

East meets West: Toward a theoretical model linking *guanxi* and relationship marketing

- Ahmed S. Shaalan^{a,b},
- Jon Reast^c,
- Debra Johnson^a,
- Marwa E. Tourky^{d,b}

^a Hull University Business School, United Kingdom

^b Tanta University, Egypt

^c University of Bradford, United Kingdom

^d University of Exeter, United Kingdom

Abstract

This conceptual study critically examines the separate concepts of *guanxi* and relationship marketing, explores the differences between the two approaches, and proposes innovative linkages between them. Chinese *guanxi* develops relationships at the inter-personal level, whereas relationship marketing develops relationships at the inter-organizational level. Both concepts are well known, but a dearth of critical comparison remains in academic literature, even though evidence suggests that managers can use the linkages between the approaches to improve customer recruitment and retention. Through a critical review and synthesis of prior research on *guanxi* and relationship marketing, this study proposes a novel theoretical model that links *guanxi* and relationship marketing and develops theoretical and managerial implications of such linkages. As such, this study offers new and valuable insights and benefits for Asian firms, which employ only *guanxi*-type relationships.

Keywords

Relationship marketing; *Guanxi*; Relationship investment; Retention; Theoretical model

1. Introduction

Establishing strong and quality relationships with customers is important for firms, especially those in complex and highly competitive markets (Ndubisi & Wah, 2005). This study examines the differences and possible linkages between two important approaches to building relationships: *guanxi* and relationship marketing. *Guanxi*-type relationships work at the inter-personal level (Fan, 2002 and Wang, 2007), whereas relationship marketing operates at the inter-organizational level (Gummesson, 1996 and Morgan and Hunt, 1994).

The Chinese term *guanxi* refers to inter-personal connections that have significant impacts and powerful implications in most aspects of relationships (Fan, 2002). According to prior research, *guanxi* is one of the most important success factors when conducting business in China because having the right *guanxi* can bring many benefits (Fan, 2002 and Yeung and Tung, 1996).

Relationship marketing derives from the fields of services and business-to-business marketing and challenges the traditional marketing approach based largely on transactions

and the marketing mix (Berry, 2002 and Grönroos, 1994). Accordingly, relationship marketing is an alternative marketing approach that can absorb the dynamics and interactions in customer relationships (Grönroos, 1994).

Ambler (1994) and Björkman and Kock (1995) use the terms *guanxi* and “relationship marketing” interchangeably; that is, they assume that *guanxi* represents a Chinese version of relationship marketing. However, Fan (2002) asserts that this assumption is a misunderstanding of *guanxi* and that many fundamental differences exist between the two approaches. In addition, although previous research explores relationship marketing and *guanxi* extensively and suggests the linkages between the approaches to improve customer retention as well as suggests the importance of transferring *guanxi* from the interpersonal level to the organizational level (Flambard-Ruaud, 2005, Geddie et al., 2002, Geddie et al., 2005 and Zhang and Zhang, 2006), no model theoretically and practically links these concepts, a gap this study aims to fill.

Many potential benefits can flow from this linkage. This linkage can help firms using relationship marketing adapt to emerging market economies in Asia and solve problems, such as lack of trust. For example, firms in Asian cultures often prefer to deal with known and trusted partners (Flambard-Ruaud, 2005), and they tend to acquire knowledge of and build trusting relationships with business counterparts before engaging in business (Hutchings & Weir, 2006).

In Asia, firms developing and managing business relationships place more importance on the reputation and trust of their partners than on a legally or contractually defined set of rules (Björkman & Kock, 1995). Thus, *guanxi* involves a kind of trust in the context of building relationships (Flambard-Ruaud, 2005). In addition, *guanxi* plays a vital role in the process of relationship marketing by, for example, enabling managers to gain access to new customers with little cost, retain current clients, and facilitate daily business operations (Dunfee & Warren, 2001). Conversely, firms might use relationship marketing as an extension to *guanxi* to avoid some of its pitfalls (Geddie et al., 2002 and Geddie et al., 2005), such as the loss of *guanxi* when an employee moves to a different firm taking the connections with him or her (Arias, 1998).

This study addresses these gaps in the literature. First, this study critically discusses the concepts of *guanxi* and relationship marketing and comprehensively explores their similarities and differences. Second, the study presents a theoretical framework that links *guanxi* and relationship marketing. Third, the managerial implications of this link provide useful insights for Asian firms into how to link *guanxi* and relationship marketing to improve customer retention.

2. *Guanxi* background

Guanxi is a “Chinese cultural phenomenon” (Fan, 2002, p. 374) that has multiple meanings. For example, *guanxi* can refer to (1) the relationship between people with shared characteristics, (2) active and repeated contact between people, and (3) infrequent, direct communication with people (Bian, 1994, p. 974).

Academic research conceptualizes *guanxi* in various ways. Some scholars refer to *guanxi* as a *relationship*. For example, Alston (1989, p. 28) defines *guanxi* as “special *relationships* two persons have with each other,” with unlimited exchange of favors and full commitment to each other. Yang (1988, p. 409) considers *guanxi* to be “pre-existing *relationships* of

classmates, people from the same native-place, relatives, superior and subordinate in the same workplace, and so forth.” Other studies view *guanxi* as a *tie*. For example, Bian (2006, p. 312) describes *guanxi* as “a particular and sentimental *tie* that has the potential of facilitating favor exchanges between the parties connected by the tie.” *Guanxi* can arise from many bases (Kiong & Kee, 1998), including locality and dialect, fictive kinship, family, workplace, trade associations and social clubs, and friendship.

Fan (2002, p. 372) views *guanxi* from a problem–solution perspective and defines the term as “a process of social interactions that initially involves two individuals A and B. A may or may not have special relationships with B. A asks B for assistance (favor) in finding a solution to a problem. B may have the solution at hand, or more often, has to seek further assistance from other connections.” In line with Fan's perspective, Yeung and Tung (1996) suggest that firms focused mainly on the Chinese market need *guanxi*, as do less-experienced executives who are more dependent on *guanxi* to break the ice and small and medium-sized firms that tend to rely on obtaining favorable arrangements and resources.

However, although many firms consider *guanxi* an important factor for conducting business in China and a necessary condition for success, in itself *guanxi* is not sufficient to persuade customers to buy their products (Tsang, 1998).

3. Relationship marketing background

Grönroos (1994) views relationship marketing as a strategic alternative to the traditional marketing approach with the power to enhance the dynamics and interactions in firms' relationships with customers. Berry (2002, p. 61) further defines relationship marketing as “attracting, maintaining and enhancing customer relationships.” This definition “focuses on the significance of attracting new customers as a first step in marketing activities” (Bruhn, 2003, p. 10) and also stresses the importance of maintaining or retaining customers (Berry, 2002 and De Burca et al., 1995). Shani and Chalasani (1992, p. 34) add that “relationship marketing is an integrated effort to identify, maintain and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualized and value-added contacts over a long period of time.”

Adopting a relationship marketing approach involves changing traditional ways of managing marketing at the strategic and tactical level (Grönroos, 1996). An important strategic issue in relationship marketing is establishing partnerships and networks capable of handling the service process. Three typical elements constitute the tactical level: direct contact with customers and other stakeholders, databases that contain necessary information about customers and others, and a customer-oriented service system (Grönroos, 1996).

Relationship marketing also stresses the building and management of relationships in a social context (Grönroos, 1994), in which such relationships focus on people and partners rather than products and firms (Webster, 1992).

As part of the process of bonding with customers, and to minimize customer loss, firms often develop relationship marketing investment strategies (e.g., adoption of policies, provision of small favors or gifts) to generate customer gratitude, which in turn leads to reciprocal behaviors and customer retention (Palmatier, Jarvis, Bechhoff, & Kardes, 2009). In general, relationship marketing investment comprises three types of programs: social, structural, and financial (Berry, 1995).

Social relationship marketing programs, which include individual treatment, meals, and personalized information, aim to enhance relationships and to persuade customers to repurchase (Palmatier, Gopalakrishna, & Houston, 2006). Structural relationship marketing programs include tailored order-processing systems, dedicated personnel, and customized packaging, which increase productivity and efficiency for customers who, in turn, become reluctant to switch to other suppliers (Berry, 1995 and Palmatier et al., 2006). Financial relationship marketing programs include discounts, free products, membership, or other financial benefits that reward customer loyalty (Palmatier et al., 2006).

The success of relationship marketing yields many benefits, including larger market share, boosts in profits, greater customer retention and loyalty, and lower costs in many areas (Bruhn, 2003 and Morgan and Hunt, 1994). Rosenberg and Czepiel (1984) argue that attracting one new consumer costs firms five times more than retaining one loyal consumer. Reichheld (1993) finds that profits climb steeply when firms increase their customer retention rates.

Håkansson and Snehota (1995) note the possible limitations of relationship marketing and argue that firms should weigh the time, cost, and effort involved in developing relationships against the expected gains. In addition, relationship marketing is a Western concept and, as such, must cope with local changes influenced by non-Western forms and concepts of relationships and the contextual background of generating relationships with customers (Flambard-Ruaud, 2005 and Gilbert and Tsao, 2000).

4. Comparison of *guanxi* and relationship marketing

Guanxi and relationship marketing have both fundamental differences (Fan, 2002 and Wang, 2007) and certain commonalities (Flambard-Ruaud, 2005 and Wang, 2007). Several scholars (Arias, 1998, Flambard-Ruaud, 2005, Geddie et al., 2005, Wang, 2007 and Yau et al., 2000) consider the similarities and differences between *guanxi* and relationship marketing from various perspectives. However, no comprehensive analysis of these similarities and differences exists. Table 1 summarizes comparisons of *guanxi* and relationship marketing from the literature, thereby facilitating the development of a theoretical framework derived from a critical review of the major similarities and differences between them.

4.1. Similarities

Both *guanxi* and relationship marketing involve the notion of relationship or connection between two or more parties (Alston, 1989, Arias, 1998 and Flambard-Ruaud, 2005). They also share the goal of maintaining long-term relationships with partners rather than building relationships from a single transaction (Flambard-Ruaud, 2005). Wang (2007, p. 82) refers to this goal as “long-term orientation,” in which the partners focus on the relationship itself, thus minimizing conflict and creating a harmonious environment to achieve permanent cooperation. Wang also indicates that *guanxi* and relationship marketing both value mutual understanding and cooperative behavior.

4.2. Differences

4.2.1. Strategic versus tactical orientation

Relationship marketing and *guanxi* are both concerned with long-term relationships (inter-organizational and inter-personal), but their focus differs. Relationship marketing has a strategic vision, whereas *guanxi* focuses more on tactical issues (Arias, 1998). Prior research

(Arias, 1998 and Bruhn, 2003) views long-term or strategic vision as the key feature of relationship marketing. According to Arias (1998, p. 152), relationship marketing “involves redefining the business as a provider of services or solutions for the customer, and rethinking the whole process of delivering the service from an integrated process management perspective.”

In contrast, *guanxi* reflects long-term relationships as well but mostly focuses on tactical issues. As such, firms tend to use *guanxi* only to solve current problems (Arias, 1998), such as acquiring information on current market trends, business opportunities, import regulations, and government policies (Davies, Leung, Luk, & Wong, 1995).

4.2.2. Organizational versus individual orientation

Relationship marketing captures all the firms' internal and external relationships (Morgan & Hunt, 1994) and is impersonal, working mainly at the organizational level (Wang, 2007). Furthermore, exchanging parties in Western societies tend to have economic and impersonal involvement in networking, and relational networking in Western societies tends to be economic and mainly pertains to commercial goals.

In *guanxi*, partners are typically concerned with personal relationships at the individual level (Wang, 2007). By definition, *guanxi* means a private, personal relationship and represents the social capital owned by an individual (Fan, 2002). *Guanxi* also involves affection, which plays a key role in maintaining and enhancing personal relationships and in making impersonal business relationships more personal (Wang, 2007). From a business perspective, affective people treat each other more as friends than as business partners (Wang, 2007).

4.2.3. Calculative versus affective commitment

Flambard-Ruaud (2005, p. 59) argues that the exchange partners in relationship marketing are economically and impersonally involved in the relationship, which results in “calculative commitment” based on costs and benefits. Customers are more committed to an organization when they believe that more value can be gained from that organization (Mowday, Steers, & Porter, 1979). Therefore, exchange partners in relationship marketing tend to have more explicit role expectations than in *guanxi* (Flambard-Ruaud, 2005).

In contrast, exchange partners in *guanxi* are emotionally and individually involved, which leads to affective commitment. Their role is more implicit than in relationship marketing and encompasses reciprocal exchange of favors, mutual protection, and enrichment of social status (Flambard-Ruaud, 2005).

4.2.4. Open versus closed systems

Wang (2007, p. 83) asserts that relationship marketing has a universalistic nature, in which the “network is relatively open to any exchange partners as long as one plays by the rules of the game.” Most Western societies are characterized by high trust, in which people tend to trust each other even though they do not have blood relations (Fukuyama, 1995).

In contrast, *guanxi* is a network of social relationships (Ambler, 1994, Björkman and Kock, 1995 and Davies et al., 1995) often related to a common background, such as coming from the same locality, working together, or having family ties (Björkman & Kock, 1995). Chinese society is a low-trust culture in which trust is extended only to immediate or extended family

members (Fukuyama, 1995). Chinese culture tends to divide people into categories according to in-group and out-group boundaries. By developing *guanxi*, firms can undergo the gradual transition from outsider to insider status to build long-term, close relationships. Thus, *guanxi* has an exclusive circle of members that does not extend to members of other social networks (Haley, Tan, & Haley, 1998).

4.2.5. Relationship marketing versus *guanxi* constructs

Academic literature reveals several relationship marketing constructs, including trust and commitment (Morgan and Hunt, 1994 and Wong and Sohal, 2002), bonding (Sin et al., 2002 and Sin et al., 2005), conflict handling (Ndubisi & Wah, 2005), communication (Morgan and Hunt, 1994 and Ndubisi and Wah, 2005), empathy and shared values (Sin et al., 2002), and reciprocity and equity (Ndubisi, 2003). Studies (Hwang, 1987, Kiong and Kee, 1998, Tsang, 1998, Wang, 2007 and Yau et al., 2000) also discuss and illustrate *guanxi* in terms of bonding, empathy (*renqing*), reciprocity (*bao*), personal trust (*xinyong*), face (*mianzi*), and affection (*ganqing*).

Accordingly, Geddie et al. (2005) and Yau et al. (2000) identify four constructs that *guanxi* and relationship marketing share: bonding, empathy, reciprocity, and trust (see Fig. 1). However, despite sharing these four constructs, *guanxi* and relationship marketing still differ, because the contents of the dimensions are fundamentally different, as shown in Table 2.

4.2.6. Relationship marketing versus *guanxi* promises

Promises are relevant to both relationship marketing and *guanxi* (Arias, 1998), but their content differs. In relationship marketing, the “promise” concept is a key variable in building marketing relationships and involves both giving promises and convincing customers to keep promises, which in turn leads to maintaining and improving the buyer–seller relationship (Calonius, 1988). Accordingly, promises are often explicit and possess an economic nature related to goods, services, material, finance, information exchange, and future commitments. Suppliers provide promises regarding products, services, information, social responsibilities, and other commitments, whereas consumers provide promises related to their commitment to suppliers (Calonius, 1988).

However, promises in *guanxi* are often implicit. Geddie et al. (2005) suggest that *guanxi* contains overtones of unlimited exchange of favors and is maintained by an unspoken commitment to others in the network, which means unwritten codes of reciprocity and promises. Promises in *guanxi* often involve more than economic promises, such as reciprocal personal favors and mutual protection of reputation and social status (Arias, 1998).

The time frame for fulfilling promises differs between *guanxi* and relationship marketing. Promises in relationship marketing typically have a well-defined deadline for fulfillment (Calonius, 1988). Conversely, with *guanxi* no deadline or time frame exists; rather, favors are banked over time and thus create an obligation (promise) of reciprocity (Geddie et al., 2005).

4.2.7. Transactional versus relational basis of relationship development

In relationship marketing, the relationship between customer and company develops in stages after the first transaction, with no prior relationship. Garbarino and Johnson

(1999) view relationship marketing as a continuum from transactional to highly relational bonds, in which satisfaction, trust, and commitment develop over time. In contrast, with *guanxi*, a relationship already exists before the transaction (Flambard-Ruaud, 2005, Geddie et al., 2002 and Geddie et al., 2005).

Fig. 2 illustrates the development processes of relationship marketing and *guanxi* as well as the proposed linkage between both processes that underpins the later theoretical model. In both systems, a good transaction strengthens the relationship in a cyclical manner. Geddie et al. (2005) explain that firms using relationship marketing view their customers as more of a subset than as a merged partner and therefore often try to educate them about how to use their products to obtain maximum benefit. With *guanxi*, the company and the customers become one cooperative unit (Geddie et al., 2005). In reality, because a company is a collection of individuals, *guanxi* before transaction is not between the company and the customer but rather between the company representative and the potential customer. Thus, their relationship is personal, even though the transaction has not yet occurred.

The relationship between the company representative and the potential customer can be a pitfall of *guanxi* (Arias, 1998). If an employee who possesses *guanxi* leaves the organization, the organization could lose its connection with that employee's customers because the employee leaves with his or her personal *guanxi* connection (Arias, 1998 and Wang, 2007). For example, in retail marketing, when a customer establishes a personal relationship with a salesperson, the customer might maintain loyalty to the store only as long as the salesperson remains. Commitment and loyalty to the salesperson might signify a positive relationship, but they can also lead to customer (and sales) loss if that salesperson leaves (Beatty, Mayer, Coleman, Reynolds, & Lee, 1996).

In summary, *guanxi* and relationship marketing are not the same but represent distinct approaches to building relationships (Geddie et al., 2005). *Guanxi*-type relationships possess unique and distinguishable characteristics in non-Western relational exchanges, whereas relationship marketing occurs in primarily Western-type relational exchanges (Lee, Pae, & Wong, 2001). Relationship marketing can be an essential business concept in both contexts but, in Asian contexts, must cope with local practices influenced by specific forms of relationships and the contextual background of generating relationships with customers (Flambard-Ruaud, 2005 and Gilbert and Tsao, 2000).

5. Linking *guanxi* and relationship marketing

The previous discussion reveals that *guanxi* and relationship marketing are different concepts with their own unique characteristics, benefits, and pitfalls (Geddie et al., 2005 and Lee et al., 2001); however, the opportunity to link them persists (Flambard-Ruaud, 2005 and Tsang, 1998). Relationship marketing is a formal, official agreement defined and protected by a legal organizational framework. Conversely, *guanxi* is an informal interpersonal relationship involving implicit mutual trust (Zhang & Zhang, 2006). Fig. 3 illustrates the proposed novel model, which links *guanxi* and relationship marketing and their impact on customer retention. Although prior research infers an association between *guanxi* and relationship marketing (Björkman and Kock, 1995, Geddie et al., 2002 and Geddie et al., 2005), to date, no unified model exists.

The model presented here is based on the precept that the purpose of relationship marketing is to attract, maintain, and enhance customer relationships (Berry, 2002); in

addition, relationship marketing goes beyond the scope of *guanxi* (Zhang & Zhang, 2006). Initially, the model assumes that firms encourage all their employees (not just sales staff) to use their personal *guanxi* networks (e.g., family, friends, colleagues) for organizational purposes (e.g., generating business and new customers) by rewarding them with commissions or bonuses. In support of this assumption, Dunfee and Warren (2001) argue that managers can use *guanxi* to gain access to new customers. Hutchings and Weir (2006) indicate that people in Asian firms prefer to deal with those they already know and to establish a relationship before undertaking a business transaction. Flambard-Ruaud (2005) argues that relationships help create transactions in Asian firms, in which successful business transactions are largely subject to established relationships.

Thus, as first and second steps in the proposed model, firms use the various bases of employees' *guanxi* to attract new customers to the organization; incorporating *guanxi* into their relationship marketing processes is a novel means to attract new customers with little cost. Firms can employ the *guanxi* components to attract customers, including bonding, empathy, reciprocity, personal trust, face, and affection.

In the third step, after new customers have engaged in a first transaction, firms begin applying relationship marketing programs (structural, financial, and social) as a type of inducement or customer relationship investment. Such programs encourage customers to purchase again from the company, further linking them to the overall company. Webster (1992) indicates that repeat transactions lead to relationship formation. Palmatier et al. (2009, p. 13) also demonstrate that relationship marketing programs positively affect customers' "feelings of gratitude," which in turn lead to greater purchase intentions.

In the fourth step, after the customer repeats purchases, the firm applies relationship marketing, which "goes beyond inducements and repeat purchase behavior" (Sheth & Parvatiyar, 1995, p. 256). Here, the goal is to transfer the personal relationship between the customer and the company representative to an organizational relationship between the customer and the organization. Such a transfer aims to maintain and enhance the relationship with the customer over the long run. Doing so enables firms to avoid the pitfalls of only using *guanxi* and to reduce the problem of losing customers when the employee who brought *guanxi*-based business leaves the organization (Arias, 1998).

The final hypothesized outcome of this model is improved customer retention. After using employees' personal *guanxi* to recruit customers, firms promote relationship marketing to increase customer retention and stay connected with them (Bruhn, 2003). Prior research reveals that relationship marketing plays a key role in retaining customers by building trust, affection (Tang, Chou, & Chen, 2008), and commitment (Palmatier et al., 2009). Tseng (2007) notes that the purposes of relationship marketing are to gain maximum value from customers and to retain them, thus contributing to long-term profits.

Once customer retention is achieved, the firm encourages customers to use their own personal *guanxi* to attract new customers and the firm will repeat the process of applying relationship marketing programs and relationship marketing with the new customers.

6. Theoretical contributions

The theoretically derived linkage between relationship marketing and *guanxi* offers new insights and benefits for Asian firms, which only apply *guanxi* (Flambard-Ruaud, 2005 and Geddie et al., 2005). Relationship marketing could become an extension

of *guanxi* and avoid some of its pitfalls (i.e., losing connections with customers when employees leave; Arias, 1998). Asian firms applying relationship marketing after *guanxi* transfer the personal type of relationship involved in *guanxi* to the organizational type of relationship involved in relationship marketing (Zhang & Zhang, 2006), thus increasing customer retention (Palmatier et al., 2009, Tang et al., 2008 and Tseng, 2007). In addition, applying *guanxi* before relationship marketing should make relationship marketing more applicable to emerging market economies and adaptable to Asian cultural characteristics and problems (e.g., lack of trust). For example, Asian firms prefer dealing with people and organizations they know and trust and building trusting relationships with others before engaging in business with them (Hutchings & Weir, 2006).

In addition, *guanxi* offers insights into how to implement relationship marketing (Geddie et al., 2002 and Geddie et al., 2005) and complements relationship marketing by attracting new customers to the organization at little cost (Dunfee & Warren, 2001). The proposed model explicitly derives the key variables of relationship marketing and *guanxi* from a thorough review and synthesis of prior literature in these two largely separate domains.

7. Managerial implications

This study examines literature on relationship marketing and *guanxi* to help managers of Asian firms jointly apply the two concepts in their organizations by encouraging employees to use their personal *guanxi* for organizational purposes. First, Asian firms could use *guanxi* as a novel means to attract new customers to the organization, incorporating *guanxi* into the process of relationship marketing. Second, after attracting new customers, managers of Asian firms can then apply relationship marketing programs to encourage customers to purchase again from the company. The firm can then use relationship marketing to build organizational relationships with the customer and to transfer the personal *guanxi* relationship between the customer and the employee to an organizational relationship between the customer and the firm, thus maintaining the customer relationship in the long run and helping avoid the pitfall of only using *guanxi* (i.e., losing connections with customers when employees leave; Arias, 1998).

In addition, the proposed model helps improve customer retention, thereby offering significant advantages to Asian companies (Bruhn, 2003). Boulding, Kalra, Staelin, and Zeithaml (1993) argue that retained customers promote and recommend the company to all their relatives and friends. Such word-of-mouth communication has positive indirect impacts on company profits.

Finally, Asian managers should train employees on how to create bonds and build trusting relationships with customers and how to show empathy when handling customers' problems to help strengthen organizational relationships. Such an approach also helps increase customer bonding with the company (Geddie et al., 2005).

8. Limitations and further research

The theoretical and conceptual nature of this study requires further research to empirically test the proposed model linking *guanxi* and relationship marketing and to investigate its impact on improved customer retention. Research could also test and contrast the applicability of the model to business-to-business and consumer contexts. The proposed model builds on extant literature and thus could be refined and modified through qualitative research. Quantitative research could also be conducted to measure the association

of *guanxi* with relationship marketing and the impact of both concepts on customer retention. Finally, research should consider the effectiveness of relationship marketing in keeping customers by transferring the personal relationship involved in *guanxi* to the organizational relationship involved in relationship marketing.

References

J. Alston

Wa, guanxi, and inhwa: Managerial principles in Japan, China, and Korea

Business Horizons, 32 (2) (1989), pp. 26–31

T. Ambler

Marketing's third paradigm: Guanxi

Business Strategy Review, 5 (4) (1994), pp. 69–80

J. Arias

A relationship marketing approach to guanxi

European Journal of Marketing, 32 (1/2) (1998), pp. 145–156

S. Beatty, M. Mayer, J. Coleman, K. Reynolds, J. Lee

Customer-sales associate retail relationships

Journal of Retailing, 72 (3) (1996), pp. 223–247

L. Berry

Relationship marketing of services-growing interest, emerging perspectives

Journal of the Academy of Marketing Science, 23 (4) (1995), pp. 236–245

L. Berry

Relationship marketing of services: Perspectives from 1983 and 2000

Journal of Relationship Marketing, 1 (1) (2002), pp. 59–94

Y. Bian

Guanxi and the allocation of urban jobs in China

China Quarterly, 140 (1) (1994), pp. 971–999

Y. Bian

Guanxi

J. Beckert, M. Zafirovski (Eds.), International encyclopaedia of economic sociology, Routledge, New York (2006)

I. Björkman, S. Kock

Social relationships and business networks: The case of western companies in China

International Business Review, 4 (4) (1995), pp. 519–535

W. Boulding, A. Kalra, R. Staelin, V.A. Zeithaml

A dynamic process model of service quality: From expectations to behavioral intentions

Journal of Marketing Research, 30 (1) (1993), pp. 7–27

M. Bruhn

Relationship marketing: Management of customer relationships

Pearson Education, Essex, England (2003)

H. Calonius

A buying process model

K. Blois, S. Parkinson (Eds.), Innovative marketing: A European perspective, proceedings of the XVIIth annual conference of the European Marketing Academy, University of Bradford, Bradford, UK (1988), pp. 86–103

H. Davies, T. Leung, S. Luk, Y. Wong

The benefits of “guanxi”

Industrial Marketing Management, 24 (3) (1995), pp. 207–214

S. De Burca, T. Brannick, T. Meenaghan

A relationship marketing approach to spectators as consumers

IBAR, 16 (1995), pp. 86–100

T. Dunfee, D. Warren

Is guanxi ethical? A normative analysis of doing business in China

Journal of Business Ethics, 32 (3) (2001), pp. 191–204

Y. Fan

Guanxi's consequences: Personal gains at social cost

Journal of Business Ethics, 38 (4) (2002), pp. 371–380

S. Flambard-Ruaud

Relationship marketing in emerging economics: Some lessons for the future

Vikalpa: Journal for Decision Makers, 30 (3) (2005), pp. 53–63

F. Fukuyama

Trust: The social virtues and the creation of prosperity

Free Press, New York (1995)

E. Garbarino, M. Johnson

The different roles of satisfaction, trust, and commitment in customer relationships

Journal of Marketing, 63 (2) (1999), pp. 70–87

M. Geddie, A. DeFranco, M. Geddie

From guanxi to customer relationship marketing: How the constructs of guanxi can strengthen CRM in the hospitality industry

Journal of Travel & Tourism Marketing, 13 (3) (2002), pp. 19–33

M. Geddie, A. DeFranco, M. Geddie

A comparison of relationship marketing and guanxi: Its implications for the hospitality industry

International Journal of Contemporary Hospitality Management, 17 (6/7) (2005), pp. 614–632

D. Gilbert, J. Tsao

Exploring Chinese cultural influences and hospitality marketing relationships

International Journal of Contemporary Hospitality Management, 12 (1) (2000), pp. 45–54

C. Grönroos

From marketing mix to relationship marketing: Towards a paradigm shift in marketing

Management Decision, 32 (2) (1994), pp. 4–20

C. Grönroos

Relationship marketing: Strategic and tactical implications

Management Decision, 34 (3) (1996), pp. 5–14

E. Gummesson

Relationship marketing and imaginary organizations: A synthesis

European Journal of Marketing, 30 (2) (1996), pp. 31–44

H. Håkansson, I. Snehota

The burden of relationships or who's next

P.W. Turnbull, D. Yorke, P. Naudé (Eds.), IMP Conference: Interaction, relationships and networks: Past – present – future, Manchester, UK (1995), pp. 522–536

G. Haley, C. Tan, U. Haley

New Asian emperors: The overseas Chinese, their strategies and competitive advantages

Butterworth-Heinemann, Oxford (1998)

K. Hutchings, D. Weir

Guanxi and wasta: A comparison

Thunderbird International Business Review, 48 (1) (2006), pp. 141–156

K. Hwang

Face and favor: The Chinese power game

The American Journal of Sociology, 92 (4) (1987), pp. 944–974

T. Kiong, Y. Kee

Guanxi bases, Xinyong and Chinese business networks

The British Journal of Sociology, 49 (1) (1998), pp. 75–96

D. Lee, J. Pae, Y. Wong

A model of close business relationships in China (guanxi)

European Journal of Marketing, 35 (1/2) (2001), pp. 51–69

R. Morgan, S. Hunt

The commitment-trust theory of relationship marketing

Journal of Marketing, 58 (3) (1994), pp. 20–38

R. Mowday, R. Steers, L. Porter

The measurement of organizational commitment

Journal of Vocational Behavior, 14 (2) (1979), pp. 224–247

N. Ndubisi

Service quality: Understanding customer perception and reaction, and its impact on business

International Journal of Business, 5 (2) (2003), pp. 207–219

N. Ndubisi, C. Wah

Factorial and discriminant analyses of the underpinnings of relationship marketing and customer satisfaction

International Journal of Bank Marketing, 23 (6/7) (2005), pp. 542–557

R. Palmatier, S. Gopalakrishna, M. Houston

Returns on business-to-business relationship marketing investments: Strategies for leveraging profits

Marketing Science, 25 (5) (2006), pp. 477–493

R. Palmatier, C. Jarvis, J. Bechkoff, F. Kardes

The role of customer gratitude in relationship marketing

Journal of Marketing, 73 (5) (2009), pp. 1–18

F. Reichheld

Loyalty-based management

Harvard Business Review, 71 (2) (1993), pp. 64–73

L. Rosenberg, J. Czepiel

A marketing approach for customer retention

Journal of Consumer Marketing, 1 (2) (1984), pp. 45–51

D. Shani, S. Chalasani

Exploiting niches using relationship marketing

Journal of Consumer Marketing, 9 (3) (1992), pp. 33–42

J. Sheth, A. Parvatiyar

Relationship marketing in consumer markets: Antecedents and consequences

Journal of the Academy of Marketing Science, 23 (4) (1995), pp. 255–271

L. Sin, A. Tse, O. Yau, R. Chow, J. Lee, L. Lau

Relationship marketing orientation: Scale development and cross-cultural validation

Journal of Business Research, 58 (2) (2005), pp. 185–194

L. Sin, A. Tse, O. Yau, J. Lee, R. Chow

The effect of relationship marketing orientation on business performance in a service-oriented economy

Journal of Services Marketing, 16 (7) (2002), pp. 656–676

X. Tang, T. Chou, S. Chen

An empirical study of the effects of guanxi investment on customer loyalty in Chinese market

Frontiers of Business Research in China, 2 (1) (2008), pp. 98–115

E. Tsang

Can guanxi be a source of sustained competitive advantage for doing business in China?

The Academy of Management Executive, 12 (2) (1998), pp. 64–73

Y. Tseng

The impacts of relationship marketing tactics on relationship quality in service industry

Business Review, Cambridge, 7 (2) (2007), pp. 310–314

C. Wang

Guanxi vs. relationship marketing: Exploring underlying differences

Industrial Marketing Management, 36 (1) (2007), pp. 81–86

F. Webster Jr.

The changing role of marketing in the corporation

Journal of Marketing, 56 (4) (1992), pp. 1–17

A. Wong, A. Sohal

An examination of the relationship between trust, commitment and relationship quality

International Journal of Retail & Distribution Management, 30 (1) (2002), pp. 34–50

M. Yang

The modernity of power in the Chinese socialist order

Cultural Anthropology, 3 (4) (1988), pp. 408–427

O. Yau, J. Lee, R. Chow, L. Sin, A. Tse

Relationship marketing the Chinese way

Business Horizons, 43 (1) (2000), pp. 16–24

I. Yeung, R. Tung

Achieving business success in Confucian societies: The importance of guanxi (connections)

Organizational Dynamics, 25 (2) (1996), pp. 54–65

Y. Zhang, Z. Zhang

Guanxi and organizational dynamics in China: A link between individual and organizational levels

Journal of Business Ethics, 67 (4) (2006), pp. 375–392

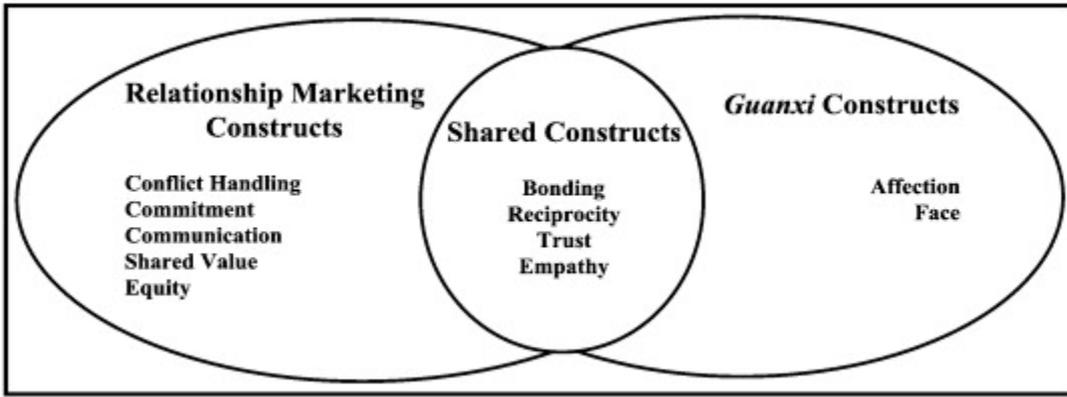


Fig. 1.

The constructs of *guanxi* and relationship marketing.

Source: Adapted from Yau et al. (2000, p. 20).

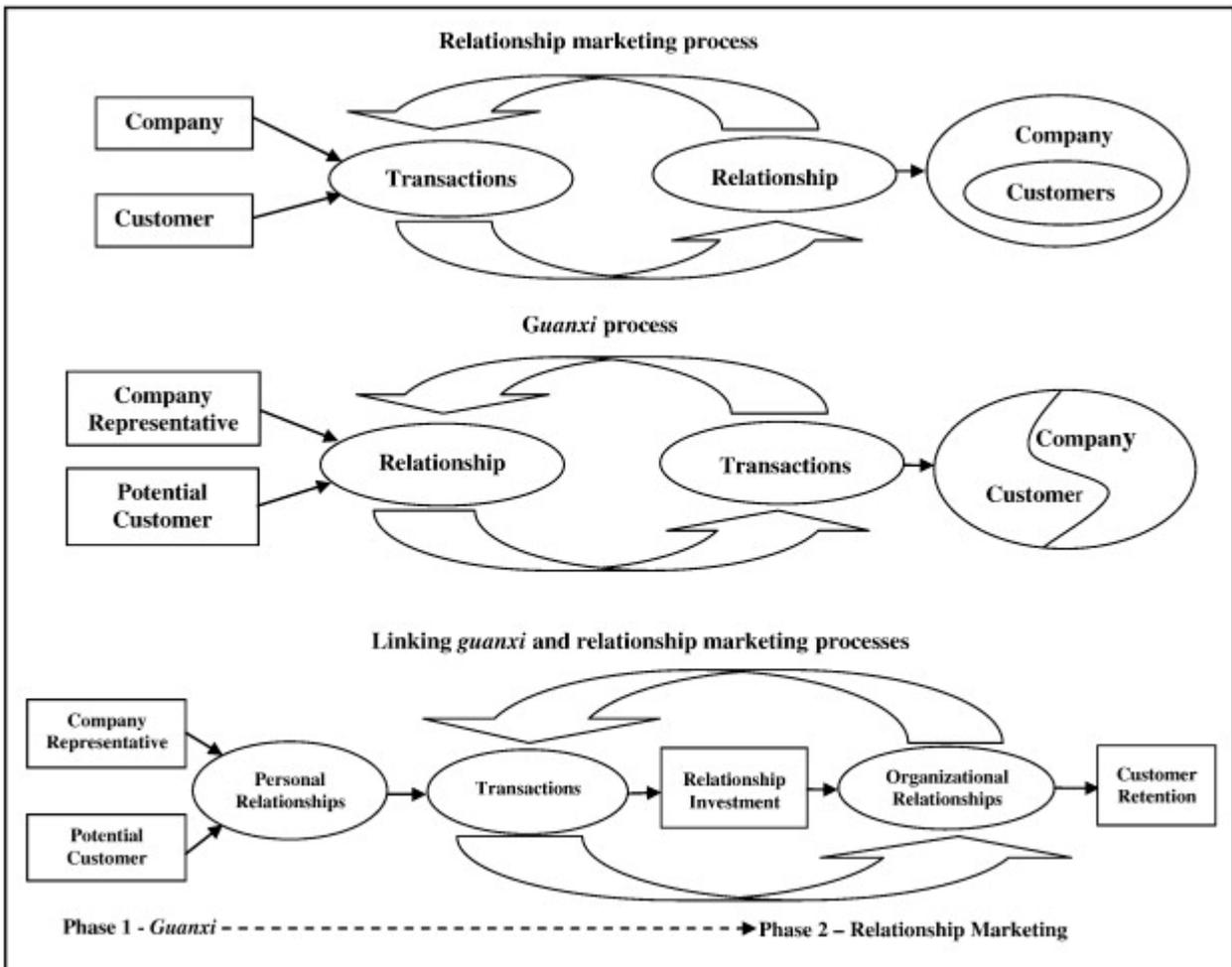


Fig. 2.

Step-by-step transformation of linkage between *guanxi* and relationship marketing.

Source: Adapted from Geddie et al. (2005, p. 628).

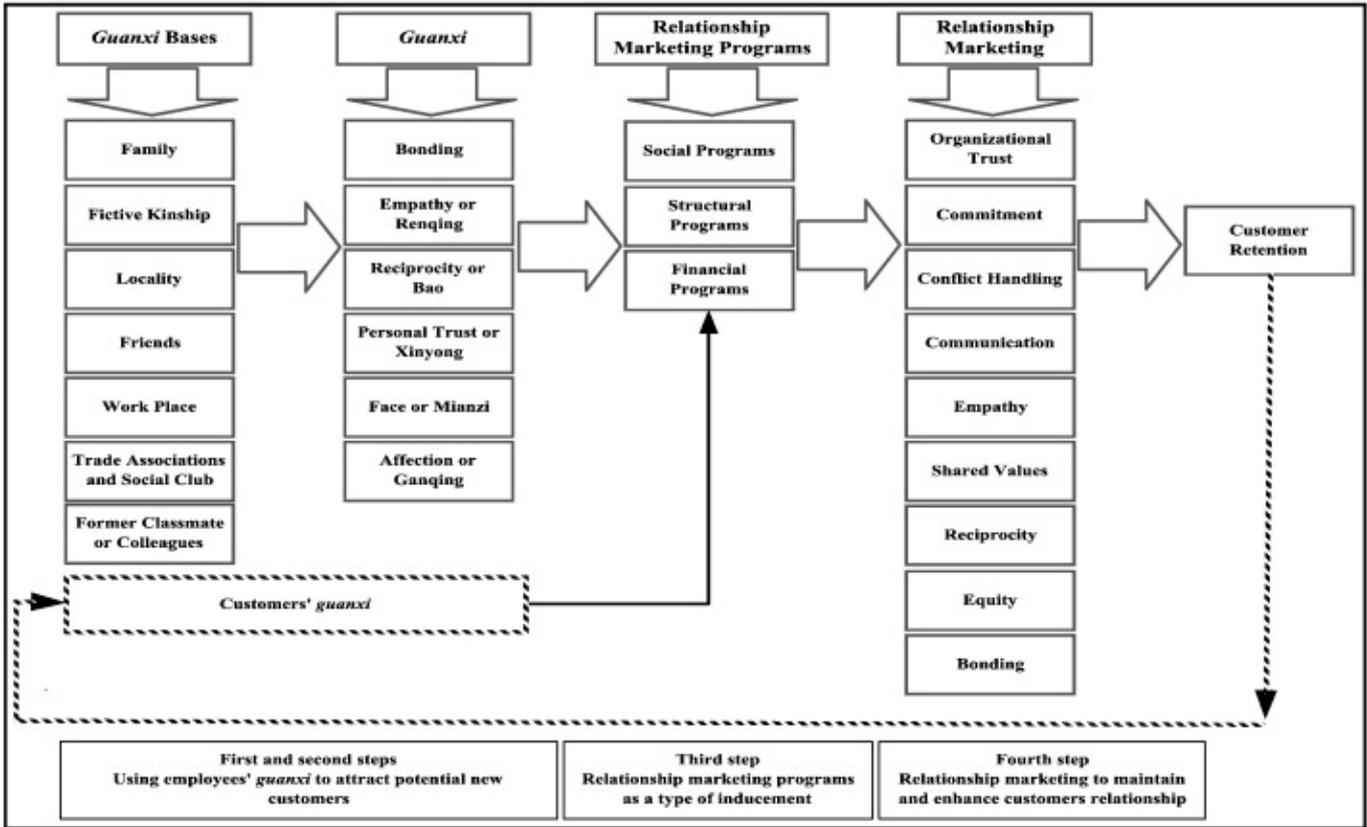


Fig. 3.

The theoretical model linking *guanxi* and relationship marketing.