

## **AN EXPLORATORY INVESTIGATION OF THE BENEFITS OF GUANXI IN CHINESE BUSINESS RELATIONSHIPS**

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### **ABSTRACT**

Multinational marketers are increasingly realizing the importance of personal relationships when dealing with Chinese enterprises, so much so that an appreciation of guanxi is now considered essential for success throughout most of Asia. By juxtapositioning elements of relationship marketing theory, buyer/seller interaction models and Chinese cultural factors, we explore the benefits of guanxi from the perspective of Singaporean firms trading with the Peoples' Republic. Specifically, we identify various dimensions of guanxi and examine their effect on select outcome variables. Findings suggest that guanxi has a positive direct and indirect impact on business performance for firms who successfully cultivate social and business networks in China. Limitations are discussed and directions for future research are offered.