

## ABSTRACT

In the *relationship marketing* study field, numerous studies about “*Guanxi*” in the Chinese society (Thai word is “*Sen*”) had been carried out by both Chinese and western scholars, but “*Guanxi*” in the Thai business community has not been studied in detail. In this research, we study on the perception of Thai business people who have a connection with their Chinese counterparts in the People’s Republic of China (PRC) through a questionnaire survey.

The present study is an investigation of constructs on “*Guanxi*” and association with “*Guanxi*” Performance. The study was aimed at “*What are those constructs of “Guanxi” and the correlation with “Guanxi” Performance?*”

In this study, questionnaires were used as a tool for collecting the primary data employing the survey research. There were 94 copies of questionnaires were completed for this comprehensive study. Questionnaire were completed by the target population (the Thai business people who have connection with Chinese counterparts) guiding by *Thai – Chinese Chamber of Commerce’s* database.

This is an empirical research, the mode of analysis of the data was in both *Frequencies* and *Crosstabs* form and also by using the *Factor Analysis* to explore the interrelated factors of “*Guanxi*” constructs. Additionally, for the hypotheses testing, *Regression* was used to test the significance of each variable. Out of the five four of the hypotheses were absolutely substantiated.

This study has achieved all of the objectives. From the factor analysis of this research, it has been found that out of the fifty-one variables being assumed thirty-five are found related to the concept of “*Guanxi*” in varying degrees, and furthermore, these thirty-five variables were grouped up under five main factors according to their Eigen-value ranking status. And this is conducive to the previous finds based on the “*Guanxi*” model, which means they are related too in the context of Thailand. While other sixteen non-related variables had been found due to some similarity among the questioning statements or non-distinct meaning on it.

Five main factor rotated out by using *Factor Analysis* had became the five independent variables to test the five derived hypotheses. Out of the five hypotheses being tested four are applicable. Whereas the other hypothesis, has been found to be not applicable in the context of Thailand due to the demographic, socio-economic, and infra-structural differences.

The survey findings and related recommendations are that:

- 1) The two most important constructs of “*Guanxi*”, *Empathy* and *Trust*. Which are significant to the “*Guanxi*” Performance both in *Sales Performance* and *Overall Quality*. The two factors can be treated as one’s attitude towards dealing business in China.
- 2) Beside the attitude factor, the practical factors, such as *Competency* and *Adaptation* also play significant role on “*Guanxi*” Performance, remarkable on

*Termination Costs* and *Formality* aspects, which *Termination Costs* are always considered as a negative effect on to the enterprises. However, *Formality* can become both positive and negative force to an enterprise under certain circumstances.

- 3) “*Guanxi*” is another marketing variable which China trade executives must manage on top of the traditional four P’s. In general words, establishing and maintaining a good “*Guanxi*” between Thai business people and their Chinese counterparts starts from both parties are experiencing *empathy* and *trust* to/with each other. Then the relationship (“*Guanxi*”) is going on with the commitment from the two parties, next requirement is one’s *competence* on his/her work, and finally one must be able to *adapt* oneself according to a particular situation.

Finally, the further research direction is pointed out. The comparison study on different business societies should be adapted.

