers what performance goals to achieve
	BC4	Dealer executives monitor manufacturers' work actions
	BC5	Dealer executives set standards to evaluate manufacturers' work skills
	BC6	Dealer executives periodically evaluate manufacturers' skills to complete tasks
	BC7	Dealer executives formally warn manufacturers of work activities that do not satisfy them
	BC8	Dealer executives reward manufacturers for work activities that satisfy them
	BC9	Dealer executives praise manufacturers for improvements in work skills
Corporate performance FP	FP1	Your company's market share compared to major competitors
	FP2	Your company's sales compared to major competitors
	FP3	Your company's sales profit growth compared to major competitors
	FP4	Your company's return on investment compared to major competitors
	FP5	Your company's return on assets compared to major competitors
	FP6	Your company's profit margin compared to major competitors
Perceived fairness of internal incentives	FA1	My company's income level is based on work performance
	FA2	My company's promotion opportunities are based on work performance
	FA3	My company's honors are based on work performance

Concept	Coding	Measurement Items
FA		
Digital collaboration capabilities DC	DC1	We have a unified information exchange interface or method between the manufacturer's business system
	DC2	Our company can aggregate internal and external digital resources according to innovation needs
	DC3	Our company can share internal and external information according to cooperation needs
	DC4	Our company has good and diverse collaboration with manufacturers
	DC5	Our company can collaboratively optimize key process links

In order to ensure the reliability of the measurement scale and reduce unnecessary measurement items, we used the convenience sampling method to conduct a preliminary survey of 50 senior executives of corporate dealers. The processing methods for the 50 questionnaires include the item-total correlation coefficient CITC and Cronbach α numerical test. Among them, the CITC measurement standard is greater than 0.5, and Cronbach α is greater than 0.7. The data test results in Table 3.6 show that the data meets the requirements.

Table 3.6 CITC and reliability analysis of structural variable measurement

Code	CITC	After deleting the item α	Cronbach α
TG 1	0.673	0.832	0.880
TG 2	0.693	0.851	
TG 3	0.717	0.847	
TG 4	0.742	0.856	
TG 5	0.589	0.873	
FG 1	0.635	0.844	0.881
FG 2	0.674	0.867	
FG 3	0.738	0.875	
FG 4	0.588	0.877	
FG 5	0.690	0.833	
FX1	0.642	0.780	0.844
FX2	0.711	0.776	
FX3	0.713	0.832	
BC1	0.672	0.787	0.870
BC2	0.601	0.825	

Code	CITC	After deleting the item α	Cronbach α
BC3	0.772	0.761	
BC4	0.789	0.755	
BC5	0.521	0.831	
BC6	0.686	0.830	
BC7	0.668	0.834	
BC8	0.591	0.856	
BC9	0.575	0.856	
FP1	0.733	0.831	
FP2	0.691	0.833	
FP3	0.677	0.865	0.869
FP4	0.760	0.856	
FP5	0.654	0.851	
FP6	0.799	0.820	
FA1	0.733	0.837	
FA2	0.719	0.888	0.913
FA3	0.770	0.901	
DC1	0.645	0.862	
DC2	0.647	0.864	
DC3	0.732	0.855	0.883
DC4	0.578	0.820	
DC5	0.657	0.862	

3.4 Hypothesis

H1a: Professionalism has a positive impact on Instrumental Guanxi.

H1b: Professionalism has a positive impact on Emotional Guanxi.

H2a: Contact frequency has a positive impact on instrumentality.

H2b: Contact frequency has a positive impact on emotionality.

H3a: Shared values have a positive impact on Instrumental Guanxi

H3b: Shared values have a positive impact on Emotional Guanxi

H4a: Popularity has a positive impact on Instrumental Guanxi

H4b: Popularity has a positive impact on Emotional Guanxi

H5: Instrumental Guanxi have a positive impact on dealer flexibility

H6: Instrumental Guanxi have a negative impact on dealer supervision

H7: Emotional Guanxi have a positive impact on dealer flexibility

H8: Emotional Guanxi have a negative impact on dealer supervision

H9: Dealer flexibility has a positive impact on corporate performance

H10: Dealer supervision has a positive impact on corporate performance

H11a: The higher the perceived internal incentive fairness, the stronger the impact of Instrumental Guanxi on dealer flexibility.

H11b: The higher the perceived internal incentive fairness, the weaker the impact of Instrumental Guanxi on dealer supervision.

H12a: The higher the perceived fairness of internal incentives, the stronger the impact of Emotional Guanxi on flexibility.

H12b: The higher the perceived fairness of internal incentives, the weaker the impact of Emotional Guanxi on supervision.

H13a: The stronger the digital resource synergy capability, the weaker the impact of Instrumental Guanxi on dealer flexibility.

H13b: The stronger the digital resource synergy capability, the weaker the impact of Instrumental Guanxi on dealer supervision.

H14a: The stronger the digital resource synergy capability, the weaker the impact of Emotional Guanxi on flexibility.

H14b: The stronger the digital resource synergy capability, the weaker the impact of Emotional Guanxi on supervision.

3.5 Analytical model

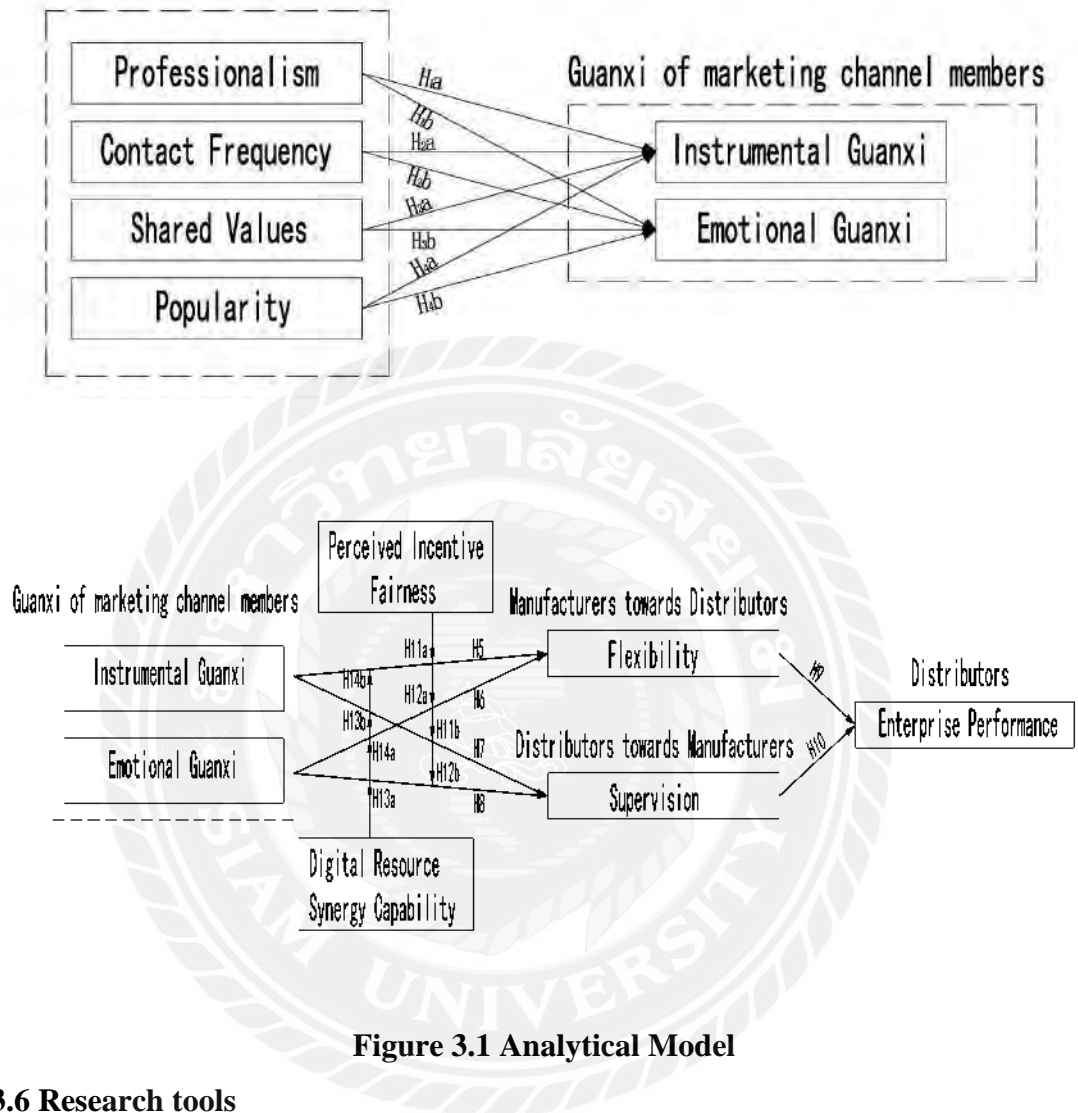


Figure 3.1 Analytical Model

3.6 Research tools

Based on the research purpose, research needs, research questions and research construction framework of this study, quantitative statistical analysis is an important part of this study, and it is a process of testing the rationality and scientificity of the channel member Guanxi measurement scale. In order to better support the data and realize scientific and reasonable triangular verification, this study mainly involves the analysis of the data of various dimensions of the Guanxi of channel members of the research object. Questionnaire survey is the core research tool of this study, which is obtained from different sources, after different stages of expert judgment and repeated revisions, but the scientificity and rationality of the questionnaire are unknown. Xue

Wei(2014) pointed out, in addition to subjective evaluations such as the designer's self-evaluation after the completion of the first draft of the questionnaire, and evaluations by experts or peers, the evaluation of the questionnaire also requires some objective evaluation based on the questionnaire data. This study will use SPSS22.0 to conduct descriptive statistical analysis and factor analysis on the item analysis, reliability analysis and validity analysis of Questionnaire respectively, and to verify the reliability and validity of the research tools.

The data will analyze through the spss program and structural equation model testing the Hypotheses in this thesis. The statistical methods used in this study are:

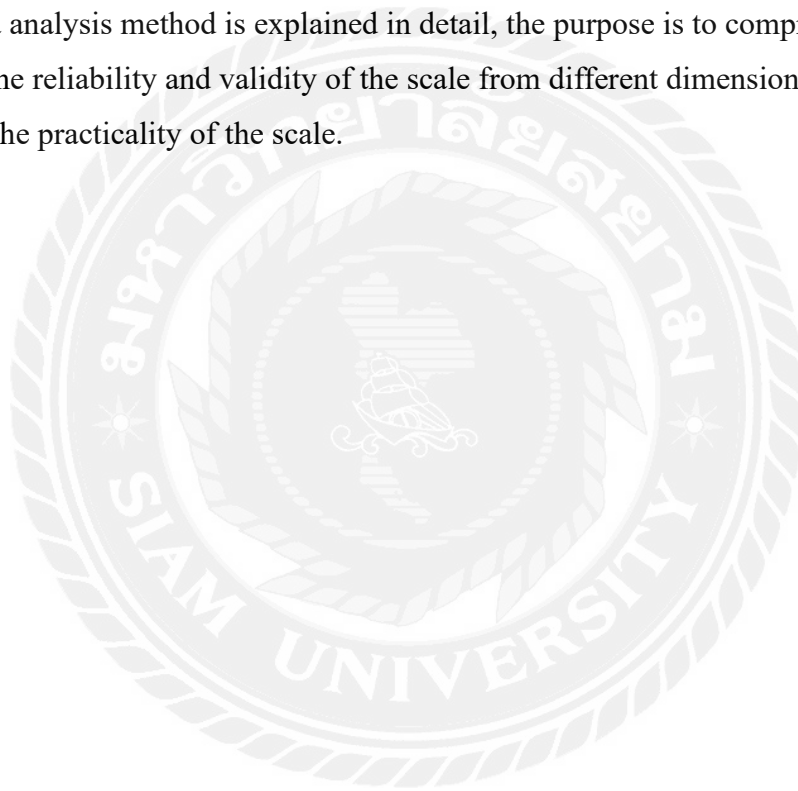
(1) Descriptive statistics , including frequency, percentage, mean, and standard deviation to describe the sample of the study.

(2) Confirmatory factor analysis: this model starts with the analysis of the measurement construct correlation validity by using the value of factor loading. It must test before analyzing the structural equation model.

(3) Structural equation model: to present the relationship between the structural and the construct. This is to test relations by using the theories discussed in the literature review by using criteria of fitness index such as; chi-square, GFI, CFI, and RMSEA. The testing model can calculate for other outputs to explain correlation coefficients and Multiple Regression. The limitation of structural equation model analysis is relevant with approximate the estimated value for constructs. The observed variables are normal distribution in the model. In case of latent variables are not normally distributed, the standard errors and estimates off. It might not be accurate outputs. The extended exogenous variables that shaped the model are highly correlated. This problem still addresses an estimated asymptotic covariance matrix calculation, in which the former approach s might include biased and inefficient estimates in different specific constructs. Although This mean the parameter estimates might not be allowed for consistent procedures if the latent variable present not normally distributed effects.

3.7 Summary

Based on the research purpose of this study, this chapter introduces the research method, research object and scale development process in detail, and explains the selection of data collection and analysis methods. This study wants to interpret the rationality of this study from different dimensions. According to different research questions, different research methods and tools are selected at different stages. The research and development of the scale itself is a relatively complicated process, and its validity verification is particularly important and critical. Therefore, in this chapter, the data analysis method is explained in detail, the purpose is to comprehensively verify the reliability and validity of the scale from different dimensions, in order to reflect the practicality of the scale.



CHAPTER 4

RESEARCH RESULT

This chapter presents the results of the data collected and analyzed in this study in detail, and provides empirical verification and discussion around the research questions raised in the previous section. First, the basic statistical characteristics of the data are described and analyzed, and then the hypothesized model is verified, including the specific impact of instrumental and affective relationships on business performance, as well as the mechanism of action of different drivers.

The detail in this chapter would be separated into 5 parts as follows:

- 4.1 The connotation of Channel Member's Guanxi and the development of measurement scale
- 4.2 Results of the driving factors of Channel Member's Guanxi
- 4.3 Results of the mechanism of the impact of Channel Member's Guanxi on corporate performance
- 4.4 Construct a management model for relationship marketing channels and enterprise performance
- 4.5 Summary

4.1 The Connotation of Channel Members' Guanxi and the Development of Measurement Scale

Guanxi plays an important role in marketing practice. Scholars have measured Guanxi from different perspectives. They summarize some of the measurement items currently used to measure Guanxi, including: the dimensions of Guanxi, the number of measurement items, and so on. In existing research, Guanxi includes single-dimension and multi-dimension. Multi-dimension includes favor, emotion, face, etc. According to different subjects, Guanxi scale is also different. The current measurement of Guanxi is divided into two types: single-dimension and multi-dimension. The single-dimension mainly measures the affective element of Guanxi; the multi-dimension involves face,

emotion and affection.

In the marketing channel, during corporate practice and interviews with corporate employees, channel member executives mostly said that when establishing Guanxi with executives of cooperative companies, they would consider whether the other party can bring benefits to themselves and the company. Guanxi have a certain capital nature. No matter from the perspective of dimension or classification, the current scale of Guanxi lacks the operational measurement of Guanxi with beneficial/capital connotation, especially among channel members of marketing channels, where the beneficial nature of Guanxi is more typical.

Since the currently developed Guanxi scale does not clearly distinguish the beneficial relationship dimension, this hinders the exploration of the connotation and role of channel members' Guanxi. Therefore, on the basis of the existing literature, this paper obtains the cognition of channel members' senior managers on Guanxi through interviews and second-hand data collection. The development of the member's Guanxi measurement scale provides theoretical support for follow-up research.

4.1.1 Analysis of channel member interview results

From the aforementioned literature review, we can see that the current division of Guanxi dimensions is divided into single-dimensional and multi-dimensional. Many scholars include interest content in both single dimension and double dimension. In order to better divide the dimensions of Guanxi among channel members, this study will adopt a multi-dimensional division method and highlight the benefits of Guanxi.

In order to clarify the measurement dimensions of channel members' Guanxi, this study uses the qualitative in-depth interview method to interview dealer executives. The main reason for choosing qualitative in-depth interviews is that in-depth interviews are an effective method for discovering new theories and are widely used; at the same time, qualitative in-depth interviews can explore the connotation of Guanxi from the perspective of channel members and more accurately identify Guanxi among channel members dimensions to ensure the reliability and validity of the scale.

This research adopts the convenience sampling method, finds 30 dealer executives through social relations, and conducts one-on-one in-depth interviews with

them. The details of the interviewees are shown in Table 4.1 below:

Table 4.1 Description of the Subjects in Depth Interview (Unit: Person)

Gender	Position	Industry	Cooperation Time
Male: 24	General Manager: 20	Cars: 12	Under 1 year: 3
Female: 6	Deputy General Manager: 10	Mechanical: 8	1-3 years: 14
		Communications: 5	4-7 years: 5
		Other*: 5	7-10 years: 4
			Over 10 years: 4
total: 30	total: 30	total: 30	total: 30

*Note:**Others include decorative construction, home appliances, and chemical industry

Before officially starting the interview, inform the interviewees of the main purpose of the interview to dispel the psychological barriers of the interviewees, and then investigate their position in the company, channel membership, the industry the company is in, and cooperation with major manufacturers time. Then, according to the outline drawn up in advance, we asked the interviewees to describe in detail their views on Guanxi when interacting with the executives of the major manufacturers. What does a Guanxi include? What does Guanxi mean? What role does Guanxi have on corporate performance and other issues related to Guanxi. The specific interview outline can be found in Interview Form. During the interview, use the interview method to reduce the tension and awkwardness of the interviewee. The duration of the interview was between 30-50 minutes. Generally speaking, the interviewees were able to cooperate very well to complete the interview and express their thoughts on Guanxi.

According to Lincoln and Guba's content analysis method (Lincoln & Guba, 1985), the interview results were analyzed to identify the dimension of channel members' Guanxi. First of all, the content of the interviews is sorted out to form written texts, through repeated screening, words with higher frequency are identified. And then words that can be classified into one category are merged clearly. This process was repeated by two researchers until a consensus was reached. Table 4.2 shows the key sentences obtained from the qualitative interview analysis.

From the results of the interviews, it can be seen that the interviewees mentioned status, prestige, honor, being able to talk, being able to accomplish things, being

valuable, being able to provide help, being an important person, giving support and giving help. These are the interests-related content contained in the Guanxi, which we summarize into one dimension. The interviewees mentioned the concepts of trust, understanding, being able to stand the test, affection, and sincerity. These are all emotion-related contents contained in Guanxi. We summarize these contents into one dimension. The results of the induction are consistent with Hwang's (1987) cognition of Guanxi, which Hwang (1987) believes includes both instrumental and affective aspects. It is also in line with Fei Xiaotong's (1986) recognition that Guanxi include Instrumental Guanxi and Emotional Guanxi. Combining the interview content, Hwang (1987) and Fei Xiaotong's (1986) cognition of Guanxi, the two dimensions of Guanxi are named as Instrumental Guanxi and Emotional Guanxi.

Table 4.2 The Results of the Depth Interview

Dimension	Conceptualization	Key Statement
Instrumental Guanxi	Status	✧ At work, when cooperating with the other party, it is generally necessary to associate with managers who have a certain status, whether it is in the company or in society.
	Prestige	✧ The other party should have certain prestige.
	Talk about Credibility	✧ Whether this person is handable, trustworthy, and trustworthy is very critical.
	Have the right to speak	✧ The other party must be able to speak in the company. Talking is effective and can decide some things.
	Able to do things	✧ The other party must be a person who can handle things, because many things in the cooperation are not ready-made, and you may have to work hard and be flexible.
	Valuable and Scarce	✧ When cooperating, I am willing to establish contact with important executives who are valuable but not easy to get acquainted with in the other company, because it can help me eliminate competitors.
	Provide help	✧ Whether the other party can provide me with help and benefit is what matters. For example, when cooperating,

Dimension	Conceptualization	Key Statement
		the other party can support me when I need help and help me tide over difficulties.
	Return	✧ Of course, the other party helped me, and we will find opportunities to repay in the future.
	Important	✧ As a manager, the other party is a very important person in the company.
Emotional Guanxi	Trust	✧ We are not just working with each other, we have understood each other carefully, and we can trust each other; we can trust each other, and we are very relieved to cooperate with each other
	Understand	✧ Sometimes at work, because of different standpoints, you may make some better decisions for your company from the perspective of your own company, and the other party can also understand your intentions and behaviors from your standpoint
	Joy	✧ It is always a pleasure to work with us
	Withstands tests	✧ We have known each other for a long time, we know each other very well, our relationship can stand the test
	Emotion	✧ The relationship between us is not just a relationship of interests, we have a certain affective exchange, based on feelings; we get along like brothers, and hope to maintain such feelings
	Think About Each Other	✧ We are always able to genuinely think about each other
	Face	✧ Will consider saving face for the other party when working

4.1.2 Dimensions of Channel Members' Guanxi

According to the interview results of marketing channel executives, this study believes that the Guanxi of channel members should include two dimensions: Instrumental Guanxi and Emotional Guanxi. This study defines Instrumental Guanxi and Emotional Guanxi as follows:

Instrumental Guanxi is a means or a tool to achieve other goals and is utilitarian. The Instrumental Guanxi conforms to the view of the private relationship resource theory, which is a resource that can be exchanged for help. People can use Guanxi as a means to obtain some desired material resources (Hwang, 1987). The relationship serves only as a means or as a means to some other end. Therefore, the relationship is basically unstable and short-lived. The interaction is only a means to achieve one's own ends (Hwang, 1987). In order to have this kind of Guanxi, you need to invest in money and emotions. The increase and decrease of Guanxi is directly related to the increase and decrease of this capital. The Instrumental Guanxi can bring utilitarianism. The stronger the Instrumental Guanxi, the more status, authority, and ability the other party has. The ability to help and support oneself can help and accomplish things. When dealing with people in Instrumental Guanxi, people always think about this in terms of social exchange theory: "How much can I get in return from the other party?" "How much do I have to pay to get there?" "Subtract from the reward Is my ultimate interest comparable to that of the other party after costs?" (Blau 1967; Homans 1961; Emerson 2019).

Emotional Guanxi can satisfy people's needs for warmth, security, attachment, and can present a person's family affection, warmth, security and attachment, which is affective satisfaction. Affection mainly occurs between members of major groups such as family, close friends and other like groups (Hwang, 1987). Communicate with each other sincerely, improve the understanding between the two parties, generate feelings, be able to understand each other and think from the perspective of the other party. Emotional Guanxi can be used to evaluate whether the two parties in the Guanxi are high. The more they can treat each other with sincerity, the two parties understand each other(have certain feelings) and this kind of relationship can stand the test. Both parties can think about and understand each other. This kind of evaluation is reflected in whether the two parties can treat each other with sincerity, and whether the two parties have the ability to withstand tests and difficulties.

Instrumental Guanxi and Emotional Guanxi are two relatively independent dimensions that need to be measured separately.

4.1.3 Generation of measurement items

The initial measurement items of Guanxi among channel members in this study are mainly from literature and in-depth interviews. Since the research on Guanxi in general environment has been relatively abundant, the measurement items of the affective dimension of Guanxi in this study mainly refer to the measurement items of the quality of Guanxi. Based on the research background and objects of this study, the original questions Items are modified appropriately. In addition, by supplementing the appropriate items extracted from the in-depth interviews with dealer executives, which reflects the special nature of the Guanxi of channel members and makes the measurement items of Guanxi of channel members more realistic.

4.1.3.1 Generation of initial items

(1) Extraction of the results of qualitative interviews with executives of manufacturers and distributors

As previously mentioned, this study involved 30 one-on-one in-depth interviews with manufacturer and distributor executives, during which they were asked to describe in detail the Guanxi between the manufacturers/distributors they work with , related descriptions are used to supplement the measurement items from the literature.

The interview results were analyzed by content analysis. First, identify and code the key sentences that appear repeatedly in the interviews, then calculate the frequency of key sentences, and finally classify the key sentences into their conceptual groups through concept group analysis. Key sentences, frequency and classification in the description of channel members' Guanxi in Table 4.3.

Table 4.3 The analysis of depth interview

Key Phrase	Frequency	Classification
Opponent has decision-making power	25	Instrumental Guanxi
The other party has valuable information	20	Instrumental Guanxi
The other party can give me support and help	28	Instrumental Guanxi
The other party can provide me with some scarce resources	15	Instrumental Guanxi
Reciprocity exists	13	Instrumental Guanxi
Reciprocate each other's help	10	Instrumental Guanxi

Communication is for the convenience of work	17	Instrumental Guanxi
Trust each other	27	Emotional Guanxi
Happy to get along	18	Emotional Guanxi
Save face for the other party	13	Emotional Guanxi
Relationship Stands the Test	20	Emotional Guanxi
Hope for brotherhood	6	Emotional Guanxi
Really think about each other	15	Emotional Guanxi

The key sentences listed in Table 4.3 are all frequently mentioned by the interviewees. The sentences mentioned with low frequency are not listed as key sentences because of their low reference value. From this we can see that there are many similarities between the measurement items in the Emotional Guanxi dimension and the items of Guanxi quality in existing research. Some items in the dimension of Instrumental Guanxi are similar to the items of Guanxi in existing research. But there are still some items such as decision-making power and ability to provide valuable information that did not appear in the items of Guanxi in the past. However, in the process of cooperation between the manufacturer and the dealer, the company's executives, as the cooperation representatives of the two parties, will consider using the other party's power and status to ensure the smooth progress of the cooperation and accomplish their own and the company's goals. We therefore add these statements about the power and energy of Guanxi to the instrumental relational dimension of Guanxi.

(2) Initial measurement items

We summarized the existing Guanxi measurement items in the literature and the items extracted from the qualitative interview results to form the initial items of the channel member Guanxi measurement scale, as shown in Table 4.4. Among them, the measurement items of Instrumental Guanxi and Emotional Guanxi come from the summary of existing literature and in-depth interviews.

4.1.3.2 Modification of measurement items

According to Bergkvist (2021) suggestion, this study extracted initial measurement items on the basis of literature and interviews. Subsequently, it is necessary to test the face validity and content validity of the items, and complete the modification of the initial items. The operation steps are as follows:

(1) Invite 5 dealer executives (not repeated with the 30 interviewed executives) as judges, ask them to read the initial items carefully, and state the meaning of the items they perceive, and point out the obscure and difficult items in the items. Understand and ambiguous places. As suggested, we deleted “response to my request” from the Instrumental Guanxi dimension in the initial item. Because the judge believes that in actual communication, part of the content of cooperation between the two parties due to their Guanxi will not be clearly responded to, that is, they can only be understood. Therefore, this question does not necessarily measure true intentions.

Table 4.4 Original Items of the Measurements for Guanxi value for this study

Dimensions	Measuring the general idea of items	Source of Items
Instrumental Guanxi (Code TG)	Opponent has decision-making power	Qualitative Interview
	The other party has valuable information	Qualitative Interview
	The other party can give me support and help	Lee et al. (2005), Shou et al. (2011)
	The other party can provide me with some scarce resources	Qualitative Interview
	Reciprocity exists	Leung (2011), Shou et al. (2011)
	Reciprocate each other's help	Lee et al. (2005), Shou et al. (2011)
	Contact is for work convenience	Qualitative Interview
Emotional Guanxi (Code FG)	Respond to my request	Qualitative Interview
	Trust each other	Qualitative Interview
	Happy to get along	Qualitative Interview
	Save face for the other party	Lee et al. (2005), Shou et al. (2011)
	Relationship Stands the Test	Zhuang et al. (2008)
	Hope for brotherhood	Qualitative Interview
	Really think about each other	Lee et al. (2005)

(2) Explain the definition of Guanxi of channel members and the definitions of the two dimensions included to the 5 judges, and let the judges classify each item into the 2 corresponding dimensions based on their own experience and feelings. Flag items that are difficult to judge when they appear. According to the comments, this study excludes the item "existence of reciprocity" which measures the dimension of

Instrumental Guanxi, because the judges believe that "existence of reciprocity" has two meanings. It is willing to give gifts because of a good Emotional Guanxi, so this item belongs to the two dimensions of Instrumental Guanxi and Emotional Guanxi at the same time. According to the measurement requirements of the scale, this item is deleted.

(3) Ask professional personnel to make another judgment. In this study, three teachers who are engaged in marketing teaching and research work are invited to make a new round of judgments. First, explain to the three teachers the definition of the Guanxi of channel members and the definitions of the two dimensions included, and ask them to judge whether it is reasonable to divide the Guanxi of channel members into two dimensions: Instrumental Guanxi and Emotional Guanxi. The current question items Whether the dimension attribution of is reasonable, that is, whether the item can explain the dimension. The degree of clarification is divided into three levels: complete clarification, general clarification and unexplainable. When at least 2 teachers think that the item can fully explain this dimension, and no one thinks that it cannot be explained, the item will be kept. Otherwise the item will be deleted. Through judgment, the three teachers all think that the existing classification is reasonable, therefore, all 10 items are reserved, including 5 items of Instrumental Guanxi and 5 items of Emotional Guanxi, show as Table 4.5.

Table 4.5 Pulse Measurement Scale

Dimension	Measurement Item	Source of Item
Instrumental Guanxi	1. The other party has decision-making power that is helpful to us	Qualitative Interviews, Lee et al. (2005), Shou et al. (2011), Leung (2011)
	2. The other party can obtain valuable information for us	
	3. The other party can give us help and support	
	4. The other party has the scarce resources we need	
	5. I contact the other party only for the benefit of the company	
Emotional Guanxi	1. We trust each other very much	qualitative interviews, Zhuang et al. (2008), Lee et al. (2005), Shou et al. (2011)
	2. I feel happy when I am with each other	
	3. We will consider each other's face	
	4. Our relationship is time-tested	
	5. We are good friends, we really think about each other	

4.1.4 investigation and scale inspection

The Questionnaire for this study will start in October 2023 and end in January 2024. The source of research samples includes two parts. The first part is ontology companies through social relations. At the same time, the research is based on these companies, and they are asked to help contact the companies they are familiar with for research. The second part is the enterprises in Tianjin Economic and Technological Development Zone, Dalian Economic and Technological Development Zone and Free Trade Zone, Hangzhou Economic and Technological Development Zone and Yantai Economic and Technological Development Zone based on social resources. Guanxi variable formal survey was conducted along with the other variables covered in Chapter 5 and was filled out by selected dealer executives responsible for working with manufacturers. Locally, we have adopted on-the-spot questionnaire collection, and completed online questionnaires in Tianjin, Dalian and Hangzhou.

In this formal survey, a total of 350 survey questionnaires were distributed to supplier executives and a total of 322 questionnaires were returned. Excluding questionnaires filled with excessive numerical consistency and missing items, 305 valid questionnaires were obtained with a total effective questionnaire rate of 88.4%. The number of valid questionnaires exceeds 5 times of the questionnaire items, meeting the requirements (Chen et al., 2008). The sample profile is shown in Table 4.6.

Table 4.6 Description of Samples for Questionnaire

Indicator	Indicator Description	Ratio	Indicator	Indicator Description	Ratio
industry type	Automobile industry	21.4%	company age	Less than or equal to 5 years	26.4%
	Garment Industry	18.5%		6-10 years	19.8%
	Building decoration industry	30.3%		11-15 years	22.2%
	Electronic communication equipment industry	24.7%		16-20 years	21.9%
	other	5.1%		21 years and above	9.7%

Indicator	Indicator Description	Ratio	Indicator	Indicator Description	Ratio	
Number of employees	Less than 30 people	20.8%	Type of company	State-owned enterprises	15.5%	
	31-50 people	39.7%		Private Enterprise	54.5%	
	51-100 people	25.9%		Foreign companies	30.0%	
	More than 100 people	13.6%				
Company area	Tier 1 cities	14.4%	Respondent position	General manager	30.6%	
	Second-tier cities	20.6%		Deputy General Manager		
	third-tier city	28.8%				
	Cities below the third tier	36.2%				69.4%

Among the survey samples, the industry types of enterprises mainly include the automobile industry, clothing industry, architectural decoration industry and electronic communication equipment industry. In terms of company age, companies under 10 years old accounted for a relatively large proportion, accounting for 46.2%. In terms of the number of employees, the proportion of 31-50 people is relatively large, accounting for 39.7%. The types of companies cover state-owned enterprises, private enterprises and foreign-funded enterprises, and also cover the current first-tier, second-tier, third-tier and lower-tier cities in my country. The sample coverage is relatively high. Respondents included general manager and deputy general manager, with the proportion of deputy general manager higher.

The scale needs to be tested for reliability and validity before it can be used as a qualified scale. The reliability is mainly tested by internal consistency reliability; the validity is mainly tested by exploratory factor analysis, convergent validity, discriminant validity and second-order confirmatory factor analysis.

4.1.5 Data analysis

4.1.5.1 Internal consistency reliability analysis

The internal consistency reliability still uses the Cronbach α coefficient and the CITC value of the item as the test index. As shown in Table 4.7.

Table 4.7 CITC and Reliability Analysis of Each Dimension's Measure for Guanxi

Dimension	Items	CITC	Alpha if Item Deleted	Cronbach α
TG	TG 1	.749	.827	0.924
	TG 2	.792	.900	
	TG 3	.759	.846	
	TG 4	.754	.876	
	TG 5	.717	.819	
FG	FG 1	.760	.844	0.889
	FG 2	.702	.865	
	FG 3	.767	.848	
	FG 4	.784	.837	
	FG 5	.754	.841	

The numbering order of the items is the same as that of the formal survey questionnaire. It can be seen from Table 4.7 that the Cronbach α coefficients of each dimension are 0.924 and 0.889, both of which are greater than the standard of 0.70. The CITC values of the items in their dimensions are all greater than 0.50. At the same time, if any item is deleted, the α coefficient will decrease, indicating that the internal consistency reliability of each dimension is better.

4.1.5.2 Exploratory factor analysis

Kaiser (1974) pointed out in his research that if the KMO value is less than 0.5, it means that the data is not suitable for exploratory factor analysis. The result of the data test in this study is that the KMO value is 0.9, greater than 0.5, and the significance probability of the χ^2 statistical value of the Bartlett sphericity test result is 0.000, less than 0.01, indicating that the data is suitable for exploratory factor analysis (Ou et al., 2014). After orthogonal rotation, two factors are obtained, corresponding to Instrumental Guanxi and Emotional Guanxi respectively. The factor loadings of the items included in the dimension of Instrumental Guanxi are between 0.799-0.864 and the factor loadings of each item included in the dimension of Emotional Guanxi are between 0.763-0.929. All greater than 0.5, in line with the standard. At the same time, there is no cross-correlation phenomenon in each item. Therefore, the Guanxi scale developed in this study has high construct validity. The specific values are shown in

Table 4.8.

Table 4.8 EFA Results for Guanxi

Measurement items	Constituent factor	
	Factor 1	Factor 2
TG 1	.864	.128
TG 2	.841	.206
TG 3	.833	.252
TG 4	.839	.251
TG 5	.799	.229
FG 1	.300	.763
FG 2	.307	.756
FG 3	.249	.827
FG 4	.121	.934
FG 5	.137	.929

4.1.5.3 Convergent validity analysis

Convergent validity refers to the correlation between items of the same dimension, measured by confirmatory factor analysis and average variance extraction (AVE). In this study, the convergent validity was first tested by confirmatory factor analysis, and then the average variance extraction method was used to test it.

Bagozzi and Yi (1988) and Hair et al. (2006) pointed out that if the factor loading of the item reaches the standard of greater than 0.7, it is a relatively ideal standard, and it has strong statistical significance under the condition of $P < 0.001$. According to the statistical results of TU data, the standardized loading coefficient of each item of channel member Guanxi on its corresponding latent variable is between 0.79-0.85, which is higher than the standard of 0.7. Therefore, the Guanxi scale has good convergent validity.

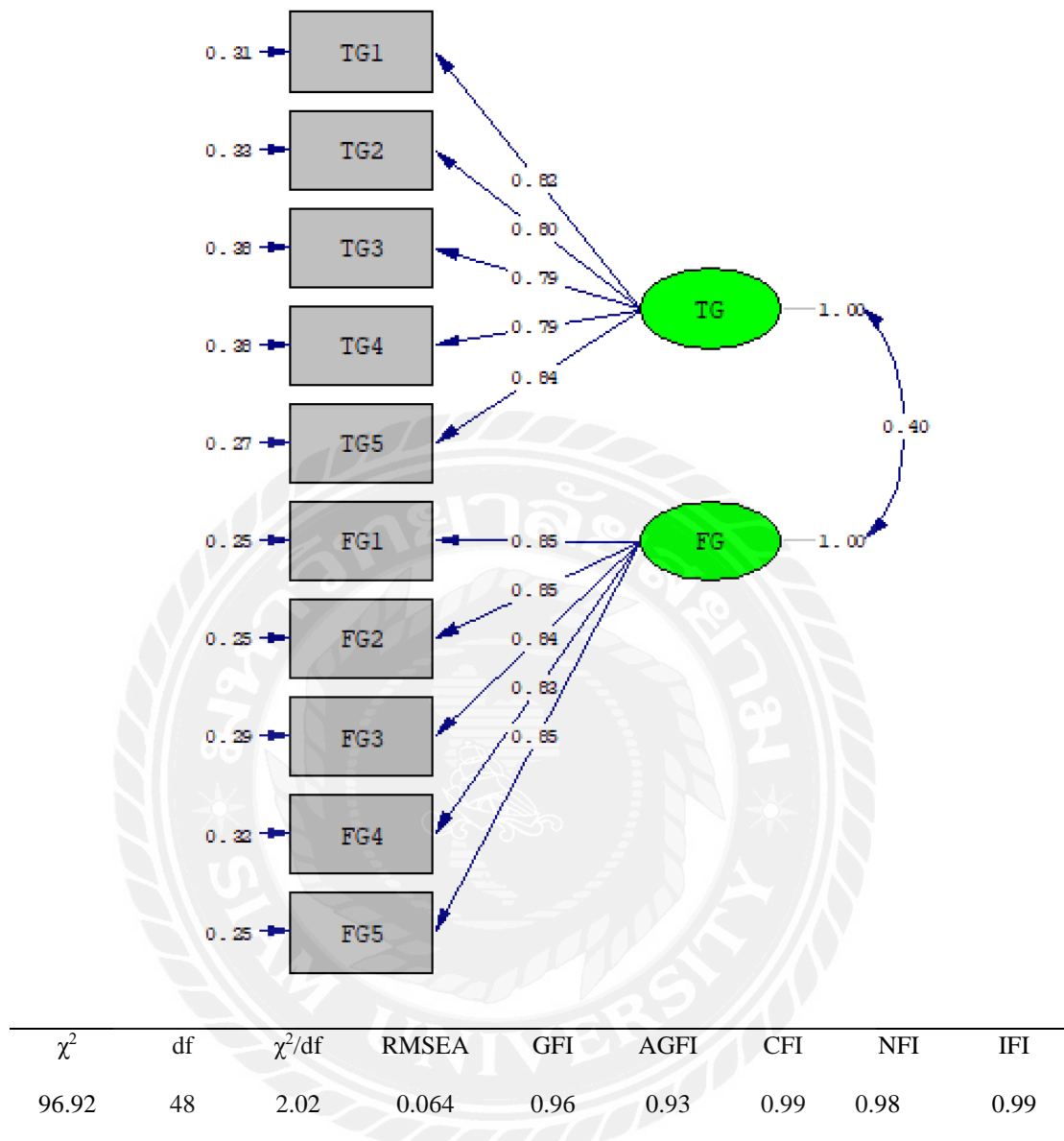


Figure 4.1 Path diagram of CFA for Guanxi

We use the average variance extracted (AVE value) of each dimension to examine the convergent validity of the Guanxi of channel members. The AVE values of the latent variables represented by the two dimensions of Guanxi of channel members are 0.656 and 0.660 respectively, meeting the requirements of 0.50 minimum standard requirements. Based on the analysis of the above two aspects, we can conclude that the two dimensions of Guanxi in this study have good convergent validity. The specific values are shown in Table 4.9.

Table 4.9 The results of convergent validity analysis for Guanxi

Latent variable name	Observation variable Quantity Code	Normalized Factor Loading	T Value	Normalized Error term	Average variance extracted
TG	TG 1	0.81	21.66	0.32	0.656
	TG 2	0.83	23.72	0.31	
	TG 3	0.79	20.01	0.34	
	TG 4	0.82	22.03	0.31	
	TG 5	0.80	21.04	0.33	
FG	FG 1	0.80	22.83	0.37	0.660
	FG 2	0.79	22.60	0.37	
	FG 3	0.82	24.52	0.31	
	FG 4	0.81	23.89	0.34	
	FG 5	0.84	26.22	0.27	

4.1.5.4 Discriminant validity analysis

Discriminant validity is the degree of difference between one dimension and other dimensions in a variable, that is, whether the dimensions can be well distinguished from each other. According to the test method of Fornell and Larcker (1981), the test is carried out by the average variance extracted (AVE value) of each dimension. The test method is that when the square root of the AVE value is greater than the correlation coefficient between the two dimensions, the variable dimension has Good discriminant validity, where the numbers on the diagonal are the square roots of the AVE values in each dimension.

The results in Table 4.10 show that the square roots of the AVE values of Instrumental Guanxi and Emotional Guanxi are 0.90 and 0.87 respectively, both of which are greater than 0.38, which means that the channel member Guanxi scale has good discriminant validity among all dimensions.

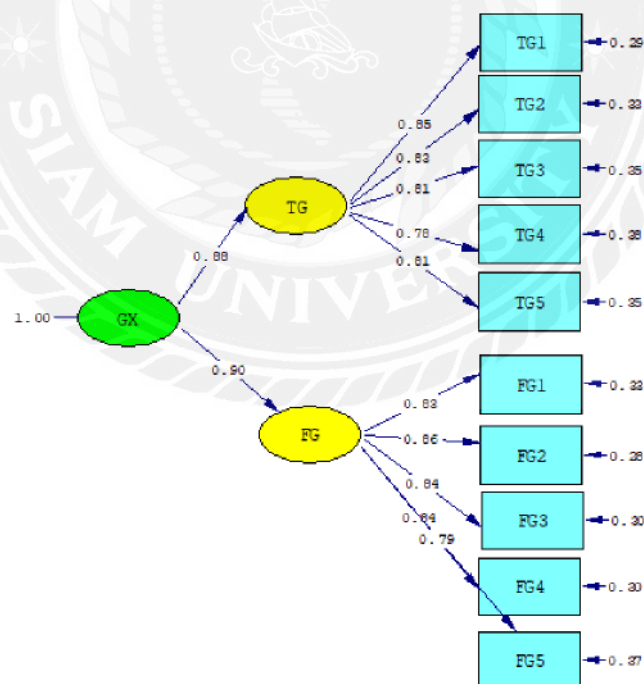
Table 4.10 Discriminant reliability for Guanxi

latent variable	TG	FG
TG	0.90	0.41
FG	0.44	0.87

4.1.5.5 Second-order confirmatory factor analysis

To test first-order factor correlations and whether first-order factors can cluster into higher-order identical factors. The method of the second-order confirmatory factor analysis of Guanxi is to use the two dimensions of Instrumental Guanxi and Emotional Guanxi as the first-order factors to test whether they can be clustered into the variable of Guanxi. If the path coefficient of the test is greater than 0.3, the test is passed.

The path coefficients of the two factors of Instrumental Guanxi and Emotional Guanxi are 0.88 and 0.90 respectively, both of which are greater than the standard of 0.3; at the same time, the factor loads of the items are also greater than 0.3, indicating that the channel member Guanxi scale has good convergent validity. The result is shown in Figure 4.2. In order to present the results of the second-order confirmatory factor analysis more clearly, the summary path coefficients and standardized loading coefficients are shown in Table 4.11.



χ^2	df	χ^2/df	RMSEA	GFI	AGFI	CFI	NFI	IFI
98.37	43	2.29	0.058	0.94	0.93	0.99	0.99	0.97

Figure 4.2 Path diagram of second-order CFA for Guanxi

Table 4.11 The Results of Second-order Analysis for the Scale of Guanxi

Second Order Factor (Code)	First-order Factor (Code)	Path Coefficient	T	Observed Variable Code	Normalized Loading Coefficient
Guanxi (GX)	Instrumental Guanxi (TG)	0.88	13.11	TG 1	0.85
				TG 2	0.82
				TG 3	0.81
				TG 4	0.78
				TG 5	0.81
	Emotional Guanxi (FG)	0.90	14.30	FG 1	0.82
				FG 2	0.86
				FG 3	0.84
				FG 4	0.84
				FG 5	0.79

Based on the reliability and validity verification of the scale above, the scale meets the specified standards. The scale can correctly measure the concept of Guanxi among channel members. Therefore, this research finally obtained the Channel Members Guanxi Scale, which includes two dimensions of Instrumental Guanxi and Emotional Guanxi. The scale contains 10 items in total. See Table 4.12 for specific items.

Table 4.12 Pulse Measurement Scale

Dimension	Measurement Items
Instrumental Guanxi	1. The other party has decision-making power that is helpful to us
	2. The other party can obtain valuable information for us
	3. The other party can give us help and support
	4. The other party has the scarce resources we need
	5. I contact the other party only for the benefit of the company
Emotional Guanxi	1. We trust each other very much
	2. I feel happy when I am with each other
	3. We will consider each other's face
	4. Our relationship is time-tested
	5. We are good friends, we really think about each other

4.2 Results of the driving factors of channel members' Guanxi

In marketing channels, the Guanxi of channel members is an important resource (Hartmann et al.,2018) . In order to obtain these resources, to find the influencing factors of the Guanxi becomes an important research issue. Only by finding these influencing factors we can explore the formation mechanism of Guanxi and control the influencing factors of Guanxi. Existing studies mainly focus on the positive drivers of Guanxi, such as decision uncertainty, conflict handling skills, satisfaction and trust, etc. Existing studies on the factors affecting Guanxi are not comprehensive enough. This chapter will explore the driving factors of Guanxi based on interpersonal attraction theory.

Among the survey samples, the industry types of enterprises mainly include the automobile industry, clothing industry, architectural decoration industry and electronic communication equipment industry. In terms of company age, companies under 10 years old accounted for a relatively large proportion, accounting for 46.2%. In terms of the number of employees, the proportion of 31-50 people is relatively large, accounting for 39.7%, be showed on the Table 4.13. The types of companies cover state-owned enterprises, private enterprises and foreign-funded enterprises, and also cover the current first-tier, second-tier, third-tier and lower-tier cities in my country. The sample coverage is relatively high . Respondents included general manager and deputy general manager, with the proportion of deputy general manager higher.

Table 4.13 Description of Samples for survey

Indicator	Indicator Description	Ratio	Indicator	Indicator Description	Ratio
industry type	Automobile industry	21.4%	company age	Less than or equal to 5 years	26.4%
	Garment Industry	18.5%		6-10 years	19.8%
	Building decoration industry	30.3%		11-15 years	22.2%
	Electronic communication equipment industry	24.7%		16-20 years	21.9%
	other	5.1%		21 years and above	9.7%

Indicator	Indicator Description	Ratio	Indicator	Indicator Description	Ratio	
Number of employees	Less than 30 people	20.8%	Type of company	State-owned enterprises	15.5%	
	31-50 people	39.7%		Private Enterprise	54.5%	
	51-100 people	25.9%		Foreign companies	30.0%	
	More than 100 people	13.6%				
Company area	Tier 1 cities	14.4%	Respondent position	General manager	30.6%	
	Second-tier cities	20.6%		Deputy General Manager		
	third-tier city	28.8%				
	Cities below the third tier	36.2%				69.4%

4.2.1 Data Analysis

4.2.1.1 Homologous variance test

The homologous Variance test is also known as the Common Method Bias test or Common Method variance test, It refers to the artificial covariation between two variables caused by the same data source or the same measurement environment of the subject, the same measurement method, the context of the item and the characteristics of the item itself. Homologous variance is a systematic error, and the false correlation between variables may seriously confuse and mislead the research results, so it needs to be strictly controlled.

Homologous variance can be reduced by both program control and statistical control. Procedure control refers to taking measures to control the measurement process, such as taking anonymous tests from different sources, reducing the guesses of subjects on the items, balancing the order of items in the questionnaire layout, etc. Statistical control refers to the use of statistical analysis methods to test and deal with homologous variance, including Harman single factor test, partial correlation method, confirmatory factor analysis single factor and multi-factor comparison method.

Although this study uses anonymous filling and other methods for questionnaire program control, each questionnaire is filled in by the same subject at the same time, and the same survey tools are used, which may cause homologous variance problem, so it is necessary to test the homologous variance. In this study, the Harman single

factor test method was used for statistical control of homologous variance, and SPSS 22.0 was used for principal component factor analysis of all measurement items in the questionnaire. In the case of no rotation, the first principal component obtained was 35.59%, which was less than the critical value of 50%. This indicates that the first principal component of this study does not explain most of the variables, and the homologous variance is not serious.

4.2.1.2 Reliability analysis

Reliability is the degree to which the Scale of a phenomenon provides stable and consistent results. The main measure of reliability test is the reliability coefficient (Cronbach Alpha), also known as internal consistency test. Validity refers to the extent to which the scale can actually measure the concept it is intended to measure. Scholars generally use Cronbach α coefficient and item-population correlation coefficient (CITC value) to measure the reliability of the scale. When Cronbach α exceeds the standard of 0.7 and CITC value exceeds the standard of 0.5, it indicates that the item meets the requirements. If the item does not reach CITC value greater than 0.5, and Cronbach α is greatly improved after deleting the item, the item will be deleted. This part mainly calculates the Cronbach α coefficient and CITC value analysis results of Instrumental Guanxi, Emotional Guanxi, conflict, dealers' perceived unfairness, shared values and contact frequency, as shown in Table 4.14. The minimum CITC value of each item is 0.662, greater than the general standard 0.5, and the Cronbach α coefficient of each variable ranges from 0.865 to 0.929, all greater than the general standard 0.7. All scales have good internal consistency reliability.

Table 4. 14 Internal consistency confidence test

Variable	Code	CITC	Cronbach α of after deleting the items	Cronbach α
Instrumental Guanxi TG	TG 1	.722	.912	0.928
	TG 2	.755	.909	
	TG 3	.727	.912	
	TG 4	.791	.903	
	TG 5	.817	.899	
Emotional Guanxi FG	FG 1	.830	.897	0.929
	FG 2	.903	.857	

Variable	Code	CITC	Cronbach α of after deleting the items	Cronbach α
	FG 3	.922	.840	
	FG 4	.749	.919	
	FG 5	.733	.874	
Professionalism PE	PE1	.737	.872	0.880
	PE2	.788	.853	
	PE3	.799	.849	
	PE4	.801	.831	
Shared values TV	TV1	.662	.852	0.865
	TV2	.666	.854	
	TV3	.704	.844	
Contact frequency FC	FC1	.749	.900	0.918
	FC2	.830	.897	
	FC3	.821	.887	
Popularity PL	PL 1	.666	.854	0.876
	PL 2	.736	.836	
	PL3	.704	.844	

4.2.1.3 Validity analysis

(1) Confirmatory factor analysis

It can be seen from the confirmatory factor analysis results in Table 4.15 that the standardized load coefficients of each index are above the general standard 0.7. The values of the average variance extracted are all above the general standard 0.5, which indicates that the convergence validity of each variable is at an acceptable level.

(2) Convergence validity

Convergent Validity refers to the good convergent validity of the scale when different measurement methods are used to measure the items. When the items are aggregated together and have a high degree of correlation, it means that the scale has good convergent validity. Anderson and Gerbing (1988) believed that when the standardized factor load exceeded 0.4 (significant at $\alpha=0.001$) and the mean variance extraction (AVE) value exceeded 0.5, it indicated that the scale had good convergence validity.

Table 4. 15 Confirmatory factor analysis results

Concept	Code	Mean value	Standard deviation	Factor loading	T	CR	AVE	Cronbach's α
Instrumental Guanxi IG	TG 1	4.08	1.05	0.887	17.212	0.939	0.885	0.918
	TG 2	4.99	1.07	0.886	19.009			
	TG 3	4.14	1.04	0.863	16.453			
	TG 4	4.11	1.05	0.826	18.137			
	TG 5	4.04	1.07	0.807	18.499			
Emotional Guanxi FG	FG 1	3.74	1.08	0.834	20.428	0.896	0.811	0.868
	FG 2	3.86	1.05	0.855	20.944			
	FG 3	3.34	1.11	0.821	19.511			
	FG 4	3.83	1.04	0.811	20.114			
	FG 5	3.49	0.99	0.615	16.548			
Professionalism PE	PE1	3.33	1.13	0.891	19.631	0.915	0.841	0.869
	PE2	3.98	1.19	0.849	16.967			
	PE3	3.57	1.12	0.704	22.883			
	PE4	3.62	1.14	0.832	18.792			
Shared values TV	TV1	4.21	0.92	0.759	19.866	0.753	0.771	0.867
	TV2	4.48	1.09	0.689	14.329			
	TV3	3.33	1.13	0.891	21.254			
Contact frequency FC	FC1	3.71	0.99	0.725	17.568	0.843	0.832	0.866
	FC2	3.98	1.99	0.753	19.456			
	FC3	3.54	1.89	0.713	18.356			
popularity PL	PL1	3.69	0.86	0.818	13.818	0.789	0.791	0.868
	PL2	3.65	0.96	0.829	12.897			
	PL3	3.47	1.09	0.625	15.784			

Table 4. 16 Data description of the combined indicators

Code	Items	Mean value	Standard deviation	Code	Items	Mean value	Standard deviation
PL1	PL1 PL2	3.28	0.805	TV1	TV1	4.27	0.754
PL2	PL3 PL4	3.12	0.813	TV2	TV2 TV3	3.89	0.950
FC1	FC1	3.35	0.803	EG1	EG1 EG2	3.22	0.842
FC2	FC2 FC3	3.35	0.748	EG2	EG3 EG4 EG5	3.34	0.803
IG1	IG1 IG2	4.06	0.846				
IG2	IG3 IG4	3.56	0.748				
	IG5						

In order to improve the reliability of data analysis results, this study combines variables with indicators. The specific method is to take the average value of the variables and merge the items, so that the original multiple items are merged into two items. As shown in Table 4.16, the combined items were used for confirmatory factor analysis.

We used LISREL to perform confirmatory factor analysis on the above combined items and obtained the results of confirmatory factor analysis. The theoretical model /df is equal to 2.91, which meets the standard of no more than 3. GFI, AGFI, NFI and CFI are all greater than 0.9, reaching the general standard; RMSEA less than 0.1, RMR less than 0.05, are in line with the standard. It can be seen that the theoretical model and data fit well.

After that, we used confirmatory factor analysis to detect convergence validity. It can be seen from the analysis results in Table 4.17 that the standardized factor loads of variables are all greater than 0.7, and the average variance extraction (AVE) exceeds 0.5. Therefore, it can be judged that the convergence validity of the variables in this study meets the criteria.

Table 4. 17 Convergence validity analysis results

Variable	Measured variable	Standardization Factor load	T-Value	SMC	Standardization Error term	AVE
Instrumental Guanxi TG	IG1	0.82	17.79	0.68	0.37	0.69
	IG2	0.84	18.48	0.73	0.32	

Variable	Measured variable	Standardization Factor load	T-Value	SMC	Standardization Error term	AVE
Affective relation FG	EG1	0.83	18.59	0.73	0.36	0.71
	EG2	0.86	20.66	0.85	0.24	
Professionalism PE	PE1	0.90	19.15	0.81	0.24	0.83
	PE2	0.92	19.65	0.85	0.20	
Shared values TV	TV1	0.91	20.58	0.84	0.21	0.78
	TV2	0.86	19.04	0.76	0.29	
Contact frequency FC	FC1	0.96	22.21	0.94	0.12	0.86
	FC2	0.89	19.78	0.79	0.26	
Popularity PL	PL1	0.86	19.04	0.76	0.21	0.71
	PL2	0.82	17.79	0.68	0.29	

(3) Differential validity

Discriminant Validity refers to the degree of correlation between the results measured by different methods. The higher the degree, the lower the degree of differentiation. Therefore, discriminative validity can be used to measure the difference between various variables. In general, the correlation coefficient between variables and the square root of the mean variance extraction (AVE value) are used for comparison. If the correlation coefficient between the variables is less than the square root of the mean variance extraction, the different variables have good discriminative validity.

Table 4. 18 Result of discriminative validity

Variable	PE	TV	FC	PL	FG	TG
PE	0.91					
TV	0.56	0.93				
FC	0.50	0.62	0.89			
PL	0.76	0.59	0.62	0.83		
FG	0.04	0.56	0.51	0.51	0.90	
TG	0.19	0.24	0.26	0.40	0.18	0.88

As shown in Table 4.18, the correlation coefficients among all variables (values below the diagonal line) are less than the square root value of the average variance extraction (values below the diagonal line in the table), which verifies that the variables have good discriminative validity.

The above test results on the reliability and validity of the scale show that the scale model proposed by us has good reliability and validity, which is suitable for further analysis and research.

4.2.2 Hypothesis testing

4.2.2.1 Correlation analysis

Correlation analysis is mainly used to explore the correlation between variables and is generally used before regression analysis. Correlation between variables is usually measured by correlation coefficient. The coefficient of correlation test shows the degree and direction of correlation between variables. In general, the correlation coefficient between variables, namely Pearson correlation coefficient and Sig value, is used to test the correlation between variables. A Sig value less than 0.05 indicates a correlation between variables. The Pearson correlation coefficient and Sig value of each variable are shown in Table 4.19. Correlation indicates that there is an influence Guanxi between two variables, but this Guanxi is not necessarily causation.

Table 4. 19 Correlation coefficient test

Hypothesis	Variable	Correlation coefficient	Sig.
H1a	PE-TG	0.52	0.00
H1b	PE-FG	0.46	0.00
H2a	TV-TG	0.38	0.00
H2b	TV-FG	0.41	0.00
H3a	FC-TG	0.54	0.00
H3b	FC-FG	0.46	0.00
H4a	PL-TG	0.33	0.00
H4b	PL-FG	0.53	0.01

This can be seen that there is a significant positive correlation between the variables in the theoretical hypothesis, which plays a preliminary role in verifying the hypothesis. In order to test the hypothesis more accurately, regression analysis will be carried out to test the collinearity between the variables.

4.2.2.2 Regression analysis

Although the correlation between the variables has been tested, the correlation does not represent causation, and structural equation model testing of the variables is still needed. No collinearity between variables is a prerequisite for structural equation testing. Therefore, this study uses regression analysis to test the collinearity between variables.

Collinearity problem refers to that when there is a strong correlation between multiple independent variables, exploring the results of these independent variables on the dependent variables will enhance the prediction ability, that is, repeated interpretation will occur. The collinearity is generally evaluated by tolerance and variance inflation factor (VIF). The index evaluation criteria are tolerance greater than 0 and less than 1, VIF less than 5.

At present, there are three main regression analysis methods: forward method, backward method and stepwise regression method. The forward method needs to determine the selection criteria of independent variables first. First, the equation contains only constant terms, and then, the other independent variables are entered into the equation in order of their contribution to the dependent variable. Every time a new independent variable enters the equation, it is necessary to recalculate the influence of the independent variable on the dependent variable until the equation ends when the independent variable fails to meet the inclusion criteria. When variables enter the equation, they are not eliminated. The backward method needs to determine the deletion criteria of the independent variable first. First, all the independent variables enter the equation, and then they are written out at once in order of the degree of influence of the independent variables on the dependent variables from small to large. Each deletion requires a recalculation of the effect of each independent variable on the dependent variable. When all the independent variables in the equation are greater than the deleted criteria, the equation ends when all the independent variables in the equation are greater than the deleted criteria. The third is stepwise regression method. The stepwise method is applicable when multiple explanatory variables are included in the equation and the degree of correlation of explanatory variables is high. When an independent variable is introduced, the existing variables in the equation are tested and the variables that do not

meet the criteria are eliminated one by one. Therefore, this study uses the stepwise regression method to test the effects of conflict, dealers' perceived unfairness, shared values and contact frequency on instrumental and Emotional Guanxi, and the results are shown in Table 4.20.

Table 4.20 Regression model test

Dependent Variable	Independent variable	Coefficient tests			model parameters		
		B	T	Sig.	R ²	VIF	DW
TG	PE	.356	8.643	.000	.360	1.232	1.743
	TV	.343	8.143	.000			
	FC	.443	13.321	.000			
	PL	.021	1.063	.404			
FG	PE	.332	8.899	.000	.345	1.415	1.832
	TV	.349	9.237	.000			
	FC	.324	8.659	.000			
	PL	.411	12.872	.000			

According to the VIF standard proposed by Kleinbaum et al. (1988), if the VIF value is less than 5, there is no collinearity problem among the variables of the model. The research results show that the VIF value of each variable of the model is less than 5, which meets the standard. This indicates that there is no collinearity between the variables in this study.

4.2.2.3 Path analysis

According to the form of structural equation model, the general form of structural equation in this study is shown in Figure 4.3. As can be seen from Figure 5.2, the theoretical model of this study includes six variables: professionalism (ξ_1), shared values (ξ_2), contact frequency (ξ_3), popularity (ξ_4), Instrumental Guanxi (η_1) and Emotional Guanxi (η_2).

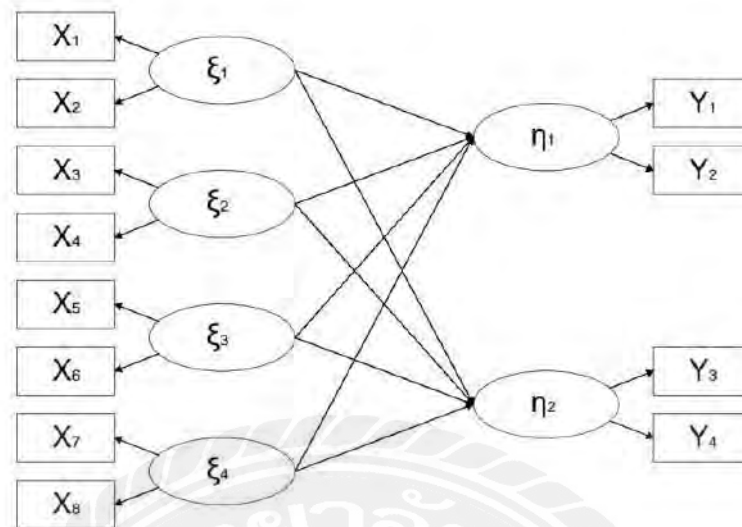


Figure 4. 3 The SEM for direct effect

The overall fit degree of the model was analyzed, and the results of the complete structural model were GFI=0.956, AGFI=0.932, IFI=0.941, NNFI=0.940, RMSEA=0.066. All indexes met the standards proposed by Bollen (1989), and the model fit degree was good. The structural equation analysis results are shown in Figure 4.4. Each path coefficient (β) and the results of hypothesis testing are shown in Table 4.21, indicating that the hypothesis is supported by the results of data testing.

Table 4. 21 Path coefficient and hypothesis test

Hypothesis	Relation	β	p	Result
H1a	PE-TG	0.28	0.017	Support
H1b	PE-FG	0.27	0.026	Support
H2a	TV-TG	0.24	0.023	Support
H2b	TV-FG	0.30	0.007	Support
H3a	FC-TG	0.35	0.005	Support
H3b	FC-FG	0.23	0.021	Support
H4a	PL-TG	0.04	3.211	Nonsupport
H4b	PL-FG	0.32	0.003	Support

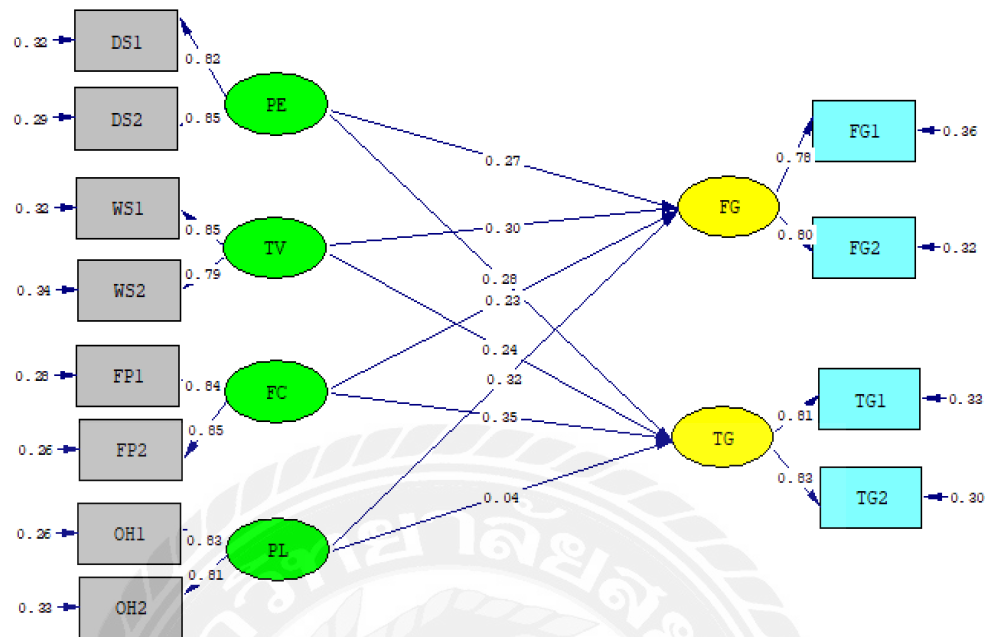


Figure 4. 4 The results of structural equation modeling analysis

4.2.4 Research Results

Among the influencing factors of Guanxi, professionalism, shared values and contact frequency have a positive impact on Instrumental Guanxi. H1a, H2a and H3a are assumed to accept the hypothesis. Professionalism, shared values, contact frequency, and popularity have positive effects on Emotional Guanxi, assuming that H1b, H2b, H3b, and H4b accept the hypothesis. H4a popularity has no significant impact on Instrumental Guanxi, mainly because in the process of cooperation between channel members and executives, both parties pay more attention to the achievement of their own goals, and judge the Instrumental Guanxi with the other party more by their own personal feelings, and less by the feelings of others. According to the research conclusion, enterprises can improve the Guanxi between executives by controlling influencing factors.

4.3 Results of the mechanism of the impact of Guanxi of channel members on corporate performance

Currently, scholars have mainly explored the positive impact of Guanxi on corporate performance. Some studies have explored the positive impact of Guanxi on flexibility (Yang Yuwu and Niu Fang, 2020), and some studies have explored the positive impact of flexible behavior on collaborative performance (Li Xiaofang and Meng Qingguo, 2017). Hult et al. and Ketchen et al. proposed the "strategic resources-strategic actions-strategic performance" framework, arguing that the strategic resources or capabilities of an enterprise affect the performance of the enterprise by affecting the strategic behavior of the enterprise. This study is based on the "strategic resources-strategic actions-strategic performance" framework proposed by Hult et al. and Ketchen et al., based on the research background of this study, according to the "strategic resources-strategic actions-strategic performance" framework, Guanxi are a strategic resource owned by the enterprise, flexibility and supervision are the strategic behavior of the enterprise, and corporate performance is strategic performance.

Specifically, in strategic behavior, flexibility is a positive behavior generated by resources. Based on social exchange theory, when channel member executives have good Guanxi, they will trust each other more. In order to repay the other party and express their feelings, they are willing to do things convenient for the other party instead of sticking to the rules. Therefore, flexibility is used as a mediating role between instrumental and Emotional Guanxi and corporate performance to construct a positive impact path; in strategic behavior, supervision is a negative behavior of resource generation. Similarly, based on social exchange theory, when channel member executives have a good Guanxi, channel member executives will relax their supervision of each other in order to repay each other. Therefore, the supervision variable is introduced as a mediating variable between instrumental and Emotional Guanxi and corporate performance to explore the black box of the impact of channel members' Guanxi on corporate performance. At the same time, in order to explore the research more deeply, based on equity theory, this study introduces perceived internal incentive fairness as a moderating variable of the relationship between instrumental and Emotional Guanxi on flexibility and supervision.

The sample profile is shown in Table 4.22, and the data mean and standard deviation results are shown in Table 4.23.

Table 4.1 Description of Samples for survey

Indicator Description		Ratio	Indicator Description		Ratio	
Industry Type	Automobile industry	33.1%	Company age	5 years or less	14.5%	
	Garment industry	23.2%		6-10 years	25.6%	
	Construction and decoration industry	24.6%		11-15 years	23.4%	
	Electronic communication equipment industry	12.1%		16-20 years	17.5%	
	Others	7%		21 years or more	19%	
Number of Employees	30 people or less	24.2%	Company type	State-owned enterprises	13.3%	
	31-50 people	37.6%		Private enterprises	57.7%	
	51-100 people	25.7%		Foreign-owned enterprises	29.0%	
	100 people or more	12.5%				
Company Location	First-tier cities	16.1%	Interviewee position	General manager	36.1%	
	Second-tier cities	30.7%		Deputy general manager		
	Third-tier cities	21.9%				
	Third-tier and below cities	31.3%				

In the survey sample, the industries in which the companies are located mainly include the automotive industry, clothing industry, construction and decoration industry, and electronic communication equipment industry. In terms of company age, companies with less than 10 years of operation account for a large proportion, accounting for 40.1%. In terms of the number of employees, companies with 31-50 employees account for a large proportion, accounting for 37.6%. The company types include state-owned enterprises, private enterprises, and foreign-funded enterprises, and also cover the first-tier, second-tier, third-tier, and lower-tier cities in my country, with a high sample coverage. The respondents include both general manager and deputy general manager, and the deputy general manager accounts for a high proportion.

Table 4.2 Description of the data

Code	Mean	Standard Deviation	Code	Mean	Standard Deviation
TG1	4.23	0.753	FP1	3.73	0.948
TG2	4.18	0.838	FP2	3.82	0.870
TG3	4.21	0.741	FP3	3.98	0.834
TG4	4.23	0.709	FP4	3.90	0.885
TG5	4.11	0.825	FP5	3.96	0.881
FG1	4.07	0.857	FP6	3.67	1.040
FG2	4.10	0.815	FA1	4.02	0.829
FG3	3.93	0.792	FA2	4.06	0.797
FG4	3.90	0.807	FA3	3.83	1.059
FG5	3.80	0.851	DC1	4.02	0.829
FX1	3.99	0.730	DC2	4.06	0.797
FX2	3.85	0.751	DC3	3.83	1.059
FX3	4.03	0.782	DC4	4.19	0.800
BC1	4.11	0.699	DC5	3.98	0.856
BC2	4.26	0.758			
BC3	4.28	0.703			
BC4	4.28	0.753			
BC5	3.73	0.948			
BC6	3.82	0.870			
BC7	3.98	0.834			
BC8	3.90	0.885			
BC9	3.96	0.881			

4.3.1 Data Analysis

4.3.1.1 Homogeneous Variance Test

Homogeneous variance test is also called common method bias test or common method variation test. It refers to the artificial covariation between two variables caused by the same data source or the same measurement environment, measurement method, item context and the characteristics of the item itself. Homogeneous variance is common in questionnaire surveys and is a systematic error. False correlation between variables may cause serious confusion and misleading to research results, so it needs to be strictly controlled.

Homogeneous variance can be reduced by procedural control and statistical control. Procedural control refers to taking measures to control the measurement process, such as using subjects from different sources, taking anonymous tests, reducing subjects' guesses about items, and balancing the order of items in the questionnaire layout; statistical control refers to the use of statistical analysis methods to test and process homogeneous variance. The main methods used include Harman single factor test method, partial correlation method, confirmatory factor analysis single

factor and multi-factor comparison method, etc.

Although this study adopted anonymous filling and other methods to control the questionnaire survey, since each questionnaire was completed by the same subject at the same time and the same survey tool was used, homologous variance problems may occur, so homologous variance needs to be tested. This study used the Harman single-factor test method to statistically control homologous variance, and used SPSS22.0 to perform principal component factor analysis on all measurement items in the questionnaire. The first principal component obtained without rotation was 31.26%, which was less than the critical value of 50%. This shows that the first principal component of this study did not explain most of the variables, and the homologous variance was not serious.

4.3.1.2 Reliability Analysis

This part mainly measures the reliability of Instrumental Guanxi, Emotional Guanxi, flexibility, supervision, corporate performance, and perceived internal incentive fairness. As can be seen from Table 4.24, the Cronbach α of this study is between 0.810-0.928, all greater than 0.7; the CITC value is 0.722-0.922, greater than 0.5, indicating that the scale has a high consistency reliability.

Table 4. 3 Internal consistency confidence test

Variable Item	Code	CITC value	Cronbach α value after deleting items	Cronbach α
Instrumental Guanxi TG	TG 1	.722	.912	0.928
	TG 2	.755	.909	
	TG 3	.727	.912	
	TG 4	.791	.903	
	TG 5	.817	.899	
Emotional Guanxi FG	FG 1	.733	.874	0.899
	FG 2	.737	.872	
	FG 3	.788	.853	
	FG 4	.799	.849	
	FG 5	.649	.752	
Flexibility FX	FX1	.595	.776	0.810
	FX2	.623	.763	
	FX3	.643	.753	
Supervision BC	BC1	.662	.852	0.876
	BC2	.666	.854	
	BC3	.736	.836	

Variable Item	Code	CITC value	Cronbach α value after deleting items	Cronbach α
	BC4	.704	.844	
	BC5	.747	.832	
	BC6	.662	.852	
	BC7	.666	.854	
	BC8	.736	.836	
	BC9	.704	.844	
Corporate performance FP	FP1	.859	.866	0.921
	FP2	.914	.821	
	FP3	.747	.912	
	FP4	.698	.786	
	FP5	.702	.779	
	FP6	.713	.792	
Perceived fairness of internal incentives FA	FA1	.662	.852	0.876
	FA2	.666	.854	
	FA3	.736	.836	
Digital collaboration capabilities DC	DC1	.723	.854	0.893
	DC2	.719	.855	
	DC3	.765	.837	
	DC4	.758	.840	
	DC5	.850	.869	

4.3.1.3 Validity Analysis

(1) Confirmatory Factor Analysis

The results of confirmatory factor analysis are shown in Table 4.25. The standardized loading coefficients of each indicator range from 0.706 to 0.891, which are all greater than the passing standard of 0.7; the average variance extracted values range from 0.771 to 0.885, which are all greater than the passing standard of 0.5, which indicates that the convergent validity of each variable has passed the test.

Table 4.4 Confirmatory factor analysis results

Concept	Code	Mean	Standard Deviation	Factor Loading	T-value	CR	AVE	Cronbach's α
Instrumental Guanxi TG	TG 1	4.08	1.05	0.887	17.212	0.939	0.885	0.918
	TG 2	4.99	1.07	0.886	19.009			
	TG 3	4.14	1.04	0.863	16.453			
	TG 4	4.11	1.05	0.826	18.137			
	TG 5	4.04	1.07	0.807	18.499			

Concept	Code	Mean	Standard Deviation	Factor Loading	T-value	CR	AVE	Cronbach's α
Emotional Guanxi FG	FG 1	3.74	1.08	0.834	20.428	0.896	0.811	0.868
	FG 2	3.86	1.05	0.855	20.944			
	FG 3	3.34	1.11	0.821	19.511			
	FG 4	3.83	1.04	0.811	20.114			
	FG 5	3.49	0.99	0.715	16.548			
Flexibility FX	FX1	3.33	1.13	0.891	19.631	0.915	0.841	0.869
	FX2	3.98	1.19	0.849	16.967			
	FX3	3.57	1.12	0.704	22.883			
Supervision BC	BC1	4.21	0.92	0.759	19.866	0.879	0.786	0.892
	BC2	3.71	0.99	0.725	17.568			
	BC3	4.18	0.93	0.706	19.636			
	BC4	3.92	1.01	0.799	21.254			
	BC5	4.03	1.04	0.711	14.597			
	BC6	3.75	1.12	0.815	15.698			
	BC7	2.82	1.25	0.812	14.362			
	BC8	3.49	1.14	0.806	12.311			
	BC9	3.76	1.08	0.756	14.364			
Corporate performance FP	FP1	3.69	0.86	0.818	13.818	0.789	0.791	0.868
	FP2	3.65	0.96	0.829	12.897			
	FP3	3.71	0.91	0.839	15.645			
	FP4	3.84	1.04	0.705	21.312			
	FP5	4.02	0.88	0.736	16.698			
	FP6	3.47	1.09	0.725	15.784			
Perceived fairness of internal incentives FA	FA1	4.21	0.92	0.759	19.866	0.753	0.771	0.867
	FA2	4.48	1.09	0.689	14.329			
	FA3	3.97	1.16	0.751	13.258			
Digital collaboration capabilities DC	DC1	3.71	0.97	0.724	17.568	0.789	0.791	0.868
	DC2	4.18	0.94	0.716	19.636			
	DC3	3.65	0.96	0.829	12.897			
	DC4	3.47	1.09	0.725	15.784			
	DC5	4.21	0.92	0.760	19.866			

(2) Convergent validity

In order to improve the reliability of data analysis results, this study merged the variables. The specific approach is to take the average value of the variables and merge the items, so that the original multiple items are merged into two items. The results of the merger are shown in Table 4.26.

Table 4. 5 Data description of the combined indicators

Code	Contain items	Mean	Standard deviation	Code	Contain items	Mean	Standard deviation
IG1	IG1 IG2	4.28	0.805	EG1	EG1, EG2	4.04	0.861
IG2	IG3 IG4 IG5	4.12	0.813	EG2	EG3, EG4 EG5	4.07	0.892
FX1	FX1 FX2	3.35	0.803	BC1	BC1 BC2 BC3	3.27	0.754
FX2	FX3	3.33	0.748	BC2	BC4 BC5 BC6 BC7 BC8 BC9	3.89	0.950
FP1	FP1, FP2 FP3	4.16	0.846	FA1	FA1 FA2	4.06	0.898
FP2	FP4, FP5 FP6	4.04	0.783	FA2	FA3	4.15	0.939
DC1	DC1,DC2	4.22	0.804	DC2	DC3,DC4	4.30	0.811

The LISREL8.8 software was used to conduct confirmatory factor analysis on the merged indicators. The test results showed that the χ^2/df result was 2.36, and the values of the four indicators of GFI, AGFI, NFI, and CFI all exceeded 0.9 and reached the fitting standard; RMSEA met the standard of less than 0.1; RMR was less than 0.05. The degree of fit between the theoretical model and the data was good.

Table 4.27 is the analysis result of convergent validity. The standardized factor of each measured variable is greater than 0.7, which meets the fitting standard. The results of confirmatory factor analysis are shown in Table 5.7. The standardized factor loads of the variables are all greater than the standard of 0.7, and the average variance extracted (AVE) exceeds the standard of 0.5. Therefore, it can be judged that the convergent validity of the variables in this study meets the standard.

Table 4. 6 Convergence validity analysis results

Latent variable	Measurement Variable	Standard deviation Factor loading	T-value	SMC	Standardization Error term	AVE
Instrumental Guanxi TG	IG1	0.90	19.15	0.81	0.24	0.91
	IG2	0.92	19.65	0.85	0.20	
Emotional Guanxi FG	EG1	0.91	19.87	0.84	0.21	0.87
	EG2	0.83	17.62	0.70	0.35	
Flexibility FX	FX1	0.96	22.21	0.94	0.12	0.93
	FX2	0.89	19.78	0.79	0.26	
Supervision BC	BC1	0.91	20.58	0.84	0.21	0.89

Latent variable	Measurement Variable	Standard deviation Factor loading	T-value	SMC	Standardization Error term	AVE
	BC2	0.86	19.04	0.76	0.29	
Corporate performance FP	FP1	0.82	17.79	0.68	0.37	0.83
	FP2	0.84	18.48	0.73	0.32	
Perceived fairness of internal incentives FA	FA1	0.87	17.81	0.75	0.30	0.84
	FA2	0.82	17.53	0.70	0.36	
Digital collaboration capabilities DC	DC1	0.88	20.54	0.69	0.28	0.89
	DC2	0.86	19.71	0.72	0.27	

(3) Discriminant Validity

Discriminant validity is the degree of correlation between the results of measuring a concept using different methods. The higher the degree, the lower the discriminant validity. Therefore, discriminant validity can measure the differences between variables. Generally speaking, the correlation coefficient between variables and the square root of the average variance extracted (AVE value) are used for comparison. If the correlation coefficient between variables is less than the square root of the average variance extracted, the variables have good discriminant validity. According to the test results in Table 4.28, the average variance extracted between the variables in this study is greater than the correlation coefficient within the diagonal, and the variables have good discriminant validity.

Table 4. 7 Result of discriminative validity

	TG	FG	FX	BC	FP	FA	DC
TG	0.941						
FG	0.345	0.901					
FX	0.386	0.616	0.917				
BC	0.321	0.503	0.779	0.887			
FP	0.296	0.381	0.415	0.493	0.925		
FA	0.416	0.429	0.598	0.582	0.602	0.889	
DC	0.450	0.454	0.562	0.589	0.612	0.653	0.900

4.3.2 Hypothesis Testing

4.3.2.1 Correlation Analysis

Correlation analysis is mainly used to explore the correlation between variables and is generally used before regression analysis. The correlation between variables is usually measured by the correlation coefficient. The coefficient of the correlation test describes the strength and direction of the correlation between the variables. Generally speaking, the correlation coefficient between variables, that is, the Pearson correlation coefficient and the Sig. value are used to test the correlation between variables. A Sig value less than 0.05 indicates that there is a correlation between the variables. The Pearson correlation coefficient and Sig value results between the variables are shown in Table 4.29. Correlation indicates that there is an influence relationship between two variables, but this relationship is not necessarily a causal relationship.

Table 4. 8 Correlation coefficient test

Hypothesis	Variable	Correlation coefficient	Sig.Value
H5	TG→FX	0.448	0.000
H6	TG→BC	-0.093	2.348
H7	FG→FX	0.677	0.000
H8	FG→BC	-0.545	0.000
H9	FX→FP	0.581	0.000
H10	BC→FP	0.511	0.000

As shown in Table 4.29, except for hypothesis H6, all other hypotheses are initially established, which serves as a preliminary verification of the hypothesis. In order to test the hypothesis more accurately, regression analysis will be performed below to test the collinearity between variables.

4.3.2.2 Regression analysis

Although the correlation between variables has been tested, the correlation does not represent a causal relationship, and the variables need to be tested by structural equation model. The absence of collinearity between variables is a prerequisite for structural equation testing. Therefore, this study uses regression analysis to test the

collinearity between variables.

The same as the method in Chapter 4.2, this part uses the stepwise regression method to test the model, and the results are shown in Table 4.30. Except for the insignificant correlation between Instrumental Guanxi and adaptation, the other relationships are all significant. According to the standard for VIF proposed by Kleinbaum et al. (1988), if the VIF value is less than 5, then there is no collinearity problem between the various variables of the model. The research results show that the VIF value of each variable in the model is less than 5, reaching the standard. At the same time, from the table It can be seen that the highest DW value of the variable is 1.860, which meets the standard of small 2, indicating that there is no collinearity among the research variables.

Table 4. 9 Regression model test

Dependent variable	Independent variable	Model coefficients		Coefficient tests		Model parameters		
		B	Beta	T-value	Sig.	R ²	VIF	DW
FP	FX	.334	.294	5.105	.000	.270	1.456	1.673
	BC	.305	.295	5.121	.000		1.431	
FX	TG	.142	.176	14.253	.001	.391	1.401	1.860
	FG	.251	.237	4.375	.000		1.539	
BC	TG	-.041	-.097	-1.382	4.423	.561	1.422	1.759
	FG	-.449	-.468	-15.237	.000		1.410	

4.3.2.3 Structural equation model analysis

Before verifying the research hypothesis, the theoretical model is first transformed into a structural equation model, as shown in Figure 4.5.

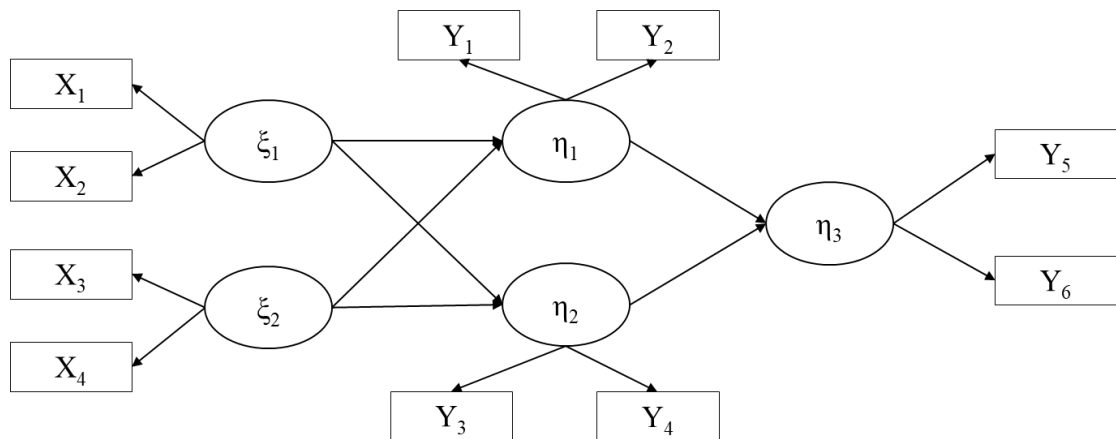


Figure 4. 5 The SEM for direct effect

As can be seen from Figure 4.5, the theoretical model of this study includes five variables: Instrumental Guanxi (ξ_1), Emotional Guanxi (ξ_2), flexibility (η_1), supervision (η_2), and enterprise performance (η_3). LISREL8.80 was used to analyze the hypothesized relationship of the theoretical model. The fitting index of the structural path model results is $RMR=0.040$, $RMSEA=0.053$, $\chi^2/df=2.228$, $GFI=0.941$, $AGFI=0.919$, $CFI=0.972$, $NFI=0.949$, $RFI=0.938$, $IFI=0.972$, $TLI=0.966$. According to the standard of fit test (Du and Zhou, 2019), the above results show that the structural equation model has a good fitting effect, and the fitting model is shown in Figure 4.6.

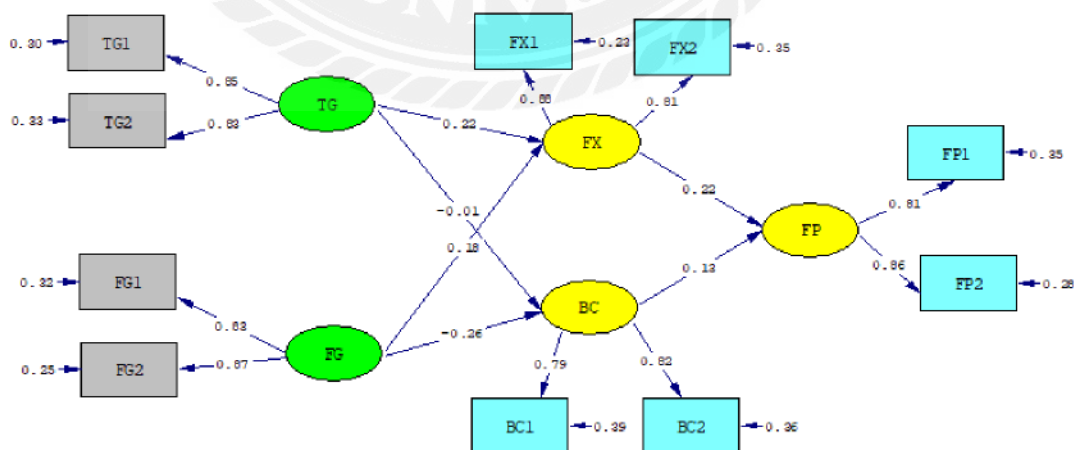


Figure 4. 6 The results of structural equation modeling analysis

As shown in Table 4.31, hypothesis H5 that Emotional Guanxi have a positive impact on dealer flexibility is supported (path coefficient 0.18, t value 3.85, p value less than 0.05). Hypothesis 6 that Emotional Guanxi have a negative impact on supervision is supported (path coefficient -0.26, t value -2.87, p value less than 0.05). Hypothesis 7 that Instrumental Guanxi have a positive impact on flexibility is supported (path coefficient 0.22, t value 2.39, p value less than 0.05). Hypothesis 8 that Instrumental Guanxi have a negative impact on supervision is not supported (path coefficient -0.01, t value 0.94, p value greater than 0.05). Hypothesis 9 that flexibility has a positive impact on corporate performance is supported (path coefficient 0.22, t value 2.75, p value less than 0.05). Hypothesis 10 that supervision has a positive impact on corporate performance is supported (path coefficient 0.13, t value 2.52, p value less than 0.05).

Table 4. 10 Path coefficient and hypothesis test results

Hypothesis	Relationship Path	coefficient	t-value	Test results
H5	TG→FX	0.22**	2.39	Support
H6	TG→BC	-0.01	-0.94	Not Support
H7	FG→FX	0.18**	3.85	Support
H8	FG→BC	-0.26**	-2.87	Support
H9	FX→FP	0.22**	2.75	Support
H10	BC→FP	0.13**	2.52	Support

Note: ** means p value is less than 0.05

4.3.2.4 Test of the mediating effect of modifications

This study uses the Process program in SPSS22.0 software and combines it with the Bootstrap method to test the mediating effect of Guanxi (Instrumental Guanxi and Emotional Guanxi) on corporate performance. This study combined the bias-corrected non-parametric percentile method to construct a 95% confidence interval, repeated random sampling 5,000 times, and estimated the effect value of each indirect effect. The results are shown in Table 4.44. This study determines whether the indirect effect is significant based on the upper and lower limits of the confidence interval. If the confidence interval does not include 0, the effect value is significant; if the confidence interval includes 0, the effect value is not significant.

It can be seen from Table 4.32 that the indirect effect of modifying Emotional Guanxi on corporate performance is 0.083, with a confidence interval from 0.182 to

0.369. Since this interval does not contain 0, therefore, accommodation plays a mediating role in the impact of Emotional Guanxi on corporate performance; the indirect effect of accommodation on Instrumental Guanxi on corporate performance is 0.069, and the confidence interval ranges from 0.175 to 0.332. This interval does not contain 0, that is, flexibility plays a mediating role in the impact of Instrumental Guanxi on corporate performance.

Table 4.11 Mediating effect analysis result

Relationship Path	Indirect effect	Standard error	LLCI	ULCI
TG→FX→FP	0.069	0.035	0.175	0.332
FG→FX→FP	0.083	0.038	0.182	0.396

The results of the supervision mediation effect test are shown in Table 4.33. As shown in Table 4.33, the indirect effect value of supervision on Emotional Guanxi on enterprise performance is -0.132, and the confidence interval is [0.184, 0.258], which does not include 0, that is, supervision plays a mediating role in the impact of Emotional Guanxi on enterprise performance; the indirect effect value of supervision on Instrumental Guanxi on enterprise performance is 0.124, and the confidence interval is [0.196, 0.339], which does not include 0, that is, supervision plays a mediating role in the impact of Instrumental Guanxi on enterprise performance.

Table 4. 12 Mediating effect analysis result

Relationship Path	Indirect effect	Standard error	LLCI	ULCI
TG→BC→FP	0.124	0.035	0.196	0.339
FG→BC→FP	0.132	0.038	0.184	0.258

4.3.2.5 Hypothesis test of moderating effect

Methods to test the moderating effect include regression analysis and structural equation analysis. Regression analysis is easy to operate and is widely used by scholars, so this study also uses regression analysis to test the moderating effect. The main steps are as follows: First, in order to reduce the multicollinearity of variables, the

independent variables and adjustment variables need to be centralized. The processing method is to find the difference between the variable and the mean value of each variable. Then, multiply the centered independent variable and the adjusting variable to obtain the product term; again, test the influence of the independent variable on the dependent variable and the influence of the adjusting variable on the dependent variable (using centered variables). Finally, the joint influence of the independent variables, moderator variables and product terms on the dependent variable is obtained. If the influence coefficient of the product term is significant, the moderation effect exists; if the influence coefficient of the product term is not significant, the moderation effect does not exist.

① The moderating role of perceived internal incentive fairness between Instrumental Guanxi and flexibility

According to the steps of the above regression analysis, first, the Instrumental Guanxi and perceived internal incentive fairness are centered, and the two are multiplied to obtain the product term; secondly, the impact of the Instrumental Guanxi and perceived internal incentive fairness on flexibility is tested; finally, the Instrumental Guanxi, perceived internal incentive fairness are Both perceived intrinsic incentive fairness and the product term are put into the regression equation for examination.

According to the statistical analysis results in Table 4.34, the regression coefficient of the product term on flexibility is 0.13, and the T value is 2.71, which is greater than 1.96, indicating that the product term has a significant impact on flexibility. After adding the product term, both the F-value and the adjusted R² changed. The F-value decreased from the original 90.28 to 66.47, and the adjusted R² increased by 0.04 from 0.47 to 0.51. Since the variables in the product term have been standardized before testing the data, the standardized values are relatively small. Therefore, when controlling for the main effect, the adjusted R² increase of 0.04 is already relatively large. Therefore hypothesis H11a is supported.

Table 4.13 The moderating effect of perceived internal incentive fairness on the relationship between Instrumental Guanxi and flexibility

Variables	Variables Without adjusting	With adjusting variables
	Flexible	Flexible
Independent variables		
Instrumental Guanxi	0.45(T=11.70)	0.41(T=11.15)
Perceived internal incentive fairness	0.22(T=4.50)	0.18(T=3.42)
Modifying effect		
Instrumental relationship × perceived internal incentive fairness		0.13 (T=2.71)
F-value	107.80	73.43
Adjusted R2	0.47	0.51

②The moderating role of perceived internal incentive fairness between Instrumental Guanxi and supervision

Since there is no causal relationship between Instrumental Guanxi and supervision, perceived internal incentive fairness has no moderating effect between Instrumental Guanxi and supervision, and hypothesis 11b is not supported.

Following the same approach, this study will examine the moderating role of digital collaborative capabilities between affective and Instrumental Guanxi and adaptation and supervision.

③The moderating effect of perceived internal incentive fairness on the relationship between Emotional Guanxi and flexibility

According to the steps of the above regression analysis, first, the Emotional Guanxi and perceived internal incentive fairness are centered, and the two are multiplied to obtain the product term; secondly, the impact of the Emotional Guanxi and perceived internal incentive fairness on flexibility is tested; finally, the Emotional Guanxi, perceived internal incentive fairness are Both perceived intrinsic incentive fairness and the product term are put into the regression equation for examination.

Table 4.14 Moderation of perceived fairness on the relationship between Emotional Guanxi and flexibility

Variables	Variables Without adjusting Flexible	With adjusting variables Flexible
Independent variables		
Emotional Guanxi	0.36(T=12.11)	0.31(T=10.21)
Perceived internal incentive fairness	0.21(T=3.21)	0.19(T=2.59)
Modifying effect		
Emotional relationship × perceived internal incentive fairness		0.17(T=2.21)
F-value	108.53	79.21
Adjusted R2	0.41	0.46

According to the statistical analysis results in Table 4.35, the regression coefficient of the product term on adaptation is 0.17, and the T value is 2.21, which is greater than 1.96, indicating that the product term has a significant impact on adaptation. After adding the product term, both the F-value and the adjusted R2 changed. The F-value decreased from the original 108.53 to 79.21, and the adjusted R2 increased by 0.05 from 0.41 to 0.46. Since the variables in the product term have been standardized before testing the data, the standardized values are relatively small. Therefore, when the main effect is controlled, the adjusted R2 increase of 0.05 is already relatively large. Therefore hypothesis H12a is supported.

④The moderating effect of perceived internal incentive fairness on the relationship between Emotional Guanxi and supervision

According to the steps of the above regression analysis, first, the Emotional Guanxi and perceived internal incentive fairness are centered, and the two are multiplied to obtain the product term; secondly, the impact of the Emotional Guanxi and perceived internal incentive fairness on supervision is tested; finally, the Emotional Guanxi, Both supervision and product terms are put into the regression equation for examination.

According to the statistical analysis results in Table 4.36, the regression coefficient of the product term on supervision is -0.15, and the T value is 3.41, which is greater than 1.96, indicating that the product term has a significant impact on

supervision. After adding the product term, both the F-value and the adjusted R2 changed. The F-value decreased from the original 91.01 to 68.95, and the adjusted R2 increased by 0.05 from 0.35 to 0.40. Since the variables in the product term have been standardized before testing the data, the standardized values are relatively small. Therefore, when the main effect is controlled, the adjusted R2 increase of 0.05 is already relatively large. Therefore hypothesis H12b is supported.

Table 4.15 The moderating effect of perceived internal incentive fairness on the relationship between Emotional Guanxi and supervision

variable	Without adjustment	With adjustment
	variables	variables
	Supervision	Supervision
Independent variables		
Emotional Guanxi	0.68(T=30.44)	0.60(T=21.21)
Perceived internal incentive fairness	0.17(T=2.75)	0.15(T=2.14)
Modifying effect		
Emotional relationship × perceived internal incentive fairness		-0.15(T=-3.41)
F-value	91.01	68.75
Adjusted R2	0.35	0.40

⑤ The mediating role of digital collaboration capabilities between Instrumental Guanxi and flexibility

According to the steps of the above regression analysis, first, the Emotional Guanxi and digital collaboration capability are centered, and the two are multiplied to obtain the product term; secondly, the impact of Emotional Guanxi and digital collaboration capability on flexibility is tested; finally, the Emotional Guanxi, flexibility and The product terms are put into the regression equation for testing.

According to the statistical analysis results in Table 4.37, the regression coefficient of the product term on adaptation is -0.15, the T value is -3.66, and the absolute value is greater than 1.96, indicating that the product term has a significant impact on adaptation. After adding the product term, both the F-value and the adjusted R2 changed. The F-value decreased from the original 114.61 to 94.66, and the adjusted R2 increased by 0.06 from 0.45 to 0.51. Since the variables in the product term have

been standardized before testing the data, the standardized value is relatively small. When the main effect is controlled, the adjusted R2 increase of 0.06 is already relatively large. Therefore hypothesis H13a is supported.

Table 4.16 The moderating role of digital collaboration capabilities in the relationship between Instrumental Guanxi and flexibility

Variables	Variables Without adjusting	With adjusting variables
	Flexible	Flexible
Independent variables		
Instrumental Guanxi	0.45(T=11.70)	0.41(T=11.15)
Digital collaboration capability	-0.25(T=-6.54)	-0.21 (T=-4.43)
Modifying effect		
Affective relationship × digital collaboration capability		-0.15(T=-3.66)
F-value	114.61	94.66
Adjusted R2	0.45	0.51

⑥ The moderating effect of digital collaboration capability on Instrumental Guanxi and supervision

Since there is no causal relationship between Instrumental Guanxi and supervision, digital collaboration capability has no moderating effect on the relationship between Instrumental Guanxi and supervision, and hypothesis 13b is not supported.

⑦ The mediating role of digital collaboration capabilities in Emotional Guanxi and flexibility

According to the steps of the above regression analysis, first, the Emotional Guanxi and digital collaboration capability are centered, and the two are multiplied to obtain the product term; secondly, the impact of Emotional Guanxi and digital collaboration capability on flexibility is tested; finally, the Emotional Guanxi, flexibility and The product terms are put into the regression equation for testing.

According to the statistical analysis results in Table 4.38, the regression coefficient of the product term on adaptation is -0.16, the T value is -3.45, and the absolute value is greater than 1.96, indicating that the product term has a significant impact on adaptation. After adding the product term, both the F-value and the adjusted R2 changed. The F-value decreased from the original 111.45 to 90.43, and the adjusted R2 increased by 0.06 from 0.45 to 0.51. Since the variables in the product term have

been standardized before testing the data, the standardized value is relatively small. When the main effect is controlled, the adjusted R2 increase of 0.06 is already relatively large. Therefore hypothesis H14a is supported.

Table 4.17 The moderating role of digital collaboration capabilities in the relationship between Emotional Guanxi and flexibility

Variables	Variables Without adjusting	With adjusting variables
	Flexible	Flexible
Independent variable		
Emotional Guanxi	0.36(T=12.11)	0.31(T=10.21)
Digital collaboration capability	-0.25(T=-6.54)	-0.21 (T=-4.43)
Modifying effect		
Emotional relationship × digital collaboration capability		-0.16 (T=-3.45)
F-value	111.45	90.43
Adjusted R2	0.45	0.51

⑧ The moderating role of digital collaboration capabilities in the relationship between Emotional Guanxi and supervision

According to the steps of the above regression analysis, first, the Emotional Guanxi and digital collaboration capability are centered, and the two are multiplied to obtain the product term; secondly, the impact of Emotional Guanxi and digital collaboration capability on supervision is tested; finally, the Emotional Guanxi, supervision and The product terms are put into the regression equation for testing.

According to the statistical analysis results in Table 4.39, the regression coefficient of the product term on supervision is -0.14, the T value is -3.13, and the absolute value is greater than 1.96, indicating that the product term has a significant impact on supervision. After adding the product term, both the F-value and the adjusted R2 changed. The F-value decreased from the original 100.12 to 92.33, and the adjusted R2 increased by 0.06 from 0.45 to 0.51. Since the variables in the product term have been standardized before testing the data, the standardized value is relatively small. When the main effect is controlled, the adjusted R2 increase of 0.06 is already relatively large. Therefore hypothesis H14b is supported.

Table 4. 18 The moderating role of digital collaboration capabilities in the relationship between Emotional Guanxi and supervision

variable	Without adjustment variables	With adjustment variables
	Supervision	Supervision
Independent variable		
Emotional Guanxi	0.68(T=30.44)	0.60(T=21.21)
Digital collaboration capability	-0.21(T=5.45)	-0.18(T=3.83)
Modifying effect		
Emotional relationship × digital collaboration capability		-0.14(T=-3.13)
F-value	100.12	92.33
Adjusted R2	0.45	0.51

4.3.3 Research results

Based on the analysis of existing literature, this study uses quantitative research methods to find the mediating mechanism of the Guanxi of marketing channel members, that is, the Guanxi of channel members can increase the flexibility of manufacturer executives to dealers, and also help dealer executives to relax supervision on manufacturers, thereby affecting dealer enterprise performance. At the same time, the boundary conditions for the generation of Guanxi are identified, that is, the perceived incentive fairness of enterprises.

4.3.3.1 The impact path of Instrumental Guanxi and Emotional Guanxi on enterprise performance

This study uses two related concepts, flexibility and supervision, as mediating variables to test their relationship with Instrumental Guanxi, Emotional Guanxi and enterprise performance. Existing studies have pointed out that Guanxi can have an impact on enterprise performance through flexibility, but have not explored its impact on enterprise performance from the negative path of Guanxi. This study found that Emotional Guanxi can not only have a positive impact on dealer enterprise performance through dealer flexibility, but also have a negative impact on dealer enterprise performance through dealer relaxation of supervision on manufacturers. The Instrumental Guanxi can only have a positive impact on the performance of dealers through the flexibility of manufacturers to dealers, and cannot have an impact on the

performance of dealers through the supervision of manufacturers by dealers, that is, H5, H7, H8, H9 and H10 are accepted. H6 rejects the null hypothesis, which is mainly because the Instrumental Guanxi represents more power and is the "transaction" level of the relationship. During the transaction, dealers do not have to reduce their supervision of manufacturers to complete cooperation. Therefore, this path is not significant. The research conclusions of this study are consistent with the research conclusions of existing studies, and supplement the research conclusions of existing studies, expanding the negative impact path of the study.

4.3.3.2 The moderating effect of perceived internal incentive fairness

Whether dealer executives use their Guanxi with manufacturer executives and how they use this Guanxi may be affected by whether the company treats them fairly. Therefore, this study uses perceived internal incentive fairness as a moderating variable to explore its moderating role between Instrumental Guanxi and Emotional Guanxi and flexibility and supervision. The results show that perceived internal incentive fairness has a significant moderating effect on the relationship between Emotional Guanxi and dealer flexibility and dealer supervision, and perceived internal incentive fairness has a significant moderating effect on the relationship between Instrumental Guanxi and dealer flexibility. Hypotheses H11a, H12a and H12b pass the test. Perceived internal incentive fairness has no significant moderating effect on the relationship between Instrumental Guanxi and dealer supervision. Hypothesis H11b does not pass the test. Specifically, the higher the perceived internal incentive fairness, the stronger the impact of Emotional Guanxi on dealer flexibility, and the weaker the impact on dealer supervision. The higher the perceived internal incentive fairness, the stronger the impact of Instrumental Guanxi on dealer flexibility.

4.3.3.3 The moderating effect of digital collaboration capabilities

Whether dealer executives will use their Guanxi with manufacturer executives at work, and how they use Guanxi, is not only affected by the perception of whether they are treated fairly within the company, but also by the company's digital collaboration capabilities. According to the research results, digital coordination ability has a significant moderating effect between Emotional Guanxi and dealer flexibility and dealer supervision, and digital coordination ability has a significant moderating

effect between Instrumental Guanxi and dealer flexibility. Hypotheses H13a, H14a and H14b passed the test. Since Instrumental Guanxi have no effect on dealer supervision, digital coordination ability has no significant moderating effect between Instrumental Guanxi and dealer supervision, and hypothesis H13b did not pass the test. Specifically, the stronger the digital coordination ability, the weaker the impact of Emotional Guanxi on dealer flexibility, and the weaker the impact on dealer supervision. The stronger the digital coordination ability, the weaker the impact of Instrumental Guanxi on dealer flexibility.

4.4 Construct a management model for relationship marketing channels and enterprise performance

Research Objective 4 aims to construct a management model for the relationship between marketing channels and corporate performance. The achievement of this objective is based on an in-depth understanding and verification of the relationship between the conceptual framework, variables and dimensions.

The construction of the management model begins with an in-depth understanding of the connotation of Guanxi. In contemporary Chinese marketing channels, Guanxi is not only a form of social capital, but also an important link for cooperation between enterprises. Through qualitative and quantitative research, the study reveals the instrumental and emotional dimensions of Guanxi, which together affect the efficiency and effectiveness of marketing channels and, in turn, corporate performance.

The core of the model is the mediating variables between Guanxi and corporate performance – flexibility and supervision. Flexibility represents the adaptability of channel members in the face of market changes, while supervision reflects the degree of control that channel members have over the behavior of their partners. These two mediating variables serve as a bridge between Guanxi and business performance. Specifically, good Guanxi can improve the flexibility of channel members, enabling them to respond more quickly to market changes and thus improve business performance. At the same time, overreliance on Guanxi may lead to a relaxation of supervision, increasing the risk of opportunistic behavior and negatively affecting

business performance.

The model also considers perceived internal incentive fairness and digital resource collaboration ability as moderating variables. Perceived internal motivational fairness affects whether channel members are willing to use Guanxi resources to improve business performance. When channel members feel that the incentive mechanism is fair, they are more likely to use Guanxi to improve flexibility and reduce unnecessary supervision, thereby improving business performance. Digital resource collaboration capabilities, on the other hand, moderate the impact of Guanxi on flexibility and supervision. Strong digital resource collaboration capabilities can reduce the reliance on Guanxi and make channel management more transparent and efficient.

In the process of constructing the management model, this study adopted quantitative and qualitative research methods, including in-depth interviews, large-scale questionnaire surveys and statistical analysis, to ensure the scientific and practical nature of the model. Through empirical research, the reliability and validity of the scale were verified, and the driving factors of Guanxi and the impact mechanism of Guanxi on business performance were analyzed.

Guanxi's two-dimensional impact: Guanxi's instrumental dimension has a positive impact on business performance by increasing the flexibility of distributors, while its emotional dimension may have a negative impact on business performance by reducing the necessary supervision. This finding emphasizes the need for companies to balance the dual role of Guanxi resources when using them, giving full play to their positive role in establishing trust and promoting cooperation, while also being vigilant against the risks they may bring, such as reduced flexibility and lax supervision that may result from overreliance on Guanxi.

The role of mediating variables: Flexibility and supervision, as mediating variables, represent the channel member's ability to adapt to market changes and the degree of control over the partner's behavior, respectively. Increased flexibility helps companies respond quickly to market changes, while appropriate supervision helps protect companies from opportunistic behavior by partners. Your research empirically verifies the important role of these two mediating variables between guanxi and business performance.

The influence of moderating variables: Perceived internal motivational fairness and digital resource collaboration ability as moderating variables affect the strength of the effect of guanxi on flexibility and supervision. The higher the perceived internal motivational fairness, the more channel members are inclined to use guanxi resources to increase flexibility and reduce supervision, thereby improving business performance. The stronger the ability to collaborate with digital resources, the more channel members can reduce their dependence on guanxi and make channel management more transparent and efficient.

Management model construction: Based on the above analysis, the constructed management model emphasizes the importance of Guanxi in marketing channel management and proposes a framework that comprehensively considers the two dimensions of Guanxi, intermediary variables and moderating variables. The model not only provides theoretical support for understanding the role of Guanxi in marketing channels, but also provides guidance on how to manage and utilize Guanxi resources in practice.

The construction of this management model provides a systematic perspective for companies to examine and optimize their marketing channel management strategies. Companies can improve the efficiency and transparency of relationship management by strengthening the collaborative capabilities of digital resources, while at the same time strengthening the sense of fairness in internal incentives and stimulating the potential of top managers to make reasonable use of relationship resources, in order to enhance the competitiveness of enterprises in the global market.

This study not only provides new theoretical insights into understanding the role of guanxi in marketing channels, but also provides valuable practical guidance on how to effectively utilize and manage guanxi resources. By constructing and validating a management model for relationship marketing channels and business performance, this study contributes to global management practice and academic research.

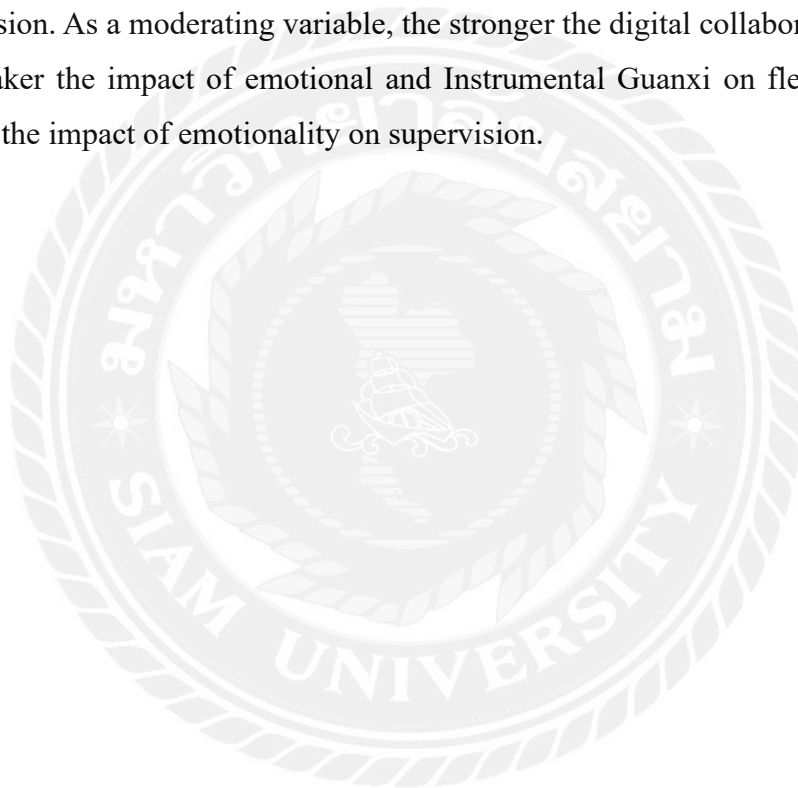
4.5 Summary

This research first finds two dimensions of Instrumental Guanxi and Emotional Guanxi to measure the Guanxi of channel members. Among them, Instrumental Guanxi is a means or a tool to achieve other goals, which is utilitarian. Emotional Guanxi can satisfy people's needs for warmth, security, and attachment, and can present a person's family affection, warmth, security, and attachment, which is affective satisfaction. Secondly, the final measurement items were obtained through the pre-investigation and formal investigation. After internal consistency reliability, exploratory factor analysis, convergent validity, discriminant validity and second-order confirmatory factor analysis, the scale has good reliability, degree and validity. The two dimensions of Guanxi identified in this study will lay the foundation for later exploration of the influencing factors of channel member Guanxi and the influence of channel member Guanxi on corporate performance.

Based on the interpersonal attraction theory, this chapter explores the drivers of Guanxi from four aspects: professionalism, shared values, frequency of contact, and popularity. This chapter mainly includes theoretical framework, research hypothesis, research design and data analysis and research conclusions. The empirical results show that: in the hypothesis of the theoretical model, professionalism, shared values and contact frequency have a positive effect on the Instrumental Guanxi; Professionalism, shared values, frequency of contact and popularity have positive effects on Emotional Guanxi. As a moderating variable, spatial presence plays a positive moderating role in the Guanxi between professionalism, shared values, contact frequency, Instrumental Guanxi and Emotional Guanxi. This plays a positive moderating role in the Guanxi between popularity and emotion.

This chapter studies the mechanism of the impact of channel members' Guanxi on corporate performance. It mainly includes theoretical framework, research hypothesis, research design and data analysis, and research conclusions. After collecting the formal survey questionnaire, we processed and analyzed the item data, tested the research model and hypothesis, and the data analysis results showed that the scale selected in the paper has good reliability and validity, and the model fit meets the requirements. This chapter introduces the two dimensions of flexibility and supervision

as mediating variables of the impact of Guanxi on corporate performance when studying the mechanism of the effect of Guanxi on corporate performance. The empirical results show that Emotional Guanxi have a positive impact on corporate performance by positively influencing flexibility while negatively influencing supervision; Instrumental Guanxi have a positive impact on corporate performance by positively influencing flexibility. As a moderating variable, the higher the degree of perceived internal incentive fairness, the stronger the impact of emotional and Instrumental Guanxi on flexibility, and the weaker the impact of emotionality on supervision. As a moderating variable, the stronger the digital collaboration capability, the weaker the impact of emotional and Instrumental Guanxi on flexibility, and the weaker the impact of emotionality on supervision.



CHAPTER 5

RESEARCH CONCLUSION, DISCUSSION, AND RECOMMENDATION

The conclusion section of this chapter summarizes this study's understanding of the instrumental-emotional relationship, the expansion of relationship drivers, and their complex implications for business performance. The discussion section further analyzes the similarities and differences between these findings and the existing literature, and suggests implications for business management practices. The recommendations section provides specific suggestions on how firms can effectively utilize relationship management to enhance their competitiveness and agility in complex market environments.

5.1 Research Conclusion

5.2 Discussion

5.3 Recommendation

5.1 Research Conclusions

5.1.1 Research objectives

This study has four objectives: 1. To study the connotation of Guanxi in modern global management literature and develop a Guanxi measurement scale. 2. To Analyze the driving factors of Guanxi usage in Chinese modern marketing channels. 3. To Examine the Impacts of Guanxi on enterprise performance in China. 4. To construct a management model on Guanxi marketing channel and enterprise performance. These four objectives are discussed below.

Objective 1: To study the connotation of Guanxi in modern global management literatur and develop a Guanxi measurement scale.

In this study, the meaning of Guanxi in the modern global management literature is examined and analyzed in detail, and a scale for measuring Guanxi in marketing channels is developed. As a complex social phenomenon, the connotation of Guanxi

includes not only the traditional emotional dimension, but also the instrumental and interest-oriented dimensions. In the context of global management, especially in the management practice of multinational enterprises, Guanxi has become an important part of corporate competitiveness. The understanding of Guanxi has gradually expanded from simple emotional ties to complex networks with multiple functions, including trust building, resource sharing, information flow and the ability to combat market uncertainty.

Based on this theoretical development, this study developed a scale for measuring Guanxi for marketing channel management. The scale consists of two main dimensions, affective and instrumental, and is designed to provide a more comprehensive assessment of the actual role of Guanxi in business cooperation. The affective dimension focuses on trust, friendship, and reciprocal feelings among channel members, while the instrumental dimension focuses on the role of Guanxi in resource acquisition, market information sharing, and benefit synergies. By measuring these two dimensions, this study hopes to provide an effective tool for companies to better understand and utilize the Guanxi as a resource to enhance management effectiveness in practice.

The process of developing the Guanxi Measurement Scale involved a variety of methods, including in-depth interviews, expert consultation and questionnaires. In the in-depth interviews, senior managers in the marketing channel were exchanged to understand their specific understanding of Guanxi and their experience in practical operation; through expert consultation, the components of Guanxi and the reasonableness of its measurement indexes were clarified; finally, a preliminary empirical test of the scale was conducted through a questionnaire survey to verify the validity of the scale in different ways. Finally, a preliminary empirical test of the scale was conducted through questionnaires to verify the applicability and reliability of the scale in different contexts. The results of the study show that the Guanxi scale has high reliability and validity in assessing the cooperative Guanxi between enterprises and its impact on enterprise performance, and can provide clear management references for enterprises.

This study not only provides new support for the application of Guanxi theory

in the context of global management, but also provides a scientific measurement tool for marketing channel management practice. By clarifying the meaning of Guanxi and its different dimensions, companies can better grasp the Guanxi status between partners and formulate management strategies accordingly, maximizing the positive role of Guanxi in improving corporate performance. At the same time, this finding also provides a theoretical and empirical basis for subsequent research, especially in the field of cross-cultural management and corporate cooperation, which can help scholars better understand the performance and differences of Guanxi in different social and cultural contexts.

Objective 2: To Analyze the driving factors of Guanxi usage in Chinese modern marketing channels.

This study analyzes the drivers of the use of Guanxi in modern marketing channels in China, revealing the influence of cultural context, institutional environment, organizational characteristics, market competition, trust mechanisms, and digital change.

Cultural factors are the underlying forces that drive the formation and use of Guanxi in Chinese marketing channels. Chinese culture has always emphasized the importance of social Guanxi, especially in the business world, where guanxi is considered an irreplaceable resource that can help companies gain a head start in a highly competitive market. According to research findings, the principles of human favor, face-saving, and reciprocity in Chinese culture are the main drivers for companies to establish and maintain close Guanxi with channel members. Especially in a market environment with high uncertainty, firms tend to rely more on Guanxi to minimize risks and ensure the stability of cooperation. The cultural embeddedness of interpersonal Guanxi makes Guanxi play an important role in channel management, helping companies to gain market resources and partners' trust through emotional ties and social recognition.

The institutional environment largely influences the extent to which enterprises rely on Guanxi. In China, despite the continuous improvement of the market economy system, there are still problems in some areas, such as inadequate legal system and lack of information transparency. In the face of such an imperfect system, enterprises tend

to make up for the shortcomings of the formal system by establishing good Guanxi to reduce the uncertainty of transactions and improve the possibility of acquiring resources. For example, through good Guanxi with government departments, key customers and suppliers, firms can more easily obtain approvals, financial support and market opportunities, thereby enhancing their competitiveness. This characterization of the institutional environment reinforces, to some extent, the role of Guanxi as an important driver of inter-firm transactions and cooperation.

Internal organizational characteristics are also important drivers of the use of Guanxi by firms. The size of the organization, the personal background of its managers, and the importance it places on Guanxi directly affect how it applies Guanxi in its marketing channels. Smaller firms usually have limited resources and rely more on Guanxi with suppliers, distributors and other partners to compensate for their disadvantages in the marketplace. The personal experiences and values of managers further influence the perception and practice of Guanxi. If managers have been successful through Guanxi in their previous business activities, they tend to value and continue to rely on this approach. In Chinese firms, especially family firms, managers tend to strengthen their firm's market position by maintaining a network of relatives and close friends, which has led to the widespread use and acceptance of Guanxi within the organization.

Market competition and external pressures are another important driver for the use of Guanxi in marketing channels. In order to be invincible in a competitive market, companies often need to rely on close Guanxi with channel partners in order to share resources, reduce transaction costs, and improve response time. Especially in the market with serious product homogenization, the differentiated competition among enterprises is more reflected in the quality of channel Guanxi. A good Guanxi can help enterprises gain more support and information in the competition and enhance their market responsiveness and adaptability. According to the survey data, more than 70% of business managers believe that maintaining good Guanxi with channel partners can significantly improve the market competitiveness and sales performance of enterprises.

Trust and reciprocity are important drivers that sustain and promote the use of Guanxi. In the Chinese business environment, trust is one of the core elements that

make Guanxi work. Trust is not only built on long-term interactions and mutual commitments, but is also enhanced and perpetuated through reciprocal behavior. Enterprises in the interaction with channel partners, through the continuous sharing of resources and mutual support, and gradually establish a solid Guanxi of trust, thereby promoting the deepening of the Guanxi and long-term development. Driven by this mechanism of trust and reciprocity, enterprises can effectively reduce the uncertainty of transactions and improve the efficiency and stability of cooperation.

The changing digital landscape has also given new meaning to the use of Guanxi. In traditional offline channel Guanxi, building and maintaining Guanxi often relies on face-to-face communication and long-term interactions. However, with the rise of the digital economy, especially the popularity of social media and e-commerce platforms, companies can more easily build Guanxi with channel partners and end consumers, increasing the frequency of interactions and expanding the Guanxi network. This digital Guanxi management approach allows companies to apply and expand their Guanxi network in a wider scope, thus improving the efficiency and effectiveness of channel management.

Objective 3: To Examine the Impacts of Guanxi on enterprise performance in China.

Research has shown that Guanxi in marketing channels can effectively improve the performance of enterprises, especially in the areas of market information acquisition, channel conflict management, and cooperative trust building. By reducing information asymmetry and enhancing trust between firms and channel members, Guanxi significantly improve the responsiveness of firms in a competitive market environment. For example, through good Guanxi with distributors and suppliers, enterprises can access market dynamics faster and more accurately, reducing market uncertainty and risk. The trust generated by such Guanxi not only reduces transaction costs, but also enhances the willingness of channel members to cooperate with each other, thus promoting resource sharing and common development.

"Guanxi play a key role in reducing channel conflict and improving collaboration efficiency. In marketing channel management, there will inevitably be conflicts among channel members, which usually come from divergent interests and

information asymmetry. However, through the establishment and maintenance of Guanxi, companies can effectively reduce the frequency of conflicts. Research has found that by developing Guanxi, companies are able to better understand the needs and expectations of their channel members, and thus adopt appropriate strategies to minimize conflicts. For example, a well-established Guanxi between a manufacturer and a distributor can help both parties to reconcile conflicts of interest and reach a consensus through reciprocity and emotional bonding, without jeopardizing the overall cooperation process. This harmonious Guanxi helps to improve the efficiency of channel operations and ultimately contributes to the improvement of business performance.

"Guanxi are also important in facilitating knowledge sharing and capacity-building. By maintaining good Guanxi, the level of trust between firms is increased, and this trust is the basis for knowledge sharing. In the Chinese business environment, knowledge sharing often relies on trust and reciprocity, and through Guanxi with partners, firms can not only obtain market information, but also share technology and management experience, which is crucial for improving their innovative capacity and market resilience. In addition, such knowledge-sharing facilitated by Guanxi helps firms to improve capacity-building within the organization, thus building sustainable competitive advantages for firms in the competitive marketplace.

However, Guanxi also have a dual impact on firm performance, i.e. they have both positive and negative effects. On the positive side, good Guanxi can effectively promote cooperation among channel members, reduce transaction costs, minimize the risk of information asymmetry, and thus improve firm performance. However, over-reliance on Guanxi may also have some negative effects, such as slowing down the response of firms to changes in the market environment and reducing the flexibility and innovation of the organization. Especially in the modern business environment where technology is rapidly evolving, an enterprise that relies on Guanxi and ignores market signals and technological innovations may miss market opportunities or even be at a competitive disadvantage. Therefore, when using Guanxi to improve performance, companies need to find a balance between relying on Guanxi and remaining flexible and adaptable.

It is found that through long-term Guanxi with partners, enterprises are able to establish some kind of mechanism of interdependence and long-term commitment in cooperation, which makes both parties pay more attention to long-term interests rather than short-term opportunistic gains in cooperation. This mechanism not only reduces the uncertainty in cooperation, but also enhances the stability and sustainability of cooperation, which in turn has a positive impact on the improvement of enterprise performance. With the development of digital technology, the Guanxi between enterprises has gradually extended from the traditional offline Guanxi to online, through social media and e-commerce platforms, enterprises can more conveniently interact with channel members and consumers to enhance the frequency and depth of the Guanxi. This digitalized Guanxi management not only improves the efficiency of channel management, but also expands the scope of influence of the Guanxi, enabling companies to more effectively manage interactions with channel members, which in turn has a positive impact on corporate performance. However, digitization has also challenged traditional Guanxi management models, and companies need to use digital tools to strengthen Guanxi while maintaining a focus on core Guanxi values to ensure that Guanxi are effective and enduring.

This study draws a series of conclusions from an analysis of the impact of Guanxi on firm performance in China's marketing channels, emphasizing the importance and complexity of Guanxi in improving firm performance. Good Guanxi can improve firm performance through a variety of mechanisms, including reducing channel conflict, facilitating knowledge sharing, and inhibiting opportunistic behavior. At the same time, firms need to be alert to the possible negative impacts of utilizing Guanxi resources, especially in a rapidly changing market environment, and to maintain flexibility and innovation to ensure that they maintain an edge over their competitors.

Objective 4: To construct a management model on Guanxi marketing channel and enterprise performance. These four objectives are discussed below.

Through in-depth analysis of the impact of Guanxi on corporate performance in China's modern marketing channels and exploration of related theories, this study finally constructs a management model covering the interaction between Guanxi and corporate performance, which reveals that The model reveals the unique role and

operation mechanism of Guanxi in channel management. The conclusions can be summarized as follows:

(1) The role of Guanxi in firm performance is characterized by multidimensional paths of influence.

Research has shown that the effects of Guanxi on enterprise performance are not only reflected in the enhancement of inter-firm trust and cooperation efficiency, but also in the multi-level performance of resource sharing, information communication, conflict management and so on. The model categorizes Guanxi into two dimensions: affective and instrumental, and through these two dimensions, it reveals the different impact mechanisms of Guanxi on firm performance in different contexts. For example, affective Guanxi are more conducive to enhancing long-term cooperation among firms, while Instrumental Guanxi play a more direct role in resource integration and information sharing. This multi-dimensional model can not only help enterprises understand the role of Guanxi in channel management more precisely, but also provide detailed management suggestions for actual operation.

(2) The model emphasizes the mediating and moderating factors between Guanxi and firm performance.

In the process of constructing the management model, it was found that the influence of Guanxi on firm performance is not direct, but is realized through a number of intermediary factors, such as trust, quality of communication, and commitment of channel members. At the same time, factors such as the intensity of market competition, cultural background, and firm size also moderated the Guanxi. By identifying these mediators and moderators, this study proposes a systematic framework to help firms better identify how to leverage Guanxi to achieve optimal management outcomes in different contexts. The construction of the model reveals how firms can flexibly adapt the use of Guanxi in different market environments and cultural contexts in order to achieve the goal of improving firm performance.

(3) The two-way interaction between the Guanxi and channel members' behavior is an important path to improving firm performance.

Research has shown that not only does the Guanxi between manufacturers and

distributors in a marketing channel have a significant impact on firm performance, but there is also a two-way interaction between this Guanxi and the behavior of channel members. For example, a good Guanxi can enhance the motivation of channel members and promote the active investment of partners in sales, promotion and service, etc., and the positive behavior of channel members will in turn further consolidate and deepen the Guanxi, thus forming a virtuous cycle. This two-way interaction is presented in detail in this management model, which provides clear guidance on how to optimize the interaction between Guanxi and behaviors in actual management.

(4) The impact of digital transformation on the Guanxi management model is also a factor that cannot be ignored in the model.

With the rapid development of digital technology, the way businesses manage their Guanxi with each other has changed. Through digital tools such as social media and e-commerce platforms, companies can interact with channel members more easily, which not only improves communication efficiency but also expands the scope of Guanxi maintenance. In this study, digital elements are included in the model to explain how digital technologies have changed the traditional Guanxi management model and to provide a new perspective on how companies can effectively manage channel Guanxi in a digital context. For example, the use of digital platforms can reduce the cost of Guanxi maintenance and enable organizations to accurately measure and improve the quality of Guanxi through more data analytics.

(1) The model points out the positive and negative impacts of Guanxi on firm performance. On the positive side, good Guanxi can significantly reduce channel conflicts and increase the willingness of partners to share information and collaborate, thus improving overall efficiency and business performance. However, over-reliance on Guanxi may also have some negative effects, such as causing a firm to be less responsive to market changes or less flexible in the face of emerging competitors. Therefore, while the model emphasizes the positive effects of Guanxi on firm performance, it also cautions firms to be moderately vigilant in preventing over-reliance on Guanxi to the detriment of other management tools.

The insight of this model for business management practice lies in how to scientifically manage and utilize the special resource of Guanxi to maximize business

performance. Guanxi have proven to be a unique and effective competitive advantage in China's marketing channels, but their effectiveness depends on how companies use them in the complex and changing market environment. Enterprises need to selectively strengthen or weaken emotional and Instrumental Guanxi at different stages and in different contexts to optimize performance. At the same time, companies need to incorporate digital management tools to improve the accuracy and adaptability of Guanxi management. Through the application of this model, enterprises can better identify and utilize the advantages of Guanxi in channel management to stand out from the competition.

5.1.2 Research hypotheses

There are 22 hypotheses in this study and these are summarized separately below.

H1a: Professionalism has a positive impact on Instrumental Guanxi.

Professionalism can effectively contribute to the formation of Instrumental Guanxi. A high level of inter-firm professionalism can help to improve the efficiency of work and the quality of cooperation, strengthen the interest-oriented Guanxi between the two parties, and thus enhance mutual trust and support in business cooperation.

H1b: Professionalism has a positive impact on Emotional Guanxi.

Professionalism not only promotes instrumental cooperation, but also enhances trust and respect in the emotional dimension. This leads to the gradual development of deep emotional ties between business partners, which in turn leads to stronger Emotional Guanxi and less friction and misunderstanding.

H2a: Frequency of exposure has a positive effect on instrumentality.

The higher the frequency of contact, the easier it is to enhance Instrumental Guanxi. Frequent interactions lead to smoother information sharing and resource integration, thus effectively enhancing the efficiency of cooperation and the likelihood of reaching goals in Instrumental Guanxi.

H2b: Frequency of exposure has a positive effect on emotionalization.

The increased frequency of contact also fosters Emotional Guanxi. Ongoing

interaction not only builds cooperation at the business level, but also enhances mutual understanding and emotional ties between companies, contributing to stronger Guanxi.

H3a: Shared values have a positive impact on Instrumental Guanxi.

Shared values can strengthen the Instrumental Guanxi between firms. This shared philosophy helps both parties to reach agreement, reduces conflicts in decision-making and implementation, makes cooperation smoother and more effective, and increases the real benefits of cooperation.

H3b: Shared values have a positive impact on affective Guanxi.

In terms of Emotional Guanxi, shared values create a deep emotional bond between firms. This sense of shared values enhances mutual trust and makes cooperation not limited to economic interests, but also based on emotional bonding and mutual respect.

H4a: Popularity has a positive effect on Instrumental Guanxi.

The high popularity of an enterprise or individual makes it easier to form Instrumental Guanxi in business cooperation. Partners are often willing to work with companies that have a good reputation and a wide range of contacts, so that they can occupy a more favorable position in market competition and reach common goals.

H4b: Popularity has a positive effect on Emotional Guanxi.

Popularity not only promotes instrumental cooperation, but also contributes to the development of Emotional Guanxi. High popularity usually implies positive social recognition, which makes it easier for partner firms to build deep Emotional Guanxi based on trust and respect.

H5: Instrumental Guanxi have a positive impact on dealer flexibility.

Instrumental Guanxi are effective in increasing the flexibility of dealers. Through such Guanxi, dealers are better able to access resources, optimize processes, and thus respond quickly to changes in market demand and remain competitive in the marketplace.

H6: Instrumental Guanxi have a negative impact on dealer supervision.

Instrumental Guanxi tend to weaken the dealer's supervision of the partner. This is because the interest-based partnership between the two parties makes the dealer dependent on the partner, which may lead to a relaxation in the monitoring process and increase business risks.

H7: Emotional Guanxi have a positive impact on dealership flexibility.

Emotional Guanxi help to increase dealership flexibility by building a high level of trust and communication. Good Emotional Guanxi make dealers more willing to make quick adjustments when the market changes to support the needs of their partners and improve the overall efficiency of their cooperation.

H8: Emotional Guanxi have a negative impact on dealer supervision.

Emotional ties may diminish the intensity of supervision of partners. This is because emotional ties tend to make both parties more trusting and may lead to insufficient attention to problems in business conduct, thus reducing the effectiveness of supervision and introducing potential business risks.

H9: Dealer flexibility has a positive impact on firm performance.

A high degree of dealer flexibility contributes significantly to business performance. In a fast-changing market, flexibility enables dealers to respond quickly to consumer demand and market changes, thereby increasing the market share and operational efficiency of the organization.

H10: Dealer regulation has a positive impact on firm performance.

Strengthening the supervision of distributors helps to improve the performance of enterprises. Through effective monitoring mechanisms, enterprises can ensure that dealers' behavior meets established standards, reduce the occurrence of opportunistic behavior, and safeguard the efficient operation of the overall channel and the long-term development of the enterprise.

H11a: The higher the perceived equity of internal incentives, the greater the effect of Instrumental Guanxi on dealer flexibility.

When internal incentives are perceived to be fair, the contribution of Instrumental Guanxi to dealer flexibility is more pronounced. A fair incentive environment increases dealers' motivation, which in turn enhances their flexibility to respond to market changes.

H11b: The higher the perceived equity of internal incentives, the weaker the effect of Instrumental Guanxi on dealer monitoring.

The negative impact of Instrumental Guanxi on dealer supervision is attenuated in an environment of fair incentives. Fair incentives make dealers more willing to be managed and guided by the firm, reducing the risk of relaxation of supervision due to Instrumental Guanxi.

H12a: The higher the perceived equity of internal incentives, the greater the effect of affective Guanxi on flexibility.

Internal incentive fairness enhances the impact of emotional ties on dealer flexibility. A fair incentive environment makes dealers more willing to pay for emotional ties, which in turn leads to greater flexibility and responsiveness when market demand changes.

H12b: The higher the perceived fairness of internal incentives, the weaker the effect of affective Guanxi on supervision.

The negative impact of affective Guanxi on supervision is weakened when incentives are fair. A fair incentive environment encourages dealers to be more trusting and accepting of the firm's management, which reduces the laxity of supervision due to affective Guanxi.

H13a: The stronger the digital resource synergy, the weaker the effect of Instrumental Guanxi on dealer flexibility.

Increased synergistic capabilities of digital resources reduce the impact of Instrumental Guanxi on dealership flexibility. The use of digital means makes access to information easier and reduces the dependence on Instrumental Guanxi, thus making companies more flexible and proactive.

H13b: The stronger the digital resource synergy, the weaker the effect of Instrumental Guanxi on dealer supervision.

The negative impact of Instrumental Guanxi on monitoring diminishes as the synergistic capabilities of digital resources increase. Digital technology allows companies to achieve more precise monitoring of distributor behavior, reducing the problem of inadequate supervision due to Instrumental Guanxi.

H14a: The stronger the synergy of digital resources, the weaker the effect of affective Guanxi on flexibility.

The increased ability to synergize digital resources has made the impact of Emotional Guanxi on agility weaker. The widespread use of digital tools reduces the reliance on emotional ties and allows companies to make channel management and decisions more rationally and efficiently.

H14b: The stronger the synergy of digital resources, the weaker the effect of affective Guanxi on supervision.

Enhanced synergy of digital resources reduces the negative impact of Emotional Guanxi on supervision. With digital technology, companies are able to monitor the behavior of distributors more effectively, ensuring standardization and consistency in business operations and reducing the relaxation of supervision due to Emotional Guanxi.

5.2 Discussion

5.2.1 Exploring the dual nature of Guanxi versus singularity

Previous studies (e.g., Hwang, 1987; Luo et al., 2011) have focused on the affective dimension of Guanxi, emphasizing their role in enhancing trust and promoting social capital accumulation. However, this single perspective ignores the instrumental role of Guanxi in corporate cooperation and fails to reveal their actual managerial value in resource integration and cooperation.

Many studies have viewed Guanxi more as a bond based on interpersonal trust, face-saving, and emotion, applicable to the maintenance of social and business Guanxi (Bian, 2018; Wu and Chiu, 2016). The perspectives of such studies are largely limited to descriptions of the positive emotions and mutual support that Guanxi bring,

neglecting the fact that in business practice, Guanxi can also be used as a means of exchanging resources with explicit goals for specific economic and market purposes. By distinguishing between instrumental and affective dimensions, this study clarifies the dual nature of Guanxi in different scenarios - both in terms of helping to achieve specific interests in business cooperation (instrumental) and in terms of emotionally enhancing the stability of and trust in cooperation (affective) emotional.

The value of Instrumental Guanxi is underestimated in marketing channel management. Instrumental Guanxi in channels facilitate access to resources, sharing of market information, and the ability to cope with uncertainty, but existing studies (e.g., Zhuang & Zhou, 2004; Su et al., 2003) have failed to adequately reflect these components. The findings of this study suggest that Instrumental Guanxi are equally important facilitators in business cooperation, which can help firms maintain competitiveness in complex market environments through effective resource allocation and cooperation mechanisms.

The value of affective Guanxi in collaboration has been widely recognized in previous research, but the negative impact of affective Guanxi on innovation and market flexibility has rarely been explored. This study suggests that over-reliance on affective Guanxi may lead to slow responses to market changes (Gu et al., 2008), thereby limiting firms' flexibility and ability to innovate. This contrasts with the traditional literature that discusses the purely positive effects of affective Guanxi.

By refining instrumental and Emotional Guanxi, this study not only deepens the understanding of Guanxi as a complex social phenomenon, but also reveals the dual nature of Guanxi in inter-firm cooperation. This dual nature provides new theoretical perspectives on how firms balance and utilize Guanxi in practice, and helps firms achieve more effective resource integration and market responsiveness under the global management paradigm.

5.2.2 The Complex Impact of Guanxi on Business Performance

In this study, the impact of Guanxi on firm performance is found to be complex, with both positive and potentially negative effects. Most of the literature emphasizes the positive effects of Guanxi in enhancing firm performance, for example, Guanxi can

facilitate trust building, access to resources, and increased channel cooperation (Gu et al., 2008; Warren et al., 2004). However, the results of this study suggest that Guanxi can also, in some instances, lead to slow response of firms to market changes, affecting their flexibility and adaptability.

Instrumental Guanxi do bring significant performance improvements to enterprises in terms of better resource sharing, more efficient channel management and more favorable market cooperation. However, when Instrumental Guanxi are overly relied upon in cooperation, companies tend to fall into the trap of "path dependency", resulting in a lack of responsiveness to environmental changes. Particularly in the face of rapid technological upgrading and demand changes in the marketplace, over-reliance on established Guanxi may make it difficult for firms to adapt and lose market competitiveness (Gu et al., 2008).

Affective Guanxi are seen in much of the literature as an important guarantee of long-term cooperation among firms, enhancing trust and willingness to cooperate among channel members (Wu and Chiu, 2016). However, affective ties may also make it difficult for firms to be fully rational as they carry personal emotional preferences in their decision-making. In complex market environments, such affective ties may limit firms' ability to innovate and motivation to change, leading to a lag in response when faced with new opportunities and affecting the sustainable growth of their performance.

Existing researchers typically emphasize the role of Guanxi in reducing inter-firm conflict and enhancing the stability of cooperation (Bian, 2018). This study, on the other hand, points out that Guanxi can, in some cases, increase dependence among channel members, making it difficult for firms to effectively monitor and control underperforming partners. Excessive emotional or Instrumental Guanxi may make it difficult for firms to take decisive action in the face of substandard partners, which in turn negatively affects overall performance (Warren et al., 2004).

This study emphasizes the need for enterprises to be alert to the "complexity" and "dynamism" of Guanxi when managing their channel Guanxi. While taking full advantage of the resource advantages and cooperation facilities that Guanxi bring, they also need to maintain a certain degree of rationality in Guanxi management, avoiding over-reliance on emotional or instrumental ties and losing sensitivity to the market

environment. This comprehensive understanding of the positive and negative impacts of Guanxi can help enterprises allocate resources more effectively and achieve long-term competitive advantages under the globalization management model.

5.2.3 Expansion of relational drivers

In this study, the drivers of Guanxi are expanded by proposing new variables such as frequency of contact and professionalism, revealing more factors affecting the formation and development of Guanxi, whereas existing studies have mainly focused on the influence of cultural and social contextual factors. For example, a common view in the literature is that 'Guanxi' are primarily driven by socio-cultural contexts, particularly traditional Chinese family culture, face-saving culture, and notions of reciprocity (Bian, 2018; Wu and Chiu, 2016). These studies emphasize the embeddedness and cultural roots of Guanxi in Chinese social networks.

This study found that in addition to socio-cultural context, frequency of contact and professionalism are equally important factors influencing Guanxi formation. Specifically, frequency of contact refers to the frequency of interaction between channel members, which plays a key role in the establishment and maintenance of Guanxi. Through frequent contact, trust and understanding between channel members is enhanced and both instrumental and Emotional Guanxi develop. While less attention has been paid to this point in the literature, this study finds through empirical analysis that frequent contact significantly enhances trust between partners, thereby facilitating the establishment and deepening of Guanxi.

On the other hand, professionalism as an important factor driving the Guanxi is also mentioned in this study. Professionalism is not only manifested as the mastery of industry knowledge and professionalism, but also as an important foundation for Instrumental Guanxi between partners. In contrast to the emphasis on affective Guanxi (e.g., face-saving, favors, etc.) in the traditional literature, this study highlights the fact that professionalism can significantly increase channel members' trust and willingness to cooperate in business partnerships, especially in the face of complex market environments, and that professional competence can serve as the basis for cooperation and drive Guanxi in an instrumental and pragmatic direction.

5.2.4 Synergy of digital resources

In this study, we explore the changing connotations and manifestations of Guanxi in the context of digitization, with a particular emphasis on the criticality of digital resource synergies in moderating the role of instrumental and affective Guanxi. The traditional literature tends to view 'Guanxi' as fixed, interpersonal interaction-based social capital, and has less insight into the impact of digital factors on Guanxi (Bian, 2018; Luo et al., 2011).

The synergistic effect of digital resources complicates the dimensions of Guanxi, especially in contemporary Chinese marketing channels, where the development of digital technology has reshaped the connotation of Guanxi. First, Instrumental Guanxi have been significantly expanded in the digital context. For example, through data sharing platforms, companies can access supply chain and market information more efficiently, thus promoting effective resource allocation and cooperation efficiency. Unlike traditional face-to-face communication, digital means reduce the time and space costs of communication, making the establishment and maintenance of Instrumental Guanxi faster and more practical. This is verified in the empirical results of this study, where the synergistic capability of digital resources significantly enhances the Instrumental Guanxi effect of enterprises in cooperation.

On the other hand, affective Guanxi have shifted accordingly in the digital context. In traditional affective Guanxi, interpersonal communication and emotional resonance are established through face-to-face interactions, whereas in the digital environment, the popularity of social media and online platforms enables enterprises to keep in touch with their partners at a lower cost and with a higher frequency, thus maintaining affective Guanxi under long-distance conditions. The improved ability to collaborate with digital resources enables enterprises to continuously interact and maintain emotional interactions through virtual communities and social media, which is important for enhancing trust and willingness to cooperate among enterprises.

This study also found that digital resource collaborative capabilities can mitigate the tension between instrumental and Emotional Guanxi to some extent. In traditional business environments, the pragmatism of Instrumental Guanxi and the warmth of Emotional Guanxi often run the risk of contradicting each other, which can

easily lead to conflicts or inconsistencies in collaboration. However, by providing transparent communication channels and real-time information sharing platforms, digital technology enhances the overall sense of control of the Guanxi among the cooperating parties, allowing instrumental and Emotional Guanxi to coexist and complement each other more effectively, thus facilitating the realization of more flexible and efficient cooperation among enterprises in the complex market environment.

This study expands the understanding of Guanxi through the lens of digital resources, and emphasizes the important moderating role of digital resource synergy in contemporary marketing channel management. It not only provides new perspectives on existing Guanxi theories, but also provides practical guidance on how companies can use digital tools to optimize Guanxi management in practice. Enterprises can better balance the roles of instrumental and Emotional Guanxi by enhancing the synergistic capabilities of digital resources to maximize their positive impact in corporate performance improvement.

5.2.5 The role of Guanxi in oversight and flexibility

In this study, the interplay of Guanxi in channel member flexibility and monitoring is explored, revealing the differential impact of different types of Guanxi on management control and collaboration. Existing literature usually focuses on the facilitating effects of Guanxi on collaboration, such as their positive effects on increasing trust and reducing conflict (Gu et al., 2008; Luo et al., 2011), while less attention has been paid to their dual role between flexibility and monitoring.

Instrumental Guanxi show a strong monitoring effect in management control. In Instrumental Guanxi, firms are more inclined to be economically oriented, focusing on task accomplishment and efficient use of resources. As a result, Instrumental Guanxi are usually accompanied by strict supervision and management to ensure that goals are achieved. While this Guanxi model reduces opportunistic behavior to a certain extent, it may also limit the flexibility of channel members, leading to a weakened ability to respond to changes in the market and therefore affecting overall performance.

In contrast, affective Guanxi emphasize more on trust and cooperation, reducing

the intensity of supervision over channel members and enhancing their flexibility. In affective Guanxi, companies focus more on long-term partnerships and mutual benefits, and tend to enhance partners' autonomy and innovation through flexible management. This type of management helps to increase the flexibility of channel members and enables them to respond quickly to changes in the market. However, over-reliance on affective Guanxi may also lead to inadequate monitoring and increase the risk of potential opportunistic behavior in cooperation, thus negatively affecting firm performance.

This study found that instrumental and Emotional Guanxi play complementary roles in supervision and flexibility. In complex market environments, firms need to balance the two types of Guanxi on a case-by-case basis to achieve optimal management outcomes. For example, in stable markets, firms can rely more on affective Guanxi to increase partner flexibility and innovation. Whereas, in situations of high market uncertainty, firms need to strengthen monitoring in Instrumental Guanxi to ensure efficient allocation of resources and achievement of objectives.

This study reveals the differential impact of Guanxi in management control and collaboration, and emphasizes the importance of finding a balance between monitoring and flexibility. In practice, firms should flexibly adjust the management of instrumental and Emotional Guanxi according to changes in the market environment in order to maximize the positive role of Guanxi in firm performance. This finding not only expands the understanding of the role of Guanxi in the existing literature, but also provides valuable references for the practical application of Guanxi management in marketing channel management.

5.3 Recommendations

5.3.1 Enhanced management of the balance between Instrumental Guanxi and Emotional Guanxi

In marketing channel management, enterprises should pay attention to the balanced development of instrumental and Emotional Guanxi in order to maximize the interests of both parties in cooperation. Instrumental Guanxi mainly emphasizes the benefits and efficiency in cooperation, so in the pursuit of benefit maximization, the

rights and responsibilities and objectives of both parties are clarified through reasonable management means, which helps to realize the optimal allocation of resources of both parties. In addition, the strengthening of Instrumental Guanxi can enhance the transparency and sense of responsibility of channel members in the process of cooperation and ensure the effectiveness and continuity of enterprise cooperation.

Over-reliance on Instrumental Guanxi may lead to the neglect of emotional factors in cooperation, which in turn leads to indifference and a lack of motivation for long-term cooperation. Emotional Guanxi, on the other hand, play an important role in building trust and reducing conflicts in cooperation. By establishing a deep Emotional Guanxi, enterprises can enhance the loyalty and willingness to cooperate with partners, so as to respond to changes more flexibly in the uncertain market environment. Therefore, affective Guanxi help firms to build a stronger foundation for cooperation in long-term cooperation, especially in the case of drastic changes in the market environment (Zhang and Zhang, 2006).

Based on the above considerations, enterprises should reasonably adjust the balance between instrumental and Emotional Guanxi in the process of cooperation. For example, in the early stage of market cooperation, more reliance can be placed on Instrumental Guanxi to ensure the benefit basis and goal clarity of cooperation; while in the gradual deepening of cooperation, the investment in Emotional Guanxi can be gradually strengthened, and the trust basis of long-term cooperation can be gradually built by enhancing exchanges, strengthening communication, and holding social activities. In this way, the respective advantages of instrumental and Emotional Guanxi can be utilized at different stages to achieve sustainable and stable cooperation.

In practice, enterprises can establish a specialized communication mechanism and feedback system to regularly assess the status of their Guanxi with their partners, so as to find the optimal balance between instrumental and Emotional Guanxi. This balance management can not only enhance the flexibility and adaptability of enterprises, but also help enterprises to maintain the stability and continuity of cooperation in the fierce market competition, and ultimately realize a win-win cooperation situation.

5.3.2 Enhancement of digital resource synergies

In modern marketing channel management, the application of digital technology has become one of the most important tools for Guanxi management among enterprises. This study suggests that enterprises should actively utilize digital means, such as information sharing platforms, online collaboration tools, supply chain management systems, etc., to enhance the synergistic ability of digital resources, so as to effectively improve the efficiency and flexibility of Guanxi management. Through digital means, enterprises can realize real-time information sharing and reduce friction and misunderstanding due to information asymmetry, which plays an important role in strengthening the management of Instrumental Guanxi.

Instrumental Guanxi are characterized by benefit orientation and efficiency enhancement. Through digital technology, enterprises can more accurately grasp the needs and behaviors of their partners, so that they can better formulate plans and allocate resources in business cooperation. For example, by utilizing data analysis tools, the sales and inventory status of channel members can be monitored to help companies replenish or promote at the right time, improving the responsiveness and overall efficiency of the supply chain. At the same time, online collaboration tools and platforms can make communication more convenient and transparent, reduce misunderstandings caused by communication barriers, and enhance synergy between partners.

The ability to synergize digital resources not only enhances the value of managing Instrumental Guanxi, but can also play a complementary role in fostering Emotional Guanxi. Through digital platforms, enterprises can increase the frequency of interactions with partners, such as through social media, online seminars, customer Guanxi management systems, etc., to establish closer ties, and such interactions can help to improve mutual understanding and trust, thereby enhancing the depth and stability of affective Guanxi. Especially in uncertain environments, such as epidemics, digital means can maintain interaction and support between enterprises and partners, so that affective Guanxi can continue to play their positive role in complex environments.

The ability to collaborate with digital resources can also enable enterprises to achieve flexibility in Guanxi management to respond to different market changes. In

the face of changes in market demand or emergencies, digital tools can enable enterprises to adjust their business strategies more quickly, maintain coherence with their partners, and ensure a strong and lasting Guanxi. Therefore, enhancing the synergy of resources through digital means can effectively improve the flexibility and adaptability of enterprises in the face of an uncertain environment.

Enhancing digital resource collaboration capabilities is important for optimizing both instrumental and Emotional Guanxi management. Enterprises should make full use of digital tools and integrate them into their daily channel management and partner Guanxi management to achieve more efficient and flexible resource allocation in cooperation. This not only ensures that enterprises stay ahead of the competition in the market, but also creates greater economic and social value for them through efficient Guanxi management.

5.3.3 Rational control of the Guanxi between oversight and flexibility

Supervision and flexibility are often in relative tension in marketing channel management, and excessive supervision may jeopardize partners' motivation and flexibility. This study suggests that firms should focus on maintaining flexibility in cooperation when supervising partners in order to achieve a balance between efficient management and cooperation. Supervision aims to reduce information asymmetry and thus avoid opportunistic behaviors, but in the implementation process, if management is too strict, it may lead to partner resentment, thus weakening the stability of the Guanxi (Das & Teng, 2000).

Enterprises should adopt flexible supervision in channel management to avoid destroying the trust Guanxi due to excessive monitoring. The means of supervision should be adjusted according to the depth of cooperation and the degree of trust Guanxi. For partners who have already established a good basis for cooperation, it is recommended to reduce behavioral supervision and rely more on goal management and result evaluation. This approach can safeguard the interests of enterprises while maintaining the enthusiasm and initiative of partners, thus enhancing the flexibility and sustainability of cooperation.

Enhancing trust through flexible management measures and reducing conflicts arising from supervision are key. Enterprises can enhance trust in the partnership through regular communication and the establishment of common goals, enabling both parties to reduce unnecessary behavioral constraints in the course of cooperation. Establishing a transparent information-sharing mechanism helps partners understand each other's needs and goals, reduces the need for supervision, and solves problems through negotiation to avoid conflicts and dissatisfaction caused by supervision (Wu and Chiu, 2016).

In terms of specific operations, enterprises can combine digital means to enhance the efficiency and flexibility of supervision. The use of information sharing platforms, data analysis tools and other remote supervision and real-time tracking can effectively reduce the direct interference in the daily work of partners, making supervision more efficient and flexible. This digital supervision not only reduces the pressure on partners, but also improves the efficiency of enterprise management and ensures the smooth progress of cooperation.

Enterprises should find an appropriate balance between supervision and flexibility, reduce interference in partners' behavior through flexible supervision and trust building, and avoid deterioration of the cooperative Guanxi caused by excessive supervision. At the same time, the reasonable use of digital means of supervision will help enterprises to maintain the flexibility of cooperation while safeguarding their interests, and ultimately achieve long-term mutual benefit and win-win situation for both parties.

5.3.4 Deepening the use of channel member Guanxi drivers

In contemporary Chinese marketing channel management, companies should emphasize and make full use of Guanxi drivers, such as professionalism and frequency of contact, to build stronger and more effective channel Guanxi. Research has shown that factors such as professionalism and contact frequency have a significant impact on Guanxi formation and deepening (Zhang & Zhang, 2006). Through high-frequency contact and professionalized performance, firms can not only effectively enhance trust with their partners, but also better understand each other's needs, thus promoting the

long-term sustainability of the cooperation.

Professionalism is an important cornerstone for building strong Guanxi. Enterprises should ensure that they demonstrate a high degree of professionalism in all aspects of their cooperation, including product quality, service response, and technical support. Professionalism not only helps to form a positive evaluation of the enterprise in the cooperation, but also accumulates emotional trust through continuous quality service. Once this trust Guanxi is established, it can effectively enhance partners' loyalty and willingness to cooperate in the long term. Therefore, enterprises should focus on cultivating the professional competence of their employees and demonstrate professionalism in every business contact, so as to enhance the stability and quality of the Guanxi.

Frequency of contact is another key driver that can effectively promote communication and understanding among channel members. Through frequent exchanges, enterprises can understand the needs of partners and market dynamics in a timely manner, respond quickly and reduce the uncertainty caused by information asymmetry. Increased frequency of contact also helps to strengthen the emotional ties between enterprises, so that partners feel care and attention, and then more active and trust in the cooperation process. Enterprises can increase the frequency of contact with partners through regular meetings, technical exchanges, social activities and other forms, to deepen their Guanxi.

Enterprises should rationally utilize these drivers to promote the synergistic development of instrumental and Emotional Guanxi. Instrumental Guanxi are based on benefit exchange and resource sharing, while Emotional Guanxi focus on trust and long-term cooperation. By utilizing professionalism and high-frequency contacts, companies can establish deeper emotional ties based on mutual interests and achieve complementarity and balance between instrumental and Emotional Guanxi. This not only helps to increase the stability of the cooperation, but also enhances the flexibility and responsiveness of the channel in the face of market uncertainty.

In marketing channel management, enterprises should deeply understand and utilize Guanxi drivers such as professionalism and contact frequency to enhance the solidity and effectiveness of partner Guanxi through reasonable strategies and measures.

Effective utilization of these factors not only promotes trust and understanding among partners, but also provides a solid Guanxi foundation for long-term development of enterprises and realizes efficient operation and continuous improvement of marketing channel management.

5.3.5 Future research directions based on existing explorations

Although this study has thoroughly explored the connotation of Guanxi in contemporary Chinese marketing channels and constructed a management model for the relationship between Guanxi marketing channels and corporate performance, with the advancement of the globalization process, there are still many unanswered questions about the relationship between Guanxi in marketing channels and corporate performance. Future research can be conducted in the following directions:

(1) The evolution and adaptation of Guanxi from a cross-cultural perspective

As the internationalization of Chinese enterprises accelerates, the applicability of Guanxi in global marketing channels has attracted increasing attention. Future research can explore the adaptability and evolution of Guanxi in different cultural contexts. For example, the differences between Guanxi in Western and Chinese markets, as well as its integration and application in the global market, will provide new ideas for the marketing strategies of Chinese enterprises in transnational competition.

(2) Guanxi management in the digital age

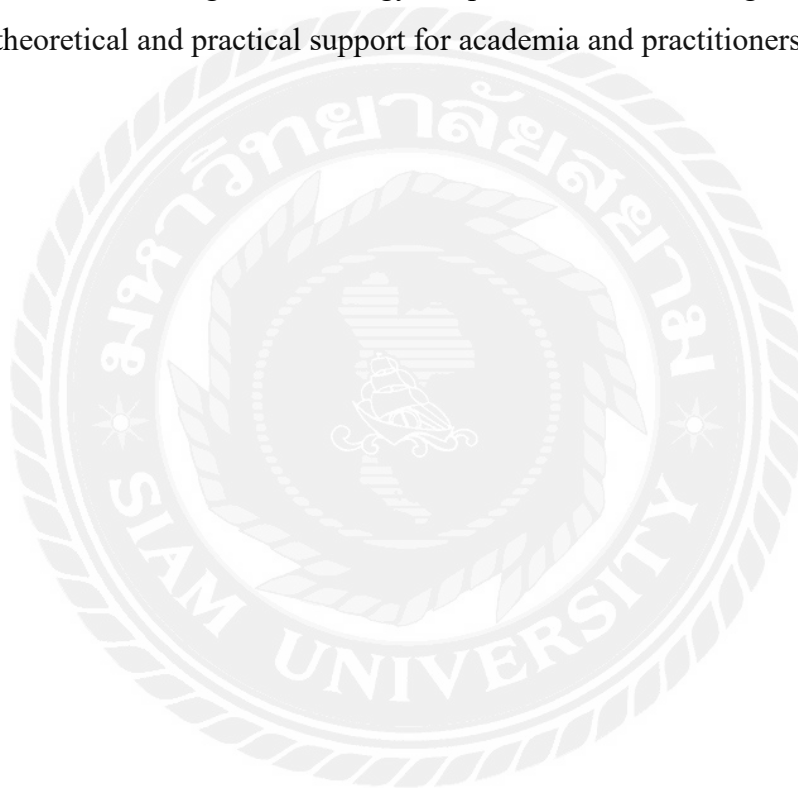
The development of information technology has changed the management of Guanxi in marketing channels. The application of digital transformation, social media, big data and other technologies provides new ways to build and maintain Guanxi. Future research can explore how to optimize the management of relationship marketing channels through digital technology, especially how to effectively build and maintain relationships with customers and channel partners on social media platforms.

(3) The role of Guanxi in G2B and B2B channels

This study focuses mainly on the operation of Guanxi in B2C channels, but Guanxi also plays an important role in G2B (government-to-business) and B2B (business-to-business) channels. Future research can explore how Guanxi affects policy

acquisition, resource allocation and the conclusion of cooperation agreements in these channels, especially in the Chinese market, the impact of Guanxi between government and enterprises on enterprise competitiveness.

Overall, although this study provides an important theoretical contribution to the application of Guanxi in marketing channels in China, there is still much room for future research as globalization and technological change continue to deepen. Further exploration of the adaptability of Guanxi in different cultural and market environments, as well as how to use digital technology to optimize Guanxi management, will provide deeper theoretical and practical support for academia and practitioners.



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Appendix A

Interview Form

Part one: the basic situation of the enterprise

Please tell me a little about yourself.

Would you please give us some basic information about your company?

It mainly includes the industry, the size of the enterprise, the type of the enterprise and the main production products.

Part two: Views on Guanxi

What would you describe as your Guanxi with manufacturer executives?

How do you feel about Guanxi between manufacturer executives?

Can you talk about how to measure the Guanxi with manufacturer executives?

What does the Guanxi involve?

What does the Guanxi mean?

What are the effects of Guanxi on business performance?

Are there any specific instances in your organization where Guanxi have affected business performance? If so, please elaborate.

Appendix B

Questionnaire A

Dear Madam/Sir,

Hello! The purpose of this questionnaire is to analyze what role Guanxi plays and how it plays in the process of enterprise operation and management. The results of this study will provide reference for enterprises to reasonably establish Guanxi and promote the improvement of enterprise performance. Please answer according to the actual situation of your company, we guarantee that all the information in the questionnaire is only for research purposes and will be strictly confidential!

In return for your busy filling in the questionnaire, if you need, we will provide a free survey report, please leave your Email address:

-- Part I: Basic Situation of the Enterprise --

1. Your company's industry:

- A. Mechanical equipment manufacturing
- B. Communication electronic equipment manufacturing
- C. Chemical products manufacturing
- D. Service industry
- E. Other (please specify:)

2. Your company's location:

- A. First-tier city
- B. Second-tier city
- C. Third tier cities
- D. Third tier or lower

3. The number of regular employees of your company is:

- A. 50 and below
- B. 51-100
- C. 101-300
- D. 301-500 and above
- E. 500

4. Your company age:

- A. 5 years and below
- B. 6-10 years
- C. 11-15 years
- D. 16-20 years
- E. 21 years and above

5. Nature of your company:

- A. State-owned enterprises
- B. Private enterprises
- C. Wholly foreign-owned enterprises
- D. Sino-foreign joint ventures
- E. Others (please specify: _____)

6. What is your position:

- A. General Manager
- B. Deputy General Manager

-- Part II: Enterprise practice --

Please choose the manufacturer you have the closest contact with as the object of consideration and answer the following questions.

1. Evaluation of Guanxi:

Serial number	Item content	Strongly disagree	Less agree	Normal	Comparative Agreement	Couldn't Agree More
TG 1	The other side has decision-making power that can help us	1	2	3	4	5
TG 2	They can get information that is valuable to us	1	2	3	4	5
TG 3	They can give us help and support	1	2	3	4	5
TG 4	The other side has the scarce resources we need	1	2	3	4	5
TG 5	I am contacting the other party for the benefit of the company	1	2	3	4	5
FG 1	We trust each other a lot	1	2	3	4	5
FG 2	He (they) will give me help when I need it	1	2	3	4	5
FG 3	Our relationship has been tested for a long time	1	2	3	4	5
FG 4	We think about each other's face	1	2	3	4	5
FG 5	We're good friends. We really think about each other	1	2	3	4	5

2. Please evaluate whether the actual situation of your company is consistent with the following description:

Serial number	Item content	Strongly disagree	Less agree	Normal	Comparative Agreement	Couldn't Agree More
PE1	They have a good knowledge of the company's business/products	1	2	3	4	5
PE2	It's a business/product expert	1	2	3	4	5
PE3	The other party is experienced in business/product	1	2	3	4	5
PE4	They have a lot of product information and knowledge	1	2	3	4	5
PL1	He's a likable person	1	2	3	4	5
PL2	He's a popular person	1	2	3	4	5
PL3	He's a really nice person	1	2	3	4	5
TV1	Our company expects to share the same values (we share a common world view; We agree on most things.	1	2	3	4	5
TV2	Our company will inform the other party of the specific opinions on the conduct of a business activity	1	2	3	4	5
TV3	We ask each other how they feel about a particular activity (we all feel the same way about things around us)	1	2	3	4	5
FC1	They often visit our company	1	2	3	4	5
FC2	It takes a lot of time for the other party to understand our needs	1	2	3	4	5

Serial number	Item content	Strongly disagree	Less agree	Normal	Comparative Agreement	Couldn't Agree More
FC3	They spend a lot of time getting to know our people	1	2	3	4	5

3. Please recall the most impressive cooperation project between you and the manufacturer. In this project, in general, when you communicate with the other party, you feel:

Serial number	Item content	Strongly disagree	Less agree	Normal	Comparative Agreement	Couldn't Agree More
PH1	When communicating with the other person, I am able to fully devote myself to the communication	1	2	3	4	5
PH2	When I communicate with the other person, I feel that the other person is beside me	1	2	3	4	5
PH3	When communicating with each other, feel like you are communicating in a real situation	1	2	3	4	5
PH4	When communicating with each other, feel yourself surrounded by the atmosphere of communication	1	2	3	4	5

Thank you for your strong support! Wish you success in your work!

Appendix C

Questionnaire B

Dear Madam/Sir:

Hello! This questionnaire aims to analyze what role personal relationships play in the business management process and how they work. The research results will provide reference for enterprises to reasonably establish personal relationships and promote corporate performance improvement. Please answer according to the actual situation of your company. We guarantee that all information in the questionnaire is for research purposes only and will be kept strictly confidential!

In return for your busy schedule, we will provide you with a free research report if you need it. Please leave your email address:

—————**Part I: Basic situation of the enterprise**—————

1. Your company's industry:

- A. Mechanical equipment manufacturing
- B. Communication electronic equipment manufacturing
- C. Chemical product manufacturing
- D. Service industry
- E. Others (please specify:)

2. The region where your company is located:

- A. First-tier city
- B. Second-tier city
- C. Third-tier city
- D. Below third-tier city

3. The number of regular employees of your company is:

- A. 50 and below

B.51-100

C.101-300

D. 301-500

E.500 and above

4. Age of your company:

A. 5 years and below

B. 6-10 years

C. 11-15 years

D. 16-20 years

E. 21 years and above

5. Nature of your company:

A. State-owned enterprises;

B. Private enterprises;

C. Wholly foreign-owned enterprises;

D. Sino-foreign joint ventures;

E. Others (please specify:)

6. What is your position:

A. General Manager

B. Deputy General Manager

————Part II: Enterprise Practice————

Please choose the manufacturer with which you have the closest contact as your subject and answer the following questions.

1. Evaluation of personal relationships:

Serial number	Item content	Strongly disagree	Less agree	Normal	Comparative Agreement	Couldn't Agree More
TG 1	The other party has decision-making power that helps us	1	2	3	4	5
TG 2	The other party can obtain valuable information for us	1	2	3	4	5
TG 3	The other party can give us help and support	1	2	3	4	5
TG 4	The other party has the scarce resources we need	1	2	3	4	5
TG 5	I am contacting the person for the benefit of the company	1	2	3	4	5
FG 1	We trust each other very much	1	2	3	4	5
FG 2	He (they) will help me when needed	1	2	3	4	5
FG 3	Our relationship has been tested over time	1	2	3	4	5
FG 4	We will consider each other's face	1	2	3	4	5
FG 5	We are good friends and we really care about each other	1	2	3	4	5

2. Perceptions of flexibility and supervision in cooperation

Serial number	Item content	Strongly disagree	Less agree	Normal	Comparative Agreement	Couldn't Agree More
FX1	When encountering special problems or	1	2	3	4	5

Serial number	Item content	Strongly disagree	Less agree	Normal	Comparative Agreement	Couldn't Agree More
FX2	situations, we are willing to make adjustments to help the other company The other company is willing to make adjustments to help us when we encounter special problems or situations	1	2	3	4	5
FX3	The other party is willing to waive the terms of the contract in order to work with us during difficult times	1	2	3	4	5
BC1	Without considering any other factors, my work will be evaluated by my superiors or the company based on how well I meet my performance goals.	1	2	3	4	5
BC2	My supervisor or company uses performance-based evaluations to determine rewards or penalties for me	1	2	3	4	5
BC3	My superior or the company tells me the performance goals I want to achieve	1	2	3	4	5
BC4	Supervisors or companies monitor and evaluate my work actions	1	2	3	4	5

Serial number	Item content	Strongly disagree	Less agree	Normal	Comparative Agreement	Couldn't Agree More
BC5	My superior or company sets standards to evaluate my work skills.	1	2	3	4	5
BC6	My supervisor or company periodically evaluates my skills in completing tasks.	1	2	3	4	5
BC7	My supervisor or company formally warned me about work activities that displeased me	1	2	3	4	5
BC8	My superior or company rewards me for work activities that satisfy them	1	2	3	4	5
BC9	The superior or the company praises my progress in work skills	1	2	3	4	5

3. Compared with your main competitors, your company's performance:

Serial number	Item content	Strongly disagree	Less agree	Normal	Comparative Agreement	Couldn't Agree More
FP1	Your company's market share compared to its main competitors	1	2	3	4	5
FP2	Your company's sales compared to major competitors	1	2	3	4	5
FP3	Your company's sales profits increased compared	1	2	3	4	5

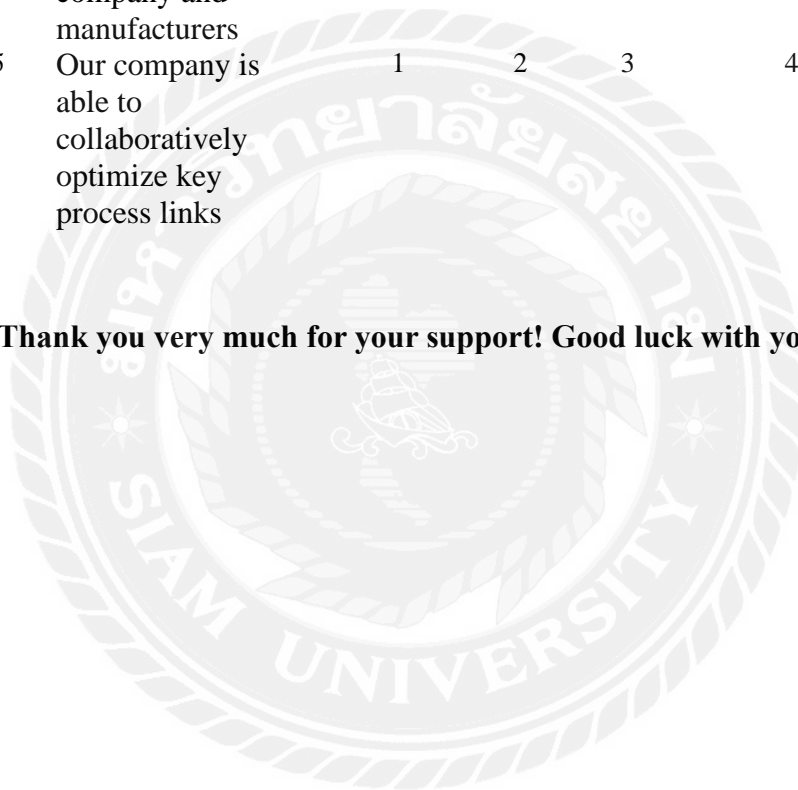
	to major competitors					
FP4	Your company's return on investment compared to major competitors	1	2	3	4	5
FP5	Your company's return on assets compared to key competitors	1	2	3	4	5
FP6	Your company's profit margins compared to key competitors	1	2	3	4	5

4. Your perception of fairness within the enterprise and digital collaboration capabilities:

Serial number	Item content	Strongly disagree	Less agree	Normal	Comparative Agreement	Couldn't Agree More
FA1	Income level is based on job performance	1	2	3	4	5
FA2	Promotion opportunities are based on job performance	1	2	3	4	5
FA3	Receiving honors is based on work performance	1	2	3	4	5
DC1	There is a unified information exchange interface or method between us and the manufacturer's business system	1	2	3	4	5
DC2	Our company is able to bring together internal and external digital resources based on innovation needs	1	2	3	4	5
DC3	Our company is able to share	1	2	3	4	5

Serial number	Item content	Strongly disagree	Less agree	Normal	Comparative Agreement	Couldn't Agree More
DC4	internal and external information we have as needed for collaboration Good and diverse collaboration between our company and manufacturers	1	2	3	4	5
DC5	Our company is able to collaboratively optimize key process links	1	2	3	4	5

Thank you very much for your support! Good luck with your work!



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