

# **Does Guanxi Matter for Vegetable Supply Chain Management?**

## **A case study in Jiangsu Province, P.R. China**

Hualiang Lu

PhD candidate, Management Studies

Wageningen University

Hollandseweg 1,6706KN, Wageningen, The Netherlands

Tel:(31)317 482410

Fax:(31)317 485454

Email:[Hualiang.lu@wur.nl](mailto:Hualiang.lu@wur.nl)

### **Abstract**

Since the start of 1990s, relationship marketing has attracted much attention from academics and practitioners. There is growing researches are interested in Chinese guanxi, which has been considered the Chinese version of relationship marketing or business networking. But less studies work on the impacts of guanxi network on Chinese companies in vegetable industry.

This paper attempts to study the importance and the influence of the historical and cultural embedded concept of guanxi network on vegetable supply chain management in China. This paper studied how guanxi network in a transitional marketing environment influences buyer-seller relationships in vegetable industry in China, and how it influences the vegetable supply chain performances both for domestic and international markets. Case study approach is used to illustrate these objectives.

Results demonstrated that guanxi network has diversified contributions to the companies involved in the vegetable industry in Jiangsu area. Guanxi networks can improve trust, stimulate investment behavior, influence the marketing behaviors regarding to their product destinations and transaction arrangements. However, guanxi network are not promised to lead to positive influence. Study showed that the effective and efficiency of the vegetable supply chain are jointly influenced by the guanxi network and buyer-supplier relationships.

**Keywords:** Guanxi network, Vegetable, Performance, Case study, China