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The Evolution Process of the Value Proposition of Municipal Platform Enterprises from the Perspective of Ecosystem Structure

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Doctor of Management

Supervisors:

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ISCTE University Institute of Lisbon

PhD DU Yifei, Professor,
University of Electronic Science and Technology of China

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Declaration

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Abstract

Municipal platform enterprises play a critical role in urban construction and economic development, serving as the backbone for progress in cities. The value proposition of these enterprises significantly influences their behavior, decision-making, and long-term development. This study utilizes oral history collected through 30 in-depth interviews, the Gioia method, and ecosystem structure theory analysis to systematically examine the driving factors that affect the evolution of corporate value propositions, particularly focusing on a specific case of a Chinese municipal platform enterprise.

Four primary driving factors influencing the evolution of the value propositions of the case company have been identified: business activity factors, positioning factors, networking factors, and stakeholders' factors. Meanwhile, the value proposition has evolved through three different stages: (1) Fuzzy Value Proposition Stage (2004-2008) with an emphasis on integrity and pragmatism, with steady and rapid progress; (2) Value Proposition Clarification Stage (2009-2015) equally emphasizing quantity and quality, leading to accelerated innovation; and (3) Three-Dimensional Value Proposition Stage (2016-Present) stressing the pursuit of excellence and perfection.

This research offers insights for the decision-making processes of municipal platform enterprises, thus contributing to the mutual development of enterprises and society.

Keywords: ecosystem; municipal platform enterprises; value proposition; driving factors

JEL: M10; M14

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Resumo

A plataforma de empresas municipais desempenha um papel crítico na construção urbana e no desenvolvimento económico da envolvente, influenciando significativamente o progresso das cidades. Sendo a proposta de valor fundamental para a tomada de decisão e para o desenvolvimento a longo prazo, esta tese investiga sistematicamente os fatores determinantes que afetam a sua evolução através do estudo de uma plataforma de empresas municipais na China. Com base na análise da teoria da estrutura de ecossistemas utilizou-se história oral recolhida através de 30 entrevistas em profundidade processadas segundo o método Gioia.

O estudo identificou quatro fatores principais que influenciaram a evolução da proposta de valor na plataforma investigada: fatores de atividade empresarial, fatores de posicionamento, fatores de redes de relações e fatores relacionados com as partes interessadas (stakeholders). Concluiu-se ainda que a evolução da proposta de valor da plataforma ocorreu em três fases: (1) na fase difusa da proposta de valor (2004-2008) a ênfase foi na integridade e pragmatismo, com base num progresso constante e rápido; (2) na fase de clarificação da proposta de valor deu-se igual importância à quantidade e qualidade, o que levou a uma inovação acelerada; (3) na fase tridimensional da proposta de valor (2016 até ao presente), há uma busca pela excelência e perfeição.

Esta tese fornece informações valiosas para os processos de tomada de decisão das plataformas de empresas municipais contribuindo não só para o seu desenvolvimento mas também da sociedade.

Palavras-chave: ecossistema; plataforma de empresas municipais; proposta de valor; fatores determinantes.

JEL: M10; M14

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摘 要

市属平台企业是服务城市建设和经济发展的重要骨干力量，在城市发展中发挥着重要作用。价值主张对企业具有引导、影响和塑造企业行为、决策以及长远发展的重要作用。本文利用 30 次深度访谈收集的口述历史，运用 Gioia 方法等研究方法，结合生态系统结构理论，以中国某市市级平台企业为具体案例，分析得出了影响企业价值主张演化的驱动因素。

本文确定了影响案例企业价值主张演化的四个主要驱动因素，分别为企业活动、位置、连接、行动者四个方面。同时，案例企业价值主张演化经历了三个阶段：（1）价值主张模糊阶段（2004 年—2008 年）：诚信务实，稳步快走；（2）价值主张清晰阶段（2009 年—2015 年）：量质并重，创新提速；（3）价值主张立体阶段（2016 年至今）：追求卓越、创造完美。

本研究对市属平台企业未来的决策提供参考，有利于企业和社会的共同发展。

关键词：生态系统；市属平台企业；价值主张；驱动因素

JEL: M10; M14

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Chapter 1: Introduction

1.1 Research background

As vital driving forces for regional development and the enhancement of service quality, municipal platform enterprises in China play a significant role in urban development (L. X. Liu, 2022). The high-quality development of municipal platform enterprises – enterprises that serve as a framework of diverse organizations to deliver a strategic business goal – necessitates not only economic and technological prowess but also the continuous enhancement of their intangible assets, often referred to as “soft power” (J. Zhang, 2022). This soft power encompasses value concepts, social systems, development models, guiding principles, ideological and cultural appeal, international influence, and reputation, among other elements, with the value proposition at its core. This thesis focuses on the value proposition of municipal platform enterprises in China within the context of the city. It also seeks to analyze their challenges, anticipate future trends, and deduce patterns by examining their historical evolution and distinctive characteristics.

1.1.1 The increasing prominence of corporate values in driving corporate development (Endogenous power)

Corporate value propositions encompass the fundamental beliefs, ethical codes, and shared objectives upheld by an organization (Yi et al., 2020). They represent more than just slogans; they form the bedrock of corporate culture and play a pivotal role in guiding, influencing, and shaping corporate behaviors, decision-making processes, and future development (Ilyas & Osiyevskyy, 2022). As the structure of both domestic and international markets continues to evolve and industry competition intensifies, the leadership role of corporate value propositions in enterprise development is becoming increasingly conspicuous. These value propositions offer several significant benefits as follows:

Customer Positioning Clarity: Value propositions assist in defining the target customer base by enabling a deeper understanding of customer needs, pain points, and expectations. This, in turn, allows for more tailored and customer-centric offerings (Kirchberger et al., 2020).

Enhanced Competitive Advantage: By leveraging value propositions, companies can identify differentiating factors that set them apart from competitors. This distinctiveness enables them to excel in the competitive market landscape, showcasing their core strengths and attracting a broader customer base (Nussipova, 2022).

Innovation-Driven Approaches: Value propositions encourage companies to continuously innovate, adapting to the ever-changing needs of their customers. By unearthing potential customer needs, organizations can develop more competitive products and services, maintaining a leading position in the market.

Improved Customer Experience: Value propositions emphasize the enhancement of the customer experience. Businesses can elevate customer satisfaction by optimizing product and service delivery methods and quality. A positive customer experience helps solidify brand image and fosters greater customer loyalty (Laukkanen & Tura, 2022).

Promotion of Organizational Change: Implementing value propositions necessitates close cooperation among various departments within an organization. This cooperation, in turn, fosters changes in organizational structure, processes, and culture. These changes make companies more agile and efficient, enabling them to better adapt to evolving market conditions.

1.1.2 The growing interrelation between corporate value propositions and social development (Exogenous motivation)

As society continues to evolve, the interrelation between corporate value propositions and social development is becoming increasingly significant. This connection extends to various aspects, particularly in relation to social responsibility, policies and regulations, consumption upgrades, and scientific and technological progress.

Social Responsibility: With the heightened awareness of corporate social responsibility among the public, enterprises must emphasize their commitment to social responsibility within their value propositions (Y. Zhang, 2023). This entails focusing on areas such as environmental protection, fair competition, and safeguarding consumer rights to achieve sustainable development.

Policies and Regulations: Corporate value proposition development is significantly influenced by policies and regulations. Government support for scientific and technological innovation, adjustments in industrial structure, and environmental protection have a direct impact on the choice of value propositions and the developmental direction of a company (Y.

Zhang, 2023).

Consumption Upgrades: As the living standards of people improve, consumption upgrades become a prevalent trend in social development. Enterprises must remain attentive to shifts in consumer demands and behaviors, adapting their value propositions to offer higher quality, more personalized products, and services.

Scientific and Technological Progress: Scientific and technological progress serves as a major driver of social development, significantly impacting corporate value propositions (Zhang et al., 2023). Companies should prioritize the development and application of new technologies to enhance production efficiency, optimize products and services, and bolster their competitiveness.

In summary, the nexus between corporate value propositions and social development is ever strengthening. Enterprises must remain vigilant in monitoring social development trends and macro-environmental changes. Only through timely adjustments to their value propositions can they stay at the forefront of industry development.

1.1.3 Factors contributing to the uncertainty of corporate value propositions (Value ontology)

The value proposition of municipal platform enterprises in China exhibits a degree of certainty, yet they are inherently accompanied by elements of uncertainty, which primarily arise from several influential factors, namely:

Market Environment Dynamics: The ever-changing market environment is a pivotal factor affecting corporate value propositions. Market competition, consumer demands, and industry trends are subject to constant flux. Enterprises must adapt by continually fine-tuning and optimizing their value propositions in response to shifts in the market landscape.

Technological Innovation: The ongoing evolution and innovation of technology significantly impact corporate value propositions (Zutshi et al., 2021). The emergence of new technologies can potentially alter production methods, product forms, and business models. Enterprises must closely monitor technological developments and proactively adjust their value propositions to address the uncertainties introduced by these technological changes.

Regulatory and Policy Changes: Alterations in government regulations and policies introduce an element of uncertainty to corporate value propositions. Enterprises must stay attuned to changes in policies and regulations to ensure their value propositions align with relevant requirements and avoid potential policy risks.

Economic Cycle Fluctuations: Economic cycle fluctuations exert influence on enterprise operations and development, thus affecting the formulation of corporate value propositions. During economic downturns, enterprises may need to adapt their value propositions and explore more competitive business models. Conversely, in periods of economic prosperity, companies should be vigilant for market opportunities and remain prepared to innovate and expand.

Competitive Landscape Dynamics: Changes in the strategies and technologies of competitors introduce an additional layer of uncertainty to corporate value propositions. Enterprises must monitor the actions of their competitors and promptly adjust their value propositions to manage competitive pressures.

Fluctuations in Consumer Demand: The diversification and evolution of consumer demands contribute to the uncertainty surrounding corporate value propositions (Muranko et al., 2021). Enterprises must keep a finger on the pulse of changing consumer needs and swiftly adapt their product and service strategies to meet evolving consumer expectations.

In summary, the uncertainty of corporate value propositions is primarily rooted in changes within the market environment, technological innovations, regulatory and policy adjustments, economic cycle fluctuations, shifts in the competitive landscape, and transformations in consumer demand. Enterprises should remain attentive to these uncertain factors, and in response, make timely adjustments and optimizations to their value propositions to navigate the ever-changing market conditions.

1.2 Research content

This section provides a detailed introduction of the chosen research object, research objectives and research content, and explain their relevance to the research topic. Simultaneously, we will leverage prior relevant research findings to investigate the evolution process and driving factors of value propositions within municipal platform enterprises in China using an ecosystem structure perspective.

1.2.1 Research object

Municipal platform enterprises in China serve as crucial bearers and facilitators of urban development strategies. They play a pivotal and irreplaceable role in advancing the influence of state-owned capital on industrial development, particularly in supporting and ensuring the success of significant infrastructure projects and strategic industrial initiatives within the city.

This thesis will use the Chengdu Xingcheng Renju Group as the subject of the study.

Chengdu was chosen as the focal point for several reasons. First, it is due to its progressive policies. Following the introduction of the “promotion of the Chengdu-Chongqing Economic Circle” as a strategic goal by the Financial and Economic Committee of the CPC Central Committee in 2020, Chengdu has witnessed frequent and positive developments in line with these objectives. Second, Chengdu holds a significant driving force in this context since the Chengdu Economic Circle forms an economic belt in the shape of a “T” with Chengdu at its center and the upper part of this “T” stretching from east to west, encompassing Chengdu, Deyang, Mianyang, Leshan, Panzhihua, and other regions. Chengdu, as the core city of the Chengdu-Chongqing Economic Circle, plays a crucial leadership role in this context.

The choice of “Xincheng Renju Group” as the focal point of this study is due to its status as a representative and an exemplar of platform companies in Chengdu, China. Formerly known as Chengdu Rural Residence Real Estate Co., Ltd., Chengdu Xincheng Renju Real Estate Investment Group Co., Ltd. was established in 2004. It operates as a second-tier enterprise under Chengdu Xingcheng Investment Group Co., Ltd., a World Top 500 company, holding primary qualifications for real estate development.

Since its inception, Xincheng Renju Group has been steadfast in serving the urban strategy of Chengdu. Its business operations encompass four major segments: urban development, urban operations, digital real estate, and public welfare services. At home and abroad, it has utilized more than 6,000 acres of land for development and undertaken strategic support projects, including area development, comprehensive TOD (Transit-Oriented Development), apartments for talents, affordable housing, hotels, and more. With an annual development output averaging 500-700 million square meters, it has supplied 1.5 to 2 million square meters of residential housing and achieved sales of 17 billion yuan (app. 2.17 billion euros), firmly establishing itself among the leading companies in Chengdu.

Xincheng Renju Group has received various accolades, including the title of Top 100 in the real estate industry of China recognition in the TOP 10, acknowledgment for its brand value in the real estate sector of China, a place in the Top 10 Real Estate Brands of Sichuan, and recognition as one of the “Top Ten Famous Enterprises” and one of the “Top 100 Enterprises in Chengdu Market”. As of the end of December 2021, the company possessed total assets amounting to 79.7 billion yuan (app. 10.2 billion euros), with a cumulative development project portfolio exceeding 30 million square meters. Its comprehensive strength places it at the forefront of state-owned city development enterprises in Chengdu.

Throughout its journey, Xincheng Renju Group has organically developed a unique ecosystem, primarily self-driven, which has allowed it to exert leadership within this ecosystem. Furthermore, it has inspired the vitality and initiative of participating enterprises. It is within this context that this thesis selects Xincheng Renju Group as the subject of study, focusing on the evolution of value propositions for municipal platform enterprises in China from the perspective of ecosystem structure.

1.2.2 Research problem and questions

Enterprise development, transformation, and upgrading hinge on two integral aspects: the shift in the value proposition and technological and methodological innovations. The first aspect involves altering the value proposition to understand what it aims to deliver to consumers, while the second aspect revolves around the pursuit of improved technologies, tools, and means to better serve consumers. Chinese municipal platform enterprises play a crucial role in economic development, standing out as new drivers of energy and engines. However, contemporary platform companies encounter challenges in their forthcoming development. What kind of value proposition sustains the rapid advancement of these enterprises in China? What factors significantly contribute to the generation and evolution of a value proposition? These two issues are pivotal for the future development of China's municipal platform enterprises, and they represent practical challenges to be addressed in this thesis.

In prior studies, some scholars have focused on corporate value propositions and conducted analyses and assessments. However, there is a scarcity of studies on the value propositions of municipal platform enterprises in China. The distinctive nature of China's municipal platform enterprises also means that the limited research findings are insufficiently explanatory when applied to the value proposition practices of these organizations. In response, based on specific case analysis and combined with the ecosystem structure view, this thesis researches into the study of the value proposition (angle and perspective) of Chinese municipal platform enterprises through exploring its evolution and investigating the underlying factors that influence it. This aims to provide a reference for the adjustment and enhancement of the value proposition of municipal platform enterprises in China, forming two theoretical questions in this thesis. Firstly, how does the value proposition of municipal platform enterprises in China evolve from the perspective of the ecosystem structure? Secondly, in what ways does the practice of evolving value propositions enrich existing

research on municipal platform enterprises in China?

Drawing on and integrating previous relevant research results, this thesis focuses on the fundamental issues of the formation process and evolutionary mechanism of the value propositions of municipal platform enterprises in China from the perspective of ecosystem structure with a two-fold purpose: to uncover the driving factors behind the evolution of the value proposition from an ecosystem structure perspective, and to explore the evolutionary process of the value proposition of municipal state-owned platform enterprises in China from the same perspective.

1.2.3 Research objectives

In line with the above, the research objectives of this thesis are to analyze the evolution of the value proposition of Chinese municipal platform enterprises and its driving factors based on the theory of ecosystem structure. The aim is to provide a reference for the adjustment and improvement of platform enterprise value propositions.

Objective 1: Analyze the evolution, characteristics, and performance of the value proposition of municipal platform enterprises in China.

Objective 2: Analyze the driving factors behind the value proposition of municipal platform enterprises in China. The presentation carrier, method, and effect of corporate value propositions are closely related to the influencing factors behind them.

Building upon Objectives 1 and 2, this thesis will provide an effective reference for the adjustment and improvement of the value proposition of municipal platform enterprises in China in the future.

1.3 Research significance

Municipal platform enterprises in China are organizational entities established under the guidance of governments at various levels to accomplish specific policy objectives and economic tasks. Typically, these enterprises are entrusted with responsibilities such as urban or regional infrastructure development and provision of public services. They play a crucial role in fostering economic growth, optimizing resource allocation, and enhancing the competitiveness of state-owned enterprises.

Over more than two decades of development, Chinese municipal platform enterprises have experienced varied outcomes. A crucial challenge for these enterprises in the future will be finding better ways to align with urban development and effectively contribute to it.

This study takes a comprehensive approach, examining the formation process and internal mechanisms of value propositions within ecosystems from the perspective of ecosystem structure. This may provide significant supplements and expansions to related research areas. The evolution of value propositions is a complex process influenced by numerous factors, and the introduction of ecosystem theory enriches the research landscape.

Moreover, this study may serve as a catalyst for municipal platform enterprises in China to reflect on the evolution and shortcomings of their value propositions. It aims to guide them to prioritize regional considerations, focus on practicality, and align with cutting-edge developments to establish more targeted value propositions. As General Secretary Xi Jinping highlighted, understanding historical development laws empowers individuals to actively shape their destiny. The use of Xingcheng Renju Group as a case study allows to examine its value proposition at different stages, providing insights into the causes and motivations behind these propositions.

Furthermore, this research may influence and contribute to the formation, establishment, and adjustment of value propositions in various types of enterprises, thereby serving as a cornerstone for urban development in China. The regional proximity of Chinese municipal platform enterprises and urban development fosters a convergence of direction, ideas, and strategic goals. Analyzing the impact of municipal platform companies on other businesses in the same city is crucial, as these companies play a pivotal role in leading and influencing their counterparts. Ultimately, this collective force contributes significantly to promoting the overall development of Chinese cities.

1.4 Study framework and technical roadmap

The primary focus of this thesis is to investigate the evolution of value propositions within an ecosystem primarily shaped by municipal platform enterprises in China. Grounded in a comprehensive understanding of platform enterprises and ecosystems, the study was conducted following these steps: research background and problem definition, field investigation and data acquisition through in-depth interviews and secondary data, data processing through content analysis and the application of the Gioia method to identify driving factors, and ultimately drawing conclusions about the evolution of value propositions and their driving factors in municipal enterprises from the perspective of ecosystem structure. The specific research content and methods are presented in Figure 1.1.

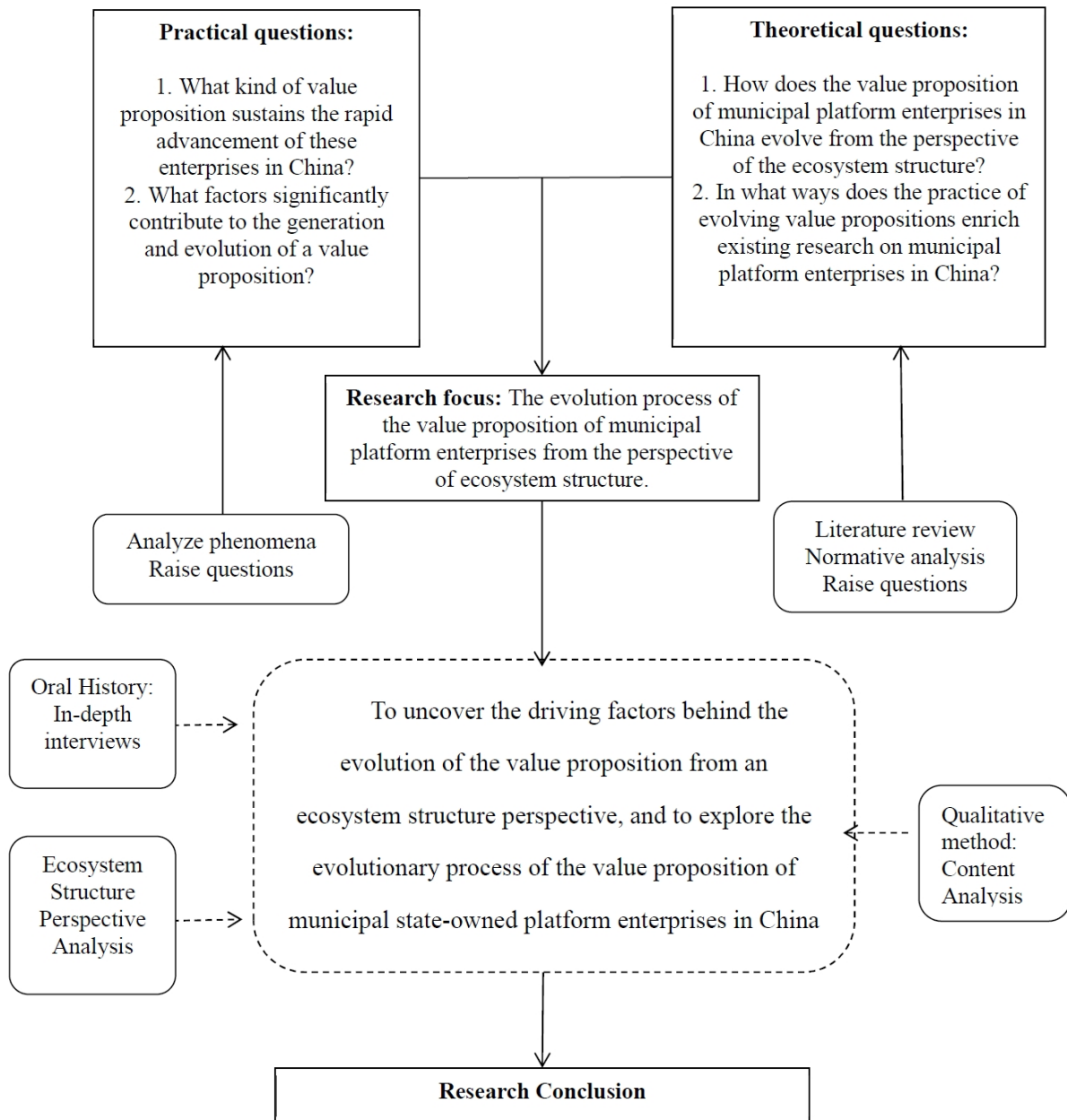


Figure 1.1 Research content and research method

This thesis comprises five chapters:

Chapter 1: Introduction. Primarily encompassing the research background, research objects and content, research significance, research framework, and roadmap.

Chapter 2: Literature Review. This chapter initially defines the concepts of Chinese municipal state-owned enterprises, value propositions, and ecosystems. It then reviews the development process of the ecosystem structure concept, value propositions, and corporate value propositions of Chinese municipal platforms, along with their driving factors.

Chapter 3: Research Design. This part introduces the methods of qualitative research used, namely data collection and data processing. It explains the application process of oral history gathering and content analysis, detailing the coding and data processing namely of the Gioia

method.

Chapter 4: Evolution of the Value Proposition of Municipal Platform Enterprises. This part mainly analyzes the interview records. Based on the analysis, it reveals the factors that drive the evolution of the value proposition of municipal platform enterprises. Moreover, the evolution of the value proposition of Xingcheng Renju Group is further elaborated upon.

Chapter 5: Research Conclusions and Outlook. This section comprehensively answers the two research questions, draws conclusions, discusses research limitations, and outlines prospects for future research.

Chapter 2: Literature Review

In the literature review section, the primary focus will be on the concepts of “municipal platform enterprises”, “value proposition”, and “ecosystem”. This approach will help to gain insights into academic perspectives, prior research findings, ongoing debates, focal points, existing challenges, and potential explanations. It will provide a foundation to define the research objectives, clarify research questions, and draw from research methodologies.

2.1 Core concepts

2.1.1 Municipal state-owned enterprises in China

In China, state-owned enterprises encompass wholly state-owned businesses, entirely state-owned corporations, and state-owned capital holding companies that operate as investors on behalf of the State Council and local governments. They exhibit both commercial and public welfare characteristics and play a pivotal role in coordinating the development of various sectors within the national economy (J. P. Jiang, 2023). Municipal state-owned enterprises, specifically, are organizations that fall under the jurisdiction of a specific city and, in comparison to the past, exhibit novel characteristics.

Firstly, they have embraced a more market-oriented approach, which serves as the driving force behind the reform of state-owned enterprises. Only by adapting to the demands of the market can these enterprises experience rapid development. Market-oriented reform must encompass various aspects, including enterprise management, personnel training, and brand marketing. Through the establishment of market-oriented subsidiaries and the implementation of market-driven incentive mechanisms, among other strategies, employees can be motivated to better serve the market and sustain a healthy business cycle.

Secondly, they have developed a more comprehensive and diversified structure. Diversification is pivotal in the reform of state-owned enterprises. A diversified structure empowers companies to respond more rapidly and flexibly to market fluctuations and retrieve faster growth and higher returns. Simultaneously, diversification compels companies to capture their unique strengths, align diversification with these strengths, and thus enhance their market service.

Thirdly, the characteristics of internationalization have become increasingly prominent. Internationalization is the sole path for state-owned enterprises to venture into the global market. Achieving internationalization demands the reinforcement of cooperation, innovation in services, and expansion of influence. This necessitates that enterprises adapt more effectively to the competitive environment of the global market, grasp the laws of these markets, and possess the capability to expand internationally. Concurrently, businesses can strengthen collaborations with internationally renowned companies, accomplished through strategic cooperation and participation in international exhibitions and other means, to facilitate connections with domestic resources and overseas markets.

In essence, the functional orientation of China's municipal state-owned enterprises is to support the comprehensive development of the local economy, provide essential public services, foster job opportunities, and ensure the steady growth of local infrastructure and key industries. This kind of enterprises plays a pivotal role across various industries, encompassing urban infrastructure construction, transportation, energy supply, water management, real estate, financial services, resulting in a diversified business structure.

The operation and management of municipal state-owned enterprises are typically guided by municipal government policies and market demand, aiming to achieve an organic blend of social benefits and economic gains. Against the backdrop of maintaining the socialist market economic system, these enterprises continually drive reforms, optimize corporate governance structures, enhance operational efficiency, and bolster market competitiveness.

Adapting to the challenges and opportunities of marketization and internationalization, these enterprises actively advocate for mixed-ownership reforms, attracting private capital and foreign investments to diversify their capital structures, ensuring long-term sustainable development. Beyond their significant economic role, municipal state-owned enterprises actively fulfill their social responsibilities, responding to the nation's call for targeted poverty alleviation and participating in social responsibility projects. This underscores their commitment to social responsibility and the responsibilities inherent in being state-owned entities.

Through engagement in social welfare activities, these enterprises strengthen their interactive relationship with society, enhance their social image, and build the society's trust and support. In the process of reform and development, municipal state-owned enterprises face various challenges. They must surmount institutional obstacles to achieve the marketization and modernization of management systems and operating mechanisms. Simultaneously, they need to boost innovation capabilities, enhancing core competitiveness

through technological and management innovation.

Additionally, optimizing their capital structure, improving capital utilization efficiency, and mitigating financial risks through mixed ownership reform are crucial steps. While contributing to local economic development, these enterprises must also prioritize corporate social responsibility and sustainable development. Balancing economic and social benefits, they play a vital role in the coordinated development of the economy, society, and the environment. Actively participating in social welfare activities strengthens their ties with society, fortifies the enterprise's social image, and fosters increased social trust and support.

As key contributors to local economic development, Chinese municipal state-owned enterprises exhibit a profound sense of social responsibility and historical duty.

2.1.2 Value proposition

The value proposition pertains to the objectives, pursuits, and attitudes expressed by an organization or an individual based on their intrinsic values and beliefs (Ricardo & Haftor, 2021). For municipal platform enterprises, the value proposition encapsulates the objectives, pursuits, and attitudes that they express based on their own values and beliefs. This concept is delineated across three distinct levels.

At the macro-enterprise level, the value proposition is manifested in company positioning and managerial perspectives. It represents a company's definition of the essence of its products or services, reflecting its commitment to customer value and a deep understanding of market demand. On one hand, the value proposition serves as a guiding beacon for the company's long-term development, providing direction for strategic planning and goal setting. Specifically, it guides how companies create and maintain competitive advantages through strategies like resource allocation, market positioning, and product innovation, ensuring sustained growth. Additionally, the value proposition acts as the link between a company's long-term goals and specific plans, guiding daily operations and decision-making processes in alignment with core values and market positioning.

On the other hand, managerial thinking and judgment styles play a decisive role in constructing and implementing value propositions. Managers' understanding of market changes, evaluation of competitive situations, and identification of customer needs directly influence the formation and adjustment of corporate value propositions. In the modern business environment, managers are increasingly required to go beyond traditional customer needs, focusing on creating needs through innovation, being forward-looking, and leading the

market through continuous technological and service innovation (Anderson et al., 2006).

At the meso product level, the value proposition is reflected in the sales promotion orientation of a company's main products and services. It serves as key information emphasized when promoting products or services, revealing the company's core business areas, operating strategies, unique position, and competitive advantages in the market. The formulation and communication of value propositions help establish a clear image in the minds of potential customers, enabling the company to stand out in competitive markets. Sales promotion orientation, as a practical manifestation of the value proposition, guides a company's communication strategy in marketing activities. Companies need to align their value proposition with customer needs and expectations to better attract and convince customers, ultimately achieving product or service sales. This orientation reflects the company's deep understanding of its business and demonstrates keen insight into market demand. It also provides customers with a basis for choosing corporate products or services in highly competitive markets.

From another perspective, the transmission of value propositions in corporate publicity is essentially the process of information exchange between the enterprise and its customers. Enterprises convey information about their business, products, or services through various channels such as advertising, public relations activities, and social media. This information transmission includes basic corporate information, such as corporate history, culture, and product features, as well as the enterprise's value proposition – explaining why the enterprise is different and the unique value it provides to customers (Meng et al., 2023).

At the micro-customer level, the value proposition is reflected in aspects such as “perceived commitment” and “reciprocal commitment.” Perceived commitment signals a company's confidence in its products and services, emphasizing customer needs. It requires enterprises to deeply explore the core needs of key customers, shifting from a product to a customer orientation. Reciprocal commitment emphasizes the two-way interaction between enterprises and customers, considering the dual perspectives of both parties. This commitment ensures that the value proposition not only focuses on the enterprise's interests but also fully considers customer interests, building long-term and stable customer relationships. To implement reciprocal commitments effectively, companies must gain a deep understanding of customer needs through research and feedback, strengthen communication and interaction with customers, and focus on forming a customer-centric culture internally. This ensures that all employees recognize the importance of customers, reflecting in their daily work and laying the foundation for sustainable development (Selden & MacMillan, 2006).

Therefore, value proposition constitutes a fundamental concept for any enterprise, representing a set of explicit value commitments made by the enterprise regarding its products or services for a specific target market. This commitment is primarily characterized by the uniqueness and advantages of the product or service, as well as the tangible value it delivers to customers. A well-defined value proposition not only aids a company in clarifying its market positioning but also effectively underscores the distinctions between itself and competitors, guiding the marketing endeavors of the company.

Within a company's marketing strategy, the value proposition holds a central position. It extends beyond advertising and promotional materials, permeating all facets of the company, including business decision-making, product design, and customer service. A clear and compelling value proposition has the potential to attract prospective customers, helping them recognize the unique value that the company's products or services can provide, consequently driving sales. Simultaneously, a strong value proposition contributes to the establishment and maintenance of the company's brand image, enhances customer loyalty, and positions the company favorably in the competitive market landscape.

Developing an effective value proposition necessitates a profound understanding of the needs, pain points, and expectations of the target market, ensuring that the offered product or service genuinely addresses customer requirements. Additionally, companies should focus on crafting value propositions that are both appealing and credible. Only through this approach can companies forge deep emotional connections with customers, providing sustained value and fostering the long-term development of the company.

The value proposition stands at the core of a company's marketing strategy, influencing how a company shapes its image in the market, attracts customers, and achieves growth. Therefore, enterprises must fully comprehend the significance of the value proposition, dedicating appropriate resources and effort to formulate and implement effective value propositions. By articulating clear value propositions, enterprises can better cater to customer needs, enhance market competitiveness, and attain sustainable development.

2.2 Municipal platform enterprises in China

Chinese platform enterprises are independent legal economic entities empowered by state government with budgetary allocations, land grants and equity injections (Mao, 2021). These entities undertake the financing function and are characterized by using national or local finances as their primary source of capital. They raise financial resources through capital

contributions or financing based on the principle of credit. Subsequently, they establish corporate organizations to guarantee the social development (L. F. Yin, 2021). The concept of “municipal platform enterprises in China” is closely related to this. Scholars in the field have pointed out that these enterprises are businesses that receive investments, management, and participation in construction from the national government or enterprises in which local governments invest, oversee construction and management, and are state-owned entities operating under government macro-control (W. P. Luo, 2021).

Scholars have classified municipal platform enterprises in China into three categories: functional enterprises, public service enterprises, and competitive enterprises (Cao, 2011). Functional enterprises are responsible for infrastructure construction and industry operations within specified areas or sectors on behalf of the government. Public service enterprises focus on delivering services to the public and managing natural monopoly industries. Competitive enterprises are centered on value-added and market-oriented operations. Moreover, scholars have also examined the concept at different administrative levels. In addition to local government investment and financing enterprises, local state-owned enterprises, such as municipal and district state-owned enterprises, constitute an essential part of municipal platform enterprises in China. These municipal state-owned enterprises or enterprise groups are effectively controlled by the government and take various forms, including urban construction investment companies, transportation investment companies, state-owned asset management companies, development zone (park) investment companies, and land reserve companies, among others (Dong, 2012).

While foreign literature primarily concentrates on the economic impact of municipal platform enterprises in China (Macedo et al., 2021), domestic research researches into different aspects. For instance, it has been observed that municipal platform enterprises responsible for urban infrastructure construction can effectively boost GDP growth from a statistical perspective. Notably, they contribute not only to infrastructure development and economic growth through their own endeavors but also serve as a catalyst for investment, releasing the production potential of the private sector and subsequently increasing overall societal output (Song, 2023; G. L. Sun, 2023). In this context, domestic research emphasizes that municipal platform enterprises in China, characterized by their investment and financing system, are beneficial for expanding domestic demand, addressing local government fiscal deficits, promoting fundamental facility construction, mobilizing social capital, enhancing residents’ quality of life, and mitigating the impact of international financial crises (G. L. Sun, 2023).

As such, the development of Chinese municipal state-owned enterprises becomes a pressing and necessary matter, and indeed an inevitable requirement for economic and social development as these enterprises have a direct impact on the number and structure of employees while playing a crucial role in maintaining social stability (Q. Li, 2009). Their development status is closely tied to the overall quality and level of social development, as well as employment issues, social harmony, and stability (Yu, 2023). However, it is important to recognize that municipal platform enterprises in China face several difficulties amidst fierce market competition and scholars argue that challenges persist in balancing relationships with the government. At times, the government hinders the evolution of these Chinese enterprises into true market entities, and some regions continue to operate them in a manner similar to government-controlled enterprises (A. H. Xiong, 2022). Therefore, exploring a sustainable development model for municipal platform enterprises in China is critical not only to meet their own developmental needs but also as a crucial step toward achieving urban development.

2.2.1 Municipal platform enterprises in China and urban development

With the ongoing shifts in the political and economic landscape, cities have emerged as crucial focal points for economic development in China. Addressing the disparities in urban development across the country and enhancing economic dynamism have become imperative. To achieve this, it is necessary to leverage the unique characteristics of each urban area to stimulate urban development (Gu, 2018). Given their substantial role in the process of urban development and economic regulation (Jin, 2010), Chinese municipal state-owned enterprises and local government-owned enterprises have become vital instruments for driving local economic growth. Starting from 2013, the supervisory bodies of municipal platform enterprises in China have undergone transformations and an increasing number of local state-owned asset management departments have been exploring their reform and conversion, reflecting the growing convergence of the reform of local municipal enterprises and that of state-owned enterprises (F. Sun, 2018).

Municipal platform enterprises in China possess dual attributes. On the one hand, they function as profit-oriented legal entities with a mandate to safeguard and enhance state-owned assets, pursuing various economic objectives (D. S. Li & Liu, 2014). On the other hand, they operate as public welfare legal entities, typically established to adjust the state-owned economy and achieve national economic regulation objectives thus incorporating distinct

social characteristics from their inception (Xin, 2022). While seeking to maximize their interests, they also fulfill social functions including responding to government macro-control policies and measures to ensure the timeliness of market regulation and promote steady and rapid regional economic development. Actually, the primary developmental objective of municipal platform enterprises in China is to maximize social benefits alongside with achieving economic gains and corporate profits. To attain this objective, municipal platform enterprises in China integrate various resources through optimizing resource allocation. However, when compared to private enterprises, municipal platform enterprises in China, whose primary development goal is not exclusively economic gain, face certain constraints in resource allocation, which has resulted in their development lagging behind (Deng, 2021).

Within China's economic system, municipal platform enterprises are defined as corporate entities directly invested in or controlled by municipal governments. They play a crucial role in key sectors such as urban infrastructure, public services, and industrial development, exerting a significant impact. These enterprises serve as a vital mechanism for local governments to execute regional economic development strategies, enhance urban comprehensive competitiveness, and optimize resource allocation. Moreover, they contribute significantly to promoting local social and economic progress and improving urban functions.

At the operational management level, municipal platform companies typically adhere to the basic principles of the market economy while aligning their business activities with national macro policies and the strategic guidance of local governments. Balancing the pursuit of economic benefits, these enterprises also shoulder social responsibilities, committed to achieving social harmony and sustainable development. As China intensifies the reform of state-owned enterprises on a national scale, municipal platform enterprises are actively exploring and implementing mixed ownership reforms. This strategic move aims to infuse private capital and foreign investment, enhancing the market vitality and competitiveness of these enterprises. The reform not only optimizes the capital structure and operational efficiency but also fosters improvements in corporate governance structures, innovation capabilities, and resilience against risks.

Throughout this process, municipal platform companies continuously enhance internal management, optimize business structures, and improve service quality and efficiency. These measures enable municipal platform enterprises to meet the needs of local economic and social development more effectively, providing a solid foundation for the long-term prosperity of the city and the high-quality life of residents. Consequently, municipal platform enterprises hold a distinctive position in the national economic system. Their development is

intricately linked to the local economic landscape's rise and fall, serving as a crucial pillar for the overall economic development of the country. The reform and innovation efforts of municipal platform enterprises bear profound implications for fostering the high-quality development of China's economy.

2.2.2 Challenges faced by municipal state-owned enterprises in China

At a certain historical stage, Chinese municipal state-owned enterprises have made significant contributions to regional economic development. During the ongoing reform process, a more standardized institutional framework of Chinese state-owned asset supervision and management has been established, resulting in a more standardized management, which has had a substantial impact on economic and social development (X. G. Liu, 2023). However, as Chinese municipal state-owned enterprises undergo transformations and development, they encounter several challenges.

Firstly, the economic structure of these enterprises remains suboptimal, corporate governance mechanisms require improvement, and the ownership of independent intellectual property rights is low. These factors have led to inadequate core competitiveness and an imperfect state-owned asset management system (X. L. Xiong, 2013). Several fundamental issues need to be addressed in this regard as follows.

To begin with, the functional roles, rights, and responsibilities of Chinese municipal state-owned enterprises are unclear. As Ge (2020) mentioned, the management system and property rights relationships are not streamlined, there is a lack of clear-cut roles and responsibilities due to inadequate investment from stakeholders, and lengthy administrative procedures continue to influence the internal operations and management of these enterprises. Furthermore, they often position themselves as overseeing departments rather than effectively performing their duties. Property rights representatives and enterprise management form a community of interests, prioritizing personal income over the appreciation of state-owned assets. This lack of role distinction has complicated issues of responsibility, providing operators with reasons to evade accountability. Consequently, municipal state-owned enterprises struggle to establish comprehensive legal property rights and independent business management rights and tend to be single-investor entities, even after joint-stock reforms, which is not conducive to optimizing the property rights structure. They have yet to establish mechanisms for flexible and smooth entry and exit of state-owned capital, so as to promote the efficient utilization and reasonable flow of state-owned capital.

Secondly, China's municipal state-owned enterprises face limitations in innovation management capabilities. As Su (2022) noted, research and development (R&D) projects are marked by high investment, high risk, low returns, and temporary changes, which introduce challenges related to project establishment management, planned fund management, process management, and acceptance management of R&D projects. Although these enterprises have abundant resources and policy advantages, they typically establish strict management systems to standardize operations and minimize risks within their vast corporate systems. Safety and stability concepts dominate their management approach, resulting in a rigid system and in a deficient coordination between departments and subsidiaries. As a result, many employees prioritize project promotion over project innovation.

Thirdly, the placement of non-commercial state-owned assets and employees of Chinese municipal state-owned enterprises presents significant challenges. The high cost of restructuring is a widely acknowledged issue. Over 90% of China's municipal state-owned enterprises are small and characterized by high asset-liability ratios, heavy personnel burdens, poor asset quality, and liquidity issues, proving it difficult to resolve restructuring costs by simply liquidating existing assets. Many troubled enterprises cannot afford to make full and timely payments, leading to difficulties in renewing employee pension insurance procedures. In addition, the refusal of municipal governments to take over restructured enterprises and the closure of non-operating state-owned assets and employee living areas are pressing issues (Xu, 2023).

Fourthly, Chinese municipal state-owned enterprises face challenges related to the shortage of professional talents and insufficient innovation capabilities. Strengthening corporate talent development is essential for improving core competitiveness and fostering sustainable corporate growth, but Chinese municipal state-owned enterprises lag behind industry leaders in various management aspects, such as investment decision-making, quality management, cost control, energy conservation, and consumption reduction. This discrepancy primarily stems from the relatively low number of high-end talents within these enterprises. Firstly, they employ more staff than private companies, yet their per capita contribution rate is lower. Secondly, they face challenges in attracting high-quality, particularly corporate management personnel, due to inadequate welfare benefits. This has resulted in a relatively small pool of management and professional technical talents (Shen et al., 2014). The implementation of corporate policies related to talent recruitment, mobility, services, and incentives remains subpar and a dearth of effective policy support and seamless coordination further exacerbates these challenges. Moreover, enterprises located in inland areas generally

have low levels of marketization, industrialization, and internationalization, leading to an underdeveloped talent service sector and struggle to provide an ideal environment for high-level talents and projects, making it challenging to recruit, train, and retain talented individuals (X. R. Jiang & Li, 2011).

These issues extend beyond individual enterprises and are reflective of broader societal challenges in urban development in China. Since Chinese municipal state-owned enterprises primarily operate based on cities, they have strong local roots and must also consider local social interests (Ma, 2022). As such, devising institutional reforms and updated management models to address these challenges based on urban development in China is an important avenue for consideration. Municipal platform enterprises in China distinguish themselves from provincial and national ones and from private enterprises as they merge corporate and local objectives and identities, representing an essential avenue for simultaneous growth in both Chinese platform enterprises and local cities (Warmerdam & Van Dijk, 2013).

In summary, the value proposition of China's municipal state-owned platform enterprises has undergone a significant evolutionary process, mirroring the dual imperatives of national economic system reform and the enterprise's internal development. Shifting from being mere policy implementers to active market participants, these enterprises have experienced a fundamental transformation. This metamorphosis is evident not only in changes to the enterprise's operational model but also in the redefinition of its value proposition.

During the early stages, municipal state-owned platform enterprises primarily functioned as policy implementers, executing the government's directives, with their activities tightly aligned with government guidance and planning. However, as the market economic system matured and state-owned enterprise reform deepened, these enterprises evolved into market participants, placing greater emphasis on market demand and competitive mechanisms. The shift from government-led to market-led decision-making mechanisms and resource allocation underscores the transition towards market-oriented approaches.

This shift necessitates increased attention to market signals, enhanced market adaptability in business activities, and adjustments to production and investment strategies based on market demand. In terms of business operations, municipal state-owned platform enterprises have expanded from single-industry operations to diversified endeavors. This expansion not only diversifies the enterprise's business structure but also enhances its ability to withstand risks, fostering long-term and stable development.

Regarding development concepts, municipal state-owned platform enterprises have transitioned from a focus on simple scale expansion to prioritizing efficiency and quality

improvement. This change signifies the company's acknowledgment of sustainable development principles and its commitment to enhancing economic and social benefits. In terms of capital structure, these enterprises have undergone a transformation from sole state ownership to mixed ownership reform. This reform not only enhances capital operational efficiency but also injects private and foreign capital, thereby boosting market vitality and competitiveness.

In terms of market presence, municipal state-owned platform enterprises have shifted from local competition to a national layout. This cross-regional approach aids in optimizing resource allocation across the nation, elevating market competitiveness. These evolutionary processes collectively contribute to the enhanced competitiveness and efficiency of municipal state-owned platform enterprises, laying a robust foundation for sustained development.

The evolution of the value proposition of municipal state-owned platform enterprises not only reflects the Chinese government's resolute approach and strategic acumen in reforming state-owned enterprises but also signifies the continuous refinement and advancement of China's socialist market economic system.

2.3 Value proposition of municipal state-owned platform enterprises in China and its evolution

The evolution of a corporate value proposition encompasses various aspects, including corporate strategy, marketing, and technological innovation. According to Porter (1980), enterprises should analyze and enhance value through production, marketing, and service. Additionally, several theories, such as the service-dominant logic, Geoffrey Moore's "technology adoption life cycle" theory (Ben-Yaacov et al., 2001), and the Business Model Canvas proposed by Alexander Osterwalder in 2004 (Osterwalder et al., 2020), provide fundamental frameworks for examining and assessing the evolution of corporate value propositions at different stages.

Since the beginning of this century, the term "value proposition" has increasingly appeared in literature across various disciplines like marketing, strategy, and business modeling (Carter & Diro Ejara, 2008). A value proposition is considered one of the fundamental principles of an enterprise (Webster, 2002) and, well-defined, serves as the cornerstone of enterprise strategy (Kaplan & Norton, 1996), a primary driver of business model innovation (Teece, 2010), and a key tool in product marketing (Trout & Ries, 1986). However, due to the diverse contexts in which value propositions are applied, different

disciplines have developed varied interpretations of the concept, leading to some confusion.

Firstly, some regard the value proposition as a “product marketing slogan” as the concept initially emerged in advertising practices. When a company needs to convey its philosophy to consumers through advertising, it requires the promotion to effectively communicate its value proposition. For instance, in 1970 Reeves introduced the Unique Selling Point (USP) concept based on the product itself, emphasizing three key elements: benefit commitment, uniqueness, and strength. This theory underscores the benefits of the product and its distinctiveness from competitors, requiring the value proposition to capture consumer attention (Reeves, 1970). Aaker (2009) believes that the value proposition of a product is a statement regarding the functional, emotional, self-interest, and other aspects of the value the brand delivers to its target customers. Trout and Ries (1986) focused on the mental model of customers and introduced brand positioning theory, which emphasizes studying thoughts from the consumer perspective. It involves identifying a unique position in the customer mind and highlighting the distinctiveness of the brand. These scholars view the value proposition as a “product marketing slogan”, primarily concerned with how the company perceives the value it delivers.

Secondly, the value proposition is seen as a “company positioning statement”. Ballantyne and Varey (2006) consider the value proposition as “the implicit promise a company makes to customers”, encompassing aspects like price, nature, selection, quality, and convenience. They categorize value propositions into “operational excellence”, “product leadership”, and “customer intimacy”. Earlier on, Porter (1985) had already introduced value propositions into the strategic domain and classified them into three fundamental types: “total cost leadership”, “differentiation strategy”, and “focus”. The classification by Treacy and Wiersema (1995) have been adopted and incorporated the value proposition into the Balanced Scorecard theory (Kowalkowski, 2011), highlighting the central role of the value proposition. From a strategic perspective, value propositions are closely related to enterprises, serving as a key element of a successful strategy, bridging the gap between the mission, vision, and actual strategic actions of the enterprise.

Thirdly, value propositions are perceived as “customer value”. Buttle (1999) suggests that the value proposition is a specific value that a company can provide to customers, resulting in benefits while Carlson and Wilmot (2006) believe it to be the measure of customer value that a product can create compared to similar products in the market. These scholars have shifted the focus from product-oriented discussions of the value proposition to customer-oriented perspectives. Their core view on the value proposition centers on a value commitment initiated by the enterprise from the perspective of the customer, meant to be perceived by the

customer. Inomata et al. (2019) also contend that the value proposition of a company should align with its customers' value proposition since any inconsistency may pose challenges in realizing its intended value. This customer-focused approach has extended the application of the value proposition concept to the micro-level of individual customers.

Fourthly, some scholars define value propositions as "reciprocal commitments". Vargo et al. (2020), proposed a service-dominant logic which contrasts with the product-dominant logic of traditional marketing. Frow and Payne (2019) further elaborate on value propositions within the context of service-dominant logic as a reciprocal commitment to jointly create value. In this view, customers are no longer seen as resources to be captured but as co-creators of services (Ballantyne et al., 2011). Value proposition research, under this perspective, researches into the micro-level of individual customers, focusing on interactions between the enterprise and customers.

Furthermore, some studies link value propositions with business models, considering them as the source and starting point of business model innovation, and the essence of business models (Payne et al., 2020). Others connect value propositions with innovation activities, emphasizing that a clear value proposition is a prerequisite for effective innovation, as it needs to be precisely communicated and deeply understood by relevant stakeholders (Shakeel et al., 2020). Magretta (2002) argue that the value proposition is an entrepreneurial vision, answering fundamental questions like "Who are your customers? What do customers value? How does the company generate revenue? How does it provide value to customers at a reasonable price?". Barnes et al. (2009) underscore the relationship between value propositions and customers, suggesting that a value proposition does not merely inform customers but should drive communication between the company and customers, clearly defining the nature of the business of the company. Finally, Hossain (2021) also highlight the importance of value propositions being internal tools for companies and describe them as "the experience customers gain from interacting with a company compared to competitors".

As for the evolution of the value proposition of municipal state-owned platform enterprises in China, China's municipal state-owned platform enterprises are organizations funded, established, and operated by local governments. Their primary purpose is to promote local economic development and ensure social stability. With the development of the Chinese economy and market-oriented reforms, the value proposition of these municipal state-owned platform enterprises is continuously evolving.

Transition from Policy Executors to Market Participants: In their early stages, municipal state-owned platform enterprises primarily executed government policies, such as

infrastructure construction and land development (Qian, 1995). Some scholars also contend that the value proposition of a company should align with its customer value proposition. Any inconsistency may pose challenges in realizing its intended value proposition (Henlei, 2022). However, as the market economy has developed, these enterprises have gradually shifted toward becoming active participants in the market. They have achieved profitability and growth through competition in the open market.

Shift from “Government-Led” to “Market-Led”: In the early stages, municipal state-owned platform enterprises were predominantly government-led, with noticeable government intervention and control. Particularly within the context of a development model led by local government, the delayed construction of urban infrastructure has generated substantial demand for financial funds. Government-led approaches have emerged as the predominant model for the development of state-owned platform enterprises (Zhou, 2011). With the advancement of the market economy, they have transitioned into market-led entities. This transformation includes initiatives like introducing private capital and implementing mixed ownership reforms, enabling profitability and development through market competition (Niu & Fang, 2023).

Transitioning from a single industry focus to diversified operations: In their initial stages, municipal state-owned platform enterprises were primarily concentrated in singular industries, such as infrastructure construction and land development (X. D. Wang, 2011). Subsequently, as the enterprises evolved, their business scope gradually expanded to encompass industries associated with infrastructure and land development, forming an integrated industrial chain (Cheng et al., 2023). As the market economy progressed, these companies initiated a shift toward diversified operations, engaging in multiple industrial sectors to enhance their resilience against risks (T. Liu, 2023).

Shift from Emphasizing Scale to Prioritizing Efficiency: Early on, municipal state-owned platform enterprises mainly pursued expansion in scale, leveraging their size to enhance market competitiveness (Zheng & Wang, 2000). However, with the development of the market economy, these municipal state-owned platform enterprises have recognized the importance of improving efficiency. They have started to focus on operational efficiency and profitability (L. X. Zhang, 2022).

Transitioning from sole state-owned ownership to mixed ownership reform: In the early stages, municipal state-owned platform enterprises were predominantly wholly state-owned entities. Their operational strategies primarily relied on land operations or were entirely dependent on government financial subsidies for urban construction (Xie et al., 2013). As the

market economy progressed, these enterprises initiated exploration into mixed ownership reforms. This involved continually advancing the optimization of the governance structure of state-owned enterprises to achieve high-quality development. Measures included the introduction of private capital, optimization of corporate governance structures, and enhancements to competitiveness and efficiency (Ji & Zhang, 2023).

Shift from Local Competition to National Expansion: Initially, municipal state-owned platform enterprises were primarily localized, operating in regional markets. However, as market competition intensified, these enterprises began expanding into national markets. They broadened their business scope and increased their market influence (Lin & Liu, 2001).

In summary, the evolution of the value proposition in China's municipal state-owned platform enterprises has undergone a series of transformative stages, reflecting the trajectory and outcomes of state-owned enterprise reform since the country's initiation of reform and opening up. The shift from being policy implementers to active market participants signifies a significant change in the role of China's municipal state-owned platform enterprises. This transformation not only indicates the progressive development of the country's market economic system but also underscores the evolving status and role of state-owned enterprises within the market-oriented economy.

Firstly, the evolution of the value proposition in China's municipal state-owned platform enterprises has transitioned from being mere policy executors to becoming active players in the market. During the era of planned economy, the primary responsibility of state-owned enterprises was to implement national policies and contribute to national economic development. However, with the establishment of the market economy, these enterprises have shifted towards actively participating in market dynamics, guided by market demands, engaging in market competition, and fostering independent operations and self-financing.

Secondly, the transformation from government dominance to market dominance reflects changes in the resource allocation status of state-owned enterprises. In the era of government dominance, these enterprises relied on government arrangements and guidance for resources and investments. In the period of market dominance, state-owned enterprises began allocating resources based on market signals, improving resource efficiency in response to market demand and benefits.

Thirdly, the shift from a single industry focus to diversified operations indicates a strategic adjustment in the industrial development approach of state-owned enterprises. In response to market competition and economic development needs, state-owned enterprises have expanded their business scope, adopting diversified business strategies to mitigate risks

and enhance their resilience.

Fourthly, the move from a focus on scale to an emphasis on efficiency illustrates a shift in the business philosophy of state-owned enterprises. Previously, these enterprises pursued scale expansion while neglecting efficiency. Presently, there is a focus on enhancing operational efficiency and striving for improvements in quality and efficiency to achieve sustainable development.

Fifthly, the transformation from sole state-owned ownership to mixed ownership reform marks an adjustment in the ownership structure of China's state-owned enterprises. Mixed ownership reform facilitates the optimization of equity structures, improvement of corporate governance, and enhancement of corporate vitality and competitiveness.

Sixthly, the shift from local competition to national layout signifies an adjustment in the market layout strategy of state-owned enterprises. To enhance market competitiveness, state-owned enterprises have expanded their market reach, implementing nationwide layouts to effectively contend with market challenges.

These evolutionary processes contribute not only to the improvement of the competitiveness and efficiency of state-owned enterprises but also to the realization of sustainable development. Throughout this journey, state-owned enterprises continually adjust their value propositions to align with market changes and economic development needs. These adjustments enable state-owned enterprises to transform their roles, bolster market competitiveness, and contribute to the sustainable development of the country's economy. It is evident that these transformative processes, spanning from policy execution to market participation, from government leadership to market leadership, from single industry focus to diversified operations, from scale emphasis to efficiency focus, from sole state-owned ownership to mixed ownership reform, and from local competition to national layout, represent the historical trajectory of state-owned enterprise reform and provide insights into the future direction of their development. In the context of the new era, state-owned enterprises are poised to deepen reforms, optimize value propositions, achieve high-quality development, and make substantial contributions to the prosperity of the country's economy.

2.4 Ecosystem theory

There is a significant correlation between platform enterprises and local economic development, exerting a profound impact on the progress of cities. As these enterprises deliver services to the region and city, they draw in a considerable number of participants,

establishing an ecosystem centered around themselves. Therefore, building upon a review of the literature on Chinese municipal state-owned enterprises and platform enterprises, this thesis delves further into and organizes research content related to ecosystems.

From an academic standpoint, platform enterprises are perceived as a novel organizational form that transcends traditional industry boundaries through innovative technological means and business models. They interconnect various participants, giving rise to an interactive, collaborative, and symbiotic ecosystem. Within this ecosystem, platform enterprises assume a central role, fostering interaction and cooperation among participants by furnishing technical support, conducting data analysis, facilitating information matching, and providing other services. This, in turn, facilitates the creation and sharing of value. Participants within the ecosystem encompass consumers, producers, service providers, investors, and other entities. They achieve information exchange, resource sharing, and value transfer through the services and tools offered by platform enterprises.

The diverse participant structure and interactive mechanism empower platform enterprises with robust social networks and influence, effectively driving local economic development and city prosperity. Simultaneously, platform enterprises exhibit strong capabilities in innovation and adaptability, enabling swift responses to market changes and user needs. They can provide personalized services and support. This flexibility and innovation position platform enterprises as pivotal contributors to the development of local regions and cities, promoting the optimization of economic structures and the upgrading of industries.

2.4.1 Overview of ecosystem

The term “ecosystem” originates from biology. It was not until the 1990s that scholars started applying an ecosystem perspective to analyze the phenomena within social enterprises. Moore (1993) employed the concept of an ecosystem from biology to elucidate the interplay between competition and cooperation among business activities in the market. In his book “The Death of Competition”, he focused on the interrelationships between corporations such as Intel, Microsoft, and Telecom, while also closely observing how automobile giants like Chrysler and Ford coexisted and progressed in the ecosystem. Moore (1993) defines an ecosystem as an economic community comprising interactive organizations and individuals, encompassing suppliers, customers, producers, competitors, and other stakeholders.

Moore (1993) delineates the formation of an ecosystem through distinct stages. The first

stage, which is the development stage, holds substantial influence on a company's future trajectory. In this phase, enterprises must conduct a comprehensive market assessment, demonstrating keen market insight and forward-looking thinking. The goal is to accurately identify market needs and trends. Following the market assessment, enterprises should align themselves with areas matching their positioning, forming the basis of the ecosystem. Choosing areas with development potential and competitiveness, based on core strengths, resources, and business expertise, is crucial. The identified core product or service becomes the foundation for attracting related industries to join the ecosystem. Enterprises, during this stage, should continually enhance the competitiveness of core offerings through innovation, optimization, and collaboration with related industries. Strengthening relationships with suppliers, customers, and partners is essential for the prosperity and stability of the ecosystem.

The second stage, the expansion stage, is pivotal for the enterprise ecosystem's development. Building upon the development stage, core enterprises lead the inclusion of related entities into the ecosystem through attraction, cooperation, or mergers and acquisitions. Core enterprises, with strong innovation capabilities and market competitiveness, play an irreplaceable role. Effective scaling strategies involve continuous strengthening of core competitiveness, collaboration with related enterprises for common development, and vigilance regarding emerging markets and potential competitors. Core enterprises must also focus on the overall layout and structural optimization of the ecosystem, adjusting competitive relationships, cooperation models, and resource allocation. Active participation in policy formulation, industry standards, and norms is necessary for the ecosystem's healthy development.

The third stage, the leading stage, marks the mature phase of the enterprise ecosystem's development. Core enterprises, now dominant, provide clear direction and motivation for the ecosystem's development, demonstrating leadership, resource integration, and innovation capabilities. This stage fosters stable cooperative relationships among ecosystem enterprises, forming a balanced competitive landscape. Core enterprises help other entities identify their roles and values, achieving effective resource allocation and synergy. The leading stage sees each enterprise's status within the system stabilize, creating a foundation for tremendous value creation through cooperation, collaborative innovation, and enhanced competitiveness.

The fourth stage, the renewal stage, is a crucial period for the enterprise ecosystem. Despite overall stability, core enterprises bear the responsibility of system updates to maintain vitality and competitiveness. Continuous adjustment of development direction based on market conditions, innovation, and attention to emerging companies is imperative. Core

enterprises drive the entire ecosystem's continuous innovation and development, ensuring sustained competitiveness and profitability.

In conclusion, during the emergence and transformation of the enterprise ecosystem, it is crucial to recognize it as a unified whole, characterized by both competition and cooperation among its components. Competitive and cooperative relationships intertwine, creating the complexity of the ecosystem. Striking the right balance between competition and cooperation is essential for dynamic equilibrium, interdependence, and symbiosis within the ecosystem. Achieving this balance fosters a stable cooperative relationship, promoting smooth development, continuous innovation, and value creation. This dynamic equilibrium requires companies to maintain a strategic vision, viewing their position holistically within the ecosystem. In summary, mutual competition and cooperation are inherent and intertwined elements of the enterprise ecosystem, forming its complex and dynamic nature. Balancing these relationships is key to achieving a stable and prosperous ecosystem (Cobben et al., 2022). The relationship between cooperation and competition in the business ecosystem evolution is summarized in Table 2.1 below.

Table 2.1 Challenges in the cooperation and competition of business ecosystem evolution

Development Stages	Challenges of Cooperation	Challenges of Competition
Pioneering Phase	Collaborate with customers and suppliers to shape novel value propositions during the initial stages of innovation.	Safeguard your ideas from potential imitations. Forge close connections with essential customers, key suppliers, and vital distribution channels.
Expansion Stage	Partner with suppliers and allies to expand the supply chain, offer fresh products to vast markets, and achieve comprehensive market penetration.	Eradicate the chance of executing identical concepts and guarantee your approach becomes the industry standard by dominating pivotal market segments.
Leadership Phase	Articulate an inspiring vision for the future, fostering collaboration between customers and suppliers to continually enhance the product range.	Uphold substantial negotiating influence within an ecosystem comprising crucial customers and valuable suppliers.
Renewal Phase	Engage with innovators to introduce fresh concepts into the existing ecosystem.	Maintaining stringent barriers deters innovators from constructing alternative ecosystems, raises customer switching costs, and provides an opportunity to infuse novel ideas into your products and services.

Source: Moore (1993)

With the continuous advancement of research related to ecosystems, this concept has garnered widespread attention in recent years. More and more individuals recognize that the

ecosystem is not solely a concept confined to the field of biology but also a novel perspective for examining enterprise development. In the current era, marked by the continual evolution of technology, changing business models, and the progressively tighter interconnections among enterprises, the ecosystem has undergone significant transformations. It has expanded beyond the realm of biotechnology, becoming a widely used concept in numerous mature industries.

The broad dissemination and application of the ecosystem concept stem from its unique value and advantages. Ecosystem underscores the interconnectedness and interdependence of elements, along with the integrity and dynamic equilibrium of systems within complex environments. This concept introduces a fresh approach to studying enterprise development, enabling individuals to scrutinize such issues from an ecosystem perspective, seeking balance and harmony between enterprises and the external environment.

Regarding technological advancements, the rapid progress of information technology facilitates easier access to and processing of information for enterprises, thereby enhancing their decision-making efficiency and competitiveness. In this process, the ecosystem concept aids enterprises in better comprehending and grasping technological development trends to adapt to evolving market needs.

In terms of changes to business models, as consumer demands shift and market competition intensifies, companies must continuously adjust and optimize their business models. The ecosystem concept places emphasis on the interaction and symbiotic relationship between enterprises and the external environment, assisting companies in gaining a deeper understanding of market demands, innovating business models, and achieving sustainable development.

In the context of economic globalization, the ties between enterprises are becoming increasingly closer, necessitating companies to seek cooperation and coordination of resources and markets on a global scale. The ecosystem concept aids companies in better understanding and grasping the developmental trends of the global economy, strengthening international cooperation, and achieving mutual benefit and win-win results.

Overall, as research related to ecosystems continues to deepen, ecosystems have become a new focal point for studying enterprise development. In the backdrop of technological advancements, shifts in business models, and evolving connections between enterprises, the application of ecosystems is expected to become more extensive, offering new ideas and methods for enterprise development (Ainscough et al., 2019).

2.4.2 Ecosystem classification

Based on a comprehensive review of relevant literature, scholars, including Jacobides et al. (2018), have categorized ecosystems into three primary types: Business Ecosystem, Innovation Ecosystem, and Platform Ecosystem.

(1) Business ecosystem

As mentioned in section 2.6.1, the term “business ecosystem” was introduced by Moore (1993), inspired by the ecological perspective applied to the business realm. He characterized a business ecosystem as an economic community rooted in organizational interactions, where enterprises transcend the role of independent entities and become integral parts of the ecosystem. In a business ecosystem, companies are not solely driven to outcompete rivals; they also engage in cooperation and coevolution with competitors and the entire ecosystem. Such ecosystems encompass consumers, producers, competitors, and various other stakeholders willing to embrace risks. Moore expanded this notion further by outlining seven key dimensions for managing business ecosystems. These dimensions encompass customers, markets, products or services, experiential processes, organizational aspects, stakeholders, social values, and governmental policies. At the heart of corporate strategy is making informed decisions across these seven dimensions that align with the principal goals and challenges of each evolutionary stage, ultimately establishing a leadership role within the business ecosystem (Moore, 1993).

Moore (1993) elaborated on the definition of business ecosystems, shedding light on their inherent structural characteristics and evolutionary mechanisms. He portrayed business ecosystems as dynamic structural systems composed of customers, suppliers, manufacturers, investors, trade partners, standard-setting bodies, labor unions, governmental entities, social service agencies, and other stakeholders. These systems organically materialize, possess a high degree of self-organization, and exhibit an element of serendipity.

Subsequently, other scholars began examining business ecosystems from diverse perspectives. One such viewpoint emphasizes ecological aspects. The concept of a niche in ecology is employed to depict the characteristics of business ecosystems, which are perceived as communities comprised of distinct yet interconnected enterprises. Alterations in one enterprise can impact others, triggering corresponding changes (Michael, 2006). Teece (2007) focused on the impact of business ecosystems on individual or emerging enterprises, framing them as networks that influence businesses, customers, suppliers, organizations, institutions, and communities of individuals. Kim et al. (2010) emphasized that a business ecosystem

represents an economic community composed of numerous interdependent enterprises, necessitating collaboration among members to obtain value beyond what a single enterprise can achieve independently. Gomes et al. (2023) posits that the shift from a traditional economy to a circular economy is intricately linked to the emergence and growth of ecosystems that generate cohesive circular value propositions. Consequently, Gomes proposes a theoretical framework for managing circular ecosystems, encompassing interdependent processes that autonomously generate and capture circular value involving interconnected actors.

Another perspective emphasizes the networking aspect. Power and Jerjian (2001) underscored the significance of networks, asserting that the business ecosystem operates as a global network system. Peltioniemi and Vuori (2004) define a business ecosystem as a structure comprising interconnected organizations, encompassing small businesses, large enterprises, universities, research centers, public institutions, and other entities that can influence the system. Zahra and Nambisan (2012) view the business ecosystem as a network that offers resources, cooperative relationships, and crucial information for enterprises. This network evolves through long-term collaboration among its members. Establishing and cultivating a business ecosystem necessitates a harmonious alignment between corporate insights and strategic thinking. Kabaya et al. (2019) explore business ecosystems from the standpoint of relationships among enterprises and enterprise networks. They contend that a business ecosystem forms a relationship network comprised of interdependent suppliers, enterprises, and customers. Schöbel and Leimeister (2023) regard the metaverse as a massively scalable and interoperable meta-ecosystem consisting of other digital ecosystems of real-time rendered 3D virtual worlds. These can be experienced simultaneously and persistently by an unlimited number of complementors and consumers. The creatively guided co-creation managed by coordinators and supported by platform owners leads to an enhanced user experience.

As a multifaceted concept, the business ecosystem has been extensively explored by researchers from various perspectives. It is commonly understood that a business ecosystem is an intricate network comprising interconnected organizations. These organizations engage in mutual interactions and exert influence on each other in the realm of business activities, ultimately forming a dynamically balanced system. Business ecosystems share some traits with natural ecosystems and possess specific characteristics associated with commercial endeavors. Similar to natural ecosystems, business ecosystems exhibit the capacity for self-regulation and self-repair.

Within a business ecosystem, the interactions and feedback mechanisms between organizations enable the system to autonomously adjust and adapt to external environmental changes, thereby maintaining the stability and sustainability of the system. A business ecosystem represents a complex system that amalgamates both natural and business characteristics. It consists of diverse interconnected organizations that attain sustainable development and value creation through interaction and collaborative cooperation. The introduction and exploration of this concept offer a fresh perspective and mode of thinking for understanding and navigating business activities.

(2) Platform Ecosystem

The concept of a “platform” was initially introduced to the field of management within the context of the computer industry by Wheelwright and Clark (1992). Since then, scholars have embarked on a journey to explore the economic impact of platforms across various dimensions, including organization, production, and commerce. The organizational platform serves as a repository of organizational resources, promoting the functioning of organizations (Prahalad & Hamel, 1990). The production platform aids in product development to cater to diverse market demands and supports large-scale manufacturing and product operations. Business platforms are typically electronic platforms that connect various parties, fostering market efficiencies (Gawer & Cusumano, 2014). Autio and Thomas (2019) assert that platform-based markets are transforming the manner in which organizations create and deliver value. This transformation facilitates the exchange of goods, services, and information among participants, thereby generating value through enabling exchanges that would not occur otherwise (Cusumano et al., 2020).

The platform ecosystem primarily comprises two key roles: the platform and complementors. In the platform ecosystem, the emphasis is placed on the interdependence between the platform and its complementors (Gawer & Cusumano, 2014). Numerous complementors enhance the value of the platform to customers which are grounded in products and services, offering the foundation for external complementors to function. External complementary firms can exchange information and resources on the platform that serve as the core enterprise within the ecosystem or the economic driving force of the entire system integrating and orchestrating system resources to fulfill user needs to the greatest extent possible (Van Dijck et al., 2021).

Complementors provide diverse additions to the ecosystem, primarily focusing on niche markets that enable the platform to better meet the requirements of diverse users. Consequently, in the platform ecosystem, complementors primarily fulfill a niche enterprise

role. The core enterprise (keystone) within the platform ecosystem conducts business across multiple related or unrelated fields beyond its core operations, and resources throughout the entire chain can be funneled into the enterprise resource pool. Usually, core enterprises are platform companies that predominantly sustain and advance the development of the overall system, collaboratively generating and sharing value with other enterprises while niche companies primarily supply complementary products and services and create synergies with platform firms or other entities within the system (Iansiti & Levien, 2004). Moreover, to pursue economic benefits and capture market share, platform companies regulate supply-side users by enhancing access conditions while seeking economic gains by limiting the choices of demand-side users. These companies compel participants to disengage from other platforms through unconventional means, which also has a notable impact on the standard competition among companies (Guo et al., 2022).

In modern enterprise ecosystems, platform companies often play a pivotal role. Instead of providing all products and services themselves, these companies focus on creating an environment that encourages complementors to fully utilize their capabilities. This environment offers essential support and services to complementors, enabling them to leverage their expertise and innovation capabilities. As the nucleus of the ecosystem, the primary mission of platform companies is to foster value creation and ensure the sustainable development of the entire ecosystem.

Within the platform ecosystem, each member assumes unique responsibilities and roles based on their characteristics and expertise. Through close collaboration with platform companies, these members collectively deliver diverse and specialized products and services to users. Confronted with dynamic market changes, these members adjust their strategies and behaviors to align with environmental shifts, addressing market needs and challenges. A distinctive trait of the platform ecosystem is its openness and inclusivity. By harnessing the diversified and specialized knowledge and technology of external enterprises, the ecosystem meets evolving and personalized user needs. This openness empowers the platform ecosystem to rapidly adapt to market changes and provide innovative products and services.

The strength of a platform ecosystem lies in its diverse and specialized complementors. The scale and complexity of such an ecosystem are challenging for a single enterprise to achieve. Through the integration and synergy of complementors' capabilities, platform companies achieve efficient resource allocation, generate synergy effects, and enhance the competitiveness and profitability of the entire ecosystem. In the face of market dynamics, the platform ecosystem leverages the diversified and specialized knowledge and technology of

external enterprises to meet user needs. The power of the platform ecosystem lies in its diverse and specialized complementors. Achieving the scale and complexity of such an ecosystem is a challenge for a single enterprise (Narayan, 2023)

(3) Innovation Ecosystem

The concept of the innovation ecosystem introduced by Moore (1993) has garnered significant attention in recent years and, building upon it, the innovation ecosystem has progressively become the focus of scholarly inquiry. In 2004, the U.S. President's Council of Advisors on Science and Technology officially introduced the notion of the "innovation ecosystem" in a research report (PCAST, 2004). Subsequently, in 2004, the American Council on Competitiveness published "Innovating America: A Research Report on Growing Amid Challenges and Change," which explicitly employed the term "innovation ecosystem". This report underscored the need to establish a novel relationship among businesses, government entities, educators, and workers to formulate a 21st-century innovation ecosystem aimed at enhancing innovation capabilities and performance of the United States. Since then, the innovation ecosystem has captured broad academic interest and has been the subject of extensive domestic and foreign research and literature. Scholars have approached the study of the innovation ecosystem from various angles (Deborah, 2007).

First, from an ecological perspective, the innovation ecosystem accentuates that enterprises are no longer confined to single products but instead constitute part of a multifaceted ecosystem spanning multiple industries. As Moore (1993) referred, in an innovation ecosystem, firms collaborate and compete with one another by continually developing capabilities to collectively address customer needs. Later, Iansiti and Levien (2004) introduced the concept of using the niche theory to describe the innovation ecosystem contending that innovation ecosystems encompass firms occupying different ecological niches that are interconnected. If the ecological niche of one firm changes, it prompts corresponding changes in other firms. Metcalfe et al. (2004) highlight that the innovation ecosystem is rooted in innovation ecology and aims to facilitate connections between innovative entities. This linkage facilitates the exchange of information among innovative entities, thereby fostering the dissemination of knowledge and technology. Nihad and Fabiano (2018) emphasized how the innovation ecosystem theory and innovation system theory complement each other, covering three main aspects: understanding innovation activities, the roles of relevant subjects, and the interactions and resulting networks that arise from them.

Second, from a synergetic perspective, innovation ecosystems emphasize components and complements that support essential innovations, viewing ecosystems as collaborative

arrangements. This collaboration underscores the interplay among interdependent actors within the ecosystem, leading to the creation of innovations that benefit end customers. Ecosystem innovations may falter if alignment within the ecosystem cannot be attained (Adner & Feiler, 2016). Adner (2017) also emphasized that innovation is no longer a task that a single enterprise can accomplish independently; it necessitates complementary collaboration with various partners to deliver genuinely valuable products and services to customers. The alignment of the innovation strategy within an enterprise with the innovation ecosystem is pivotal for a group of firms to generate a value that far surpasses what a single independent enterprise can create. B. Sun et al. (2015) regard the innovation ecosystem as an interconnected and dynamically balanced system that fosters the sharing of innovative resources and complementary advantages.

Lastly, from a network perspective, Zahra and Nambisan (2011) posit that an innovation ecosystem constitutes a loosely interconnected network of companies. Each company collaboratively develops around innovation or innovation platforms and relies on one another for collective effectiveness and survival. In turn, Autio and Thomas (2014) view the innovation ecosystem as a loosely connected network composed of suppliers, distributors, outsourcers, manufacturers, and enterprises. These entities influence one another in the process of product creation and delivery since innovation is a complex and dynamic phenomenon, where all stakeholders and institutions are interconnected, and the innovation ecosystem is multifaceted and in constant interaction (Gomes et al., 2018).

In summary, business ecosystem, platform ecosystem, and innovation ecosystem are three interconnected yet distinct concepts. A business ecosystem is a complex network comprising multiple organizations, such as enterprises, customers, suppliers and competitors. These entities interact and depend on each other within the system, collaboratively fostering business activities. The objective of the business ecosystem is to achieve sustainable development and value creation, emphasizing the collaborative cooperation and shared growth of diverse organizations within the entire system. It focuses on optimizing resource allocation, information circulation, and value transmission to attain the optimal state of the overall system.

A platform ecosystem is based on a technology or market platform and consists of multiple participating entities, including consumers, producers, service providers, investors, etc. These entities utilize services and tools provided by platform enterprises for information exchange, resource sharing, and value transfer. The platform ecosystem underscores the role of platform enterprises as hubs and the interaction and cooperation among various participants

on the platform. The goal is to achieve the sustainable development of the platform, enhancing its competitiveness and value creation capabilities.

The innovation ecosystem is a system comprising innovation subjects, innovation resources, innovation environment, and innovation culture. It emphasizes the dynamism and synergy of innovation activities. Main entities in the innovation ecosystem include enterprises, research institutions, universities or governments, collectively promoting innovation activities through cooperation, exchanges, and competition. The objective is to facilitate the optimal allocation of innovation resources, enhance innovation efficiency and capabilities, and foster industrial upgrading and the sustainability of economic development. Table 2.2 below summarizes relevant literature on the three types of ecosystems.

Table 2.2 Review of relevant literature on three types of ecosystems

Classification	Main Research Scholars and Works	Main Points
Business Ecosystem	Moore (1993) Power and Jerjian (2001) Iansiti and Levien (2004) Teece (2007) Kim et al. (2010) Nihad and Fabiano (2018)	Business Ecosystems concentrate on individual enterprises or new ventures and perceive ecosystems as communities of organizations, institutions, and individuals that impact businesses, customers, and suppliers. A business ecosystem is not merely a straightforward cooperation between companies but a co-evolution of businesses in a mutually advantageous manner.
Platform Ecosystem	Gawer and Cusumano (2014) Boudreau (2010) Adner (2017)	Platform Ecosystems highlight the interdependencies between the platform itself and the platform sponsors and complementors, enhancing the value of the platform for customers.
Innovation Ecosystem	Moore (1993) Iansiti and Levien (2004) Zahra and Nambisan (2011) Gomes et al. (2018)	Innovation Ecosystems emphasize critical innovations and the various components and complements that bolster innovation, viewing ecosystems as collaborative arrangements. This collaborative setup underscores the comprehension of how interdependent actors interact and the creation and commercialization of innovations that benefit end customers.

2.4.3 Perspectives on ecosystems: Affiliation view and structural view

The term “ecosystem” has gained prominence in both practical and academic circles in recent years. Extensive ecosystem research demonstrates a growing interest in the interplay between organizations and their activities, however, scholars approach the study of ecosystems from different angles. In his research, Adner (2017) presents two ecosystem perspectives: the Ecosystem-as-Affiliation and Ecosystem-as-Structure.

(1) Ecosystem affiliation view

The Ecosystem Affiliation View and the Ecosystem Structure View represent distinct approaches to studying ecosystems. As mentioned before, Moore (1993) was the first to apply ecosystems to analyze business phenomena, defining business ecosystems as economic communities formed by interacting organizations and individuals providing valuable products and services to customers while Iansiti and Levien (2004) consider ecosystems as business networks comprised of numerous loosely connected participants and Autio and Thomas (2014) define ecosystems as networks formed by affiliated organizations. Over time, ecosystem members collectively develop capabilities and roles, tending to align with one or more central companies. Ritala and Almpanopoulou (2017) refer to this perspective as the ecosystem affiliation view, emphasizing the breakdown of traditional enterprise boundaries and the emergence of interdependence. This view focuses on the number of partners, network density, and the centrality of actors within the network.

The Ecosystem Affiliation View places greater emphasis on the number of participants related to the platform, often involving numerous complementor roles. Indeed, increasing the number of actors connected to a focal actor can enhance its bargaining power (Jacobides et al., 2006). Jacobides et al. (2018) contend that non-generic complementarities formed among complementors are a critical factor in the emergence of ecosystems. Analyzing the nature, direction, and intensity of these complementarities can facilitate understanding the unique characteristics within and between ecosystems, ultimately affecting value creation and value capture.

(2) Ecosystem Structure View

The Ecosystem Structural Perspective offers a novel approach to considering interdependent value creation within systems. It regards ecosystems as coordination structures comprising multilateral partnerships that depend on each other to achieve crucial value propositions. Starting from the value proposition, this perspective explores what activities are necessary to realize this proposition and how to effectively coordinate these activities and the actors involved to achieve the ultimate overarching goal. In contrast to the Ecosystem Affiliation View, which centers on actors directly connected to the core company, the Structural Perspective offers a more comprehensive view suggesting that actors in the ecosystem and the activities they engage in may extend beyond the direct control of the core company or even operate independently (Adner, 2017).

Hence, from the architectural standpoint of the enterprise ecosystem, greater emphasis should be placed on the complementarity among various system participants concerning

resources, products and functions. This perspective delves into discussions on executing effective coordination and integration based on complementarity to maximize the overall system value. Recognizing that synergies, such as resource sharing, risk mitigation, and enhanced innovation capabilities, can be attained through complementarity among participants, this architectural perspective serves to foster the development and prosperity of the entire ecosystem.

In the architectural view, enterprises must identify and nurture complementarity within the system. This involves promoting interaction and collaboration among all participants through the establishment of cooperative mechanisms, shared platforms, and collaborative innovation systems. Additionally, institutional-level design and arrangements are crucial to ensuring effective exertion of complementarity within the system, preventing resource waste, and avoiding market saturation resulting from excessive competition. Moreover, effective coordination and integration play a pivotal role in maximizing ecosystem value. This necessitates enterprises to possess strategic vision and management capabilities, allowing them to plan and allocate resources, products, and functions within the system holistically, ensuring efficient operation and sustainable development.

In summary, the architectural perspective of the enterprise ecosystem underscores the complementarity among various participants in the system and focuses on how to coordinate and integrate effectively based on complementarity for the optimal value of the entire system. Table 2.3 illustrates the comparison between the Ecosystem Affiliation View and the Structural Perspective.

Table 2.3 Comparison of the ecosystem affiliation view and the structural perspective

Elements of Ecosystem Structural	Ecosystem-as-Affiliation Perspective	Ecosystem-as-Structure Perspective
Business activity	Not applicable	Discrete actions that are taken to realize the value proposition
Stakeholders	Entities that are tied to focal stakeholders	Entities engaged in activities
Positioning	Derived from links to other stakeholders	Specified positions in the flow of activities across the system
Networking	Ties between the focal stakeholder and other stakeholders	Transfers across positions, which may or may not include the focal stakeholder

From the actor's perspective, ecosystem research centers on the interconnections among actors, delving into how they collaboratively create value through effective complementarity. This research perspective acknowledges that within the enterprise ecosystem, different actors possess their own resources and capabilities. Through complementary collaboration,

synergistic effects such as resource integration, risk-sharing, and improved innovation capabilities can be achieved, thereby fostering the development and prosperity of the entire ecosystem. The ecosystem structure perspective places greater emphasis on the coordinated structure and relationships among diverse and heterogeneous ecological members in the system to achieve a common value proposition. This structural perspective is concerned with facilitating the realization of these value propositions through the design and arrangement of suitable organizational structures, coordination mechanisms, and cooperative networks. It requires a profound understanding of the characteristics, needs, and goals of ecological members to ensure the effective operation and sustainable development of the ecosystem.

Examining ecosystems from the perspectives of actors and structures provides a deep understanding of the operating mechanism and value creation process of enterprise ecosystems. This offers a vital theoretical basis and practical guidance for corporate strategic decision-making and ecosystem management. In the ecosystem affiliation view, the ecosystem is seen as a community of actors formed by affiliations between networks and platforms, while in the ecosystem structure view, the ecosystem is perceived as a series of activities based on value proposition combinations (Felin & Foss, 2023). Although these views of ecosystems as affiliations and structures are conceptually different, they align with each other. One does not negate the other, and specific circumstances can illustrate the characteristics of both. Simultaneously, the most significant difference between the ecosystem affiliation view and the structure view lies in the activities they focus on. The structural perspective places greater emphasis on the pivotal role of activities in realizing the value proposition. It starts with value propositions, considers the activities needed to achieve them, and explores the interdependencies between these activities.

2.5 Driving factors for the evolution of corporate value proposition

To investigate the driving factors behind the evolution of a value proposition of an enterprise, it is crucial to understand why the value proposition undergoes changes and which factors are involved in this transformation. This is the central aspect of uncovering the driving forces propelling the evolution of the value proposition of the enterprise. In the realm of research on these driving factors, scholars often focus on different aspects within their respective studies, resulting in varying research outcomes. Through a comprehensive literature analysis, these driving factors can be broadly classified into three categories:

Firstly, from the perspective of internal drive theory, the transformation of corporate

value propositions is primarily propelled by internal motivations within the company. As an enterprise undergoes growth and development, its value proposition will be influenced by a series of internal factors, including strategic changes, organizational culture, leadership style, and resource allocation. These internal dynamics profoundly impact the company's value proposition, triggering its evolution and adjustment. Internal drive theory posits that an enterprise, akin to an independent individual, possesses its own will and decision-making capacity. Consequently, when enterprises determine and adjust their value propositions, they are primarily guided by internal considerations and strategic needs, rather than being entirely dictated by the external environment. This theory underscores the crucial role of internal factors in the process of value proposition transformation (Camlek, 2010). Therefore, the primary driving factor for the evolution of corporate value propositions is deemed to be the company itself.

Secondly, from the perspective of external drive theory, the transformation of corporate value propositions is primarily influenced by external environmental factors. These external factors encompass key industrial events, industry environmental evolution, technological innovation, policy changes, market demand, etc. They are intricately linked to the enterprise's strategy and directly impact the value proposition. External drive theory asserts that companies, when formulating and adjusting their value propositions, must conduct in-depth analyses and gain insights into external environmental factors to adapt to changes in the external environment. This theory underscores that changes in the external environment exert a direct and significant impact on a company's value proposition. These external factors may bring about new market opportunities and challenges, prompting companies to adjust their value propositions to align with new market demands and competition. Simultaneously, enterprises must remain highly sensitive and responsive to changes in the external environment to promptly adjust their value propositions, ensuring sustained competitive advantage. However, the external drive theory also highlights that due to the complexity and uncertainty of the external environment, changes in corporate value propositions are challenging to predict accurately. Therefore, enterprises need to establish flexible strategic adjustment mechanisms to respond to changes in the external environment and ensure that their value propositions align with the external environment. In summary, external drive theory provides a perspective to explain the transformation of corporate value propositions, emphasizing that external environmental factors have a significant impact on corporate value propositions. This theory reminds companies that when formulating and adjusting their value propositions, they need to conduct in-depth analysis and gain insights into the external

environment and establish a flexible strategic adjustment mechanism to respond to changes in the external environment.

Finally, co-evolution theory introduces a new explanatory framework for the transformation of corporate value propositions. According to this theory, the transformation of a corporate value proposition is not an isolated event but a dynamic and complex interactive process involving interdependence and co-evolution between corporate strategy and the organizational environment, institutional environment, and competitive environment. This theory posits that the transformation of a company's value proposition occurs under the joint influence of changing internal and external environmental factors, and the interaction between these environmental factors and corporate strategy further shapes the company's value proposition. Co-evolution theory emphasizes the interactive relationship between enterprises and the external environment, asserting that the transformation of enterprise value proposition is a continuous adaptation and adjustment process to cope with the challenges and opportunities of the external environment. This theory acknowledges that the interaction between corporate strategy and the external environment is dynamic and reciprocal, with both influencing and evolving each other. Based on co-evolution theory, the transformation process of corporate value proposition is deemed unpredictable. Given the complexity and uncertainty of the interaction between enterprises and the external environment, companies must continually adapt to changes in the external environment, maintaining flexibility and adaptability when formulating and adjusting their value propositions. This necessitates enterprises to exhibit a high degree of agility and response capabilities during the strategy formulation and execution process to cope with the unpredictability of the external environment. Co-evolution theory offers a new theoretical perspective for the transformation of corporate value propositions, emphasizing the interdependence and co-evolution between enterprises and the external environment (Teece, 2008).

2.5.1 Internal driven view

The internally driven view of the evolution of a corporate value proposition mainly emphasizes the decisive influence of the enterprise itself on the evolution of its value proposition. Various scholars, in their research on specific driving factors, have explored different aspects. Early on Van de Ven et al. (1976) for instance, underscored the impact of advantages and owned resources on the evolution of a value proposition. Powell et al. (1996) emphasized the significance of prior corporate development experience and internal R&D

experience. Tanda and De Marco (2021) primarily focused on the impact of managerial volition on the evolution of a corporate value proposition. These studies have in common an emphasis on the impact of corporate strategic intentions on the evolution of value propositions.

In this regard, a strategic intent is considered a crucial motivation at the firm level for the evolution of its value proposition. Strategic intent reflects the behavior of an enterprise and significantly affects partner selection and partnership building. Prahalad and Hamel (2006) argued that companies with strong strategic intent actively search for and mobilize all resources that may be useful in achieving strategic goals. Earlier on, Prahalad and Hamel (1990) defined strategic intent as mainly referring to the degree of orientation of an enterprise in attempting to gain a competitive advantage, which can be measured by strategic aggressiveness and ambition. Companies with strong strategic intentions actively develop and maintain various relationships, considering relationships as assets with strategic leverage. Relationships provide companies with a potential foundation for expanding resources and capabilities, offering sustained competitive advantages. Lorenzoni and Lipparini (1999) conducted a case study on network organizational learning issues in three companies and found that strategic intent is the most crucial factor affecting relational capability and network formation. The rapid development of relational capability is considered an important prerequisite for growth. Johnson and Sohi (2001) research also suggested that strategic aggressiveness affects enterprise behavior as well as the formation and development of relationships between enterprises, arguing that behavioral tendencies of a company in the network affect changes in its value proposition. Rintamäki and Saarijärvi (2021) state that a customer perspective is about developing a customer value strategy at an abstract level that truly connects the company to customer needs in a way that resonates with key segments and stands the test of time.

In the research field of corporate strategic management, scholars have shown significant interest in the internal drive perspective. They have extensively explored various key factors that drive the development of corporate value propositions, identifying resource acquisition as the most crucial element. These resources encompass market information, knowledge, technology, reputation, and other aspects, forming the foundation for a company's sustainable development and competitive advantage. From the internally driven perspective, resource acquisition is not only pivotal in shaping an enterprise's value proposition but also serves as the fundamental driving force for adjusting and optimizing it.

Throughout the process of resource acquisition, enterprises must articulate their strategic

intentions, as these intentions play a crucial role in the evolution of value propositions. The pursuit of an enterprise is primarily reflected in its strategic intention, serving as the core driving force for formulating and implementing strategies. Companies with strong strategic intentions are more proactive in establishing and expanding network relationships. These positive network relationships not only aid in resource acquisition but also contribute to enhancing competitiveness and market positioning. Strong strategic intent effectively showcases the enthusiasm and initiative of an enterprise in constructing its value proposition. Such companies continuously seek innovation and change to adapt to market dynamics and evolving customer needs, allowing them to stand out in a highly competitive market and build value propositions with a competitive edge.

Moreover, strategic intent closely aligns with the company's development vision and long-term goals. Companies with clear development visions and long-term goals are more likely to possess strong strategic intentions, displaying higher enthusiasm and initiative in resource acquisition and value proposition construction. This robust strategic intention helps enterprises formulate and implement long-term business strategies, promoting sustainable development.

Nevertheless, the interaction between resource acquisition and strategic intent is not always seamless. Enterprises may encounter various challenges and difficulties in the process, including resource competition, market changes, and policy environments. In such cases, companies need to flexibly adjust their strategic intentions to respond to external changes and challenges. Additionally, maintaining a certain degree of flexibility and adaptability in resource acquisition and value proposition construction is essential to respond to evolving market demands and competition. In conclusion, the internally driven perspective asserts that resource acquisition is the fundamental driving force for shaping and adjusting corporate value propositions, with strategic intent playing a key role in their evolution. Enterprises with strong strategic intentions actively establish network relationships to acquire more resources, enhance competitiveness, and fortify market positions. While strategic intent showcases a company's enthusiasm and initiative in building a value proposition, maintaining flexibility and adaptability is crucial to address challenges and changes in the external environment during resource acquisition and value proposition construction.

2.5.2 External driven view

The externally driven view of the evolution of corporate value propositions primarily

considers the impact of the external environment and industry-level factors on the formation and development of corporate value propositions and has been the focus of another group of scholars when studying this issue.

Throughout the process of enterprise development, there exists a significant interactive relationship between enterprise value propositions and the industry. Not only does the corporate value proposition affect the industrial evolution of the company, but it also undergoes changes based on environmental expectations. Consequently, the formation and evolution of corporate value propositions may directly relate to various factors such as environmental changes, shifts in relationships, the impact of technological changes, alterations in industry rules, technological capital, commercial capital, social capital, and the role of crucial inventions and relationships (Rintamäki & Kirves, 2017). Researchers contend that industry-level factors influencing the formation of corporate value propositions encompass major industrial events, technological innovations, market competition intensity, market development stages, and uncertainty in demand and competition (Gasparin et al., 2022).

Gnyawali and Madhavan (2001) argue that major industrial events play a pivotal role in the evolution of corporate value propositions. Corporate value propositions undergo restructuring only in response to exogenous shocks, and the external environment of a company serves as a key variable in the evolution of its value proposition, with major industrial events providing opportunities for its enhancing (Dahl et al., 2023). Research conducted by Lingens et al. (2023) explores how changes in new technologies trigger alterations in the structure of corporate value propositions while Calvo et al. (2022) found that the formation and development of corporate value propositions are linked to the uncertainty of market demand and competition. In times of high market demand uncertainty and rapid growth, corporate value propositions tend to form vertical networks, while in periods of shrinking demand, tend to form horizontal networks. Moreover, market demand and competition uncertainty are seen as two significant motivations for the formation of value propositions which is also connected to market competition intensity and the strategic positioning of the company (Calvo et al., 2022). Research indicates that in emerging and highly competitive markets or when companies strive for technological leadership, companies are often strategically vulnerable, making them more inclined to establish alliances with other companies (Ardito et al., 2020). Ardito et al. (2020) refer to these events leading to the evolution of corporate value propositions as critical events. Common critical events include technological changes, the emergence of strong competitors, changes in fundamental

regulatory systems, dramatic shifts in customer preferences, and economic recessions.

In the field of strategic management, the externally driven perspective underscores the significant influence of the external industrial environment on corporate strategic decisions. According to this viewpoint, companies must adjust their value propositions to align with the changing environment, and this adjustment is directly manifested in the company's long-term goals. This adaptation not only impacts the strategic expansion of enterprises but also necessitates corresponding adjustments in resource requirements and allocation.

The externally driven perspective posits that the external industrial environment serves as a pivotal force driving corporate strategic changes. Changes in the environment can pose threats or present opportunities for enterprises. Hence, companies must sensitively respond to shifts in the external environment, modifying their value propositions to align with these changes. Such adjustments enable enterprises to better meet market demand, enhance competitiveness, and achieve sustainable development.

From an externally driven perspective, the evolutionary process of corporate value propositions shares similarities with the internally driven perspective in examining how these propositions evolve. Whether driven externally or internally, the evolution of a company's value proposition remains a crucial aspect of corporate strategic management. Throughout this evolution, companies need to continually review and adjust their value propositions to accommodate changes in the market environment and evolving customer needs.

However, differences exist between the externally driven view and the internally driven view regarding the driving forces behind the evolution of value propositions. The external drive perspective emphasizes that changes in the external environment are the primary driving force, while the internal drive perspective asserts that the internal resources and capabilities of the enterprise constitute the core driving force. Despite this distinction, both perspectives acknowledge the importance of the evolution of value propositions in corporate strategic management.

In practical applications, the externally driven perspective offers valuable guidance for the strategic management of enterprises. Companies must closely monitor changes in the external industrial environment and promptly adjust their value propositions to navigate environmental challenges and capitalize on opportunities. Furthermore, enterprises must make corresponding adjustments in resource requirements and allocation to support the evolution of value propositions. This resource adjustment may involve increasing or reducing investment in specific resources, optimizing resource allocation, and improving resource utilization efficiency, among other measures.

However, companies should also prioritize maintaining internal consistency and stability when adjusting their value proposition and resource allocation. The adjustment of the value proposition should align with the company's core competitiveness and long-term strategic goals to ensure the maintenance of a sustained competitive advantage while adapting to environmental changes. Additionally, enterprises must strike a balance between flexibility and stability in resource allocation to navigate the uncertainty and changes in the external environment.

In summary, the externally driven perspective assumes a crucial role in strategic management, emphasizing the impact of the external industrial environment on corporate strategic decisions. To adapt to environmental changes, enterprises must adjust their value propositions and align resource requirements and allocation accordingly. While differences exist between the externally driven perspective and the internally driven perspective regarding the driving forces behind the evolution of value propositions, both perspectives recognize the evolution of value propositions as a key component of corporate strategic management. In practical applications, companies must vigilantly monitor changes in the external environment and make timely adjustments to strategies and resource allocation to achieve sustainable development.

2.5.3 Co-evolution view

Research on the evolution of corporate value propositions cannot be conducted in isolation from environmental evolution issues but should adopt a co-evolutionary perspective (Foss, 1998). Some researchers have proposed a new theory of corporate value proposition evolution, suggesting that the evolution results from the co-evolution of the competitive environment, corporate intentions, and corporate institutional environment under environmental uncertainty (Taylor et al., 2020).

The co-evolution theory posits that the evolution of a value proposition is an interdependent and simultaneous co-evolution process involving the organizational environment, institutional environment, and competitive environment in which an enterprise is situated. This perspective has led to the development of a model that situates the value proposition within a framework in which the enterprise continuously adjusts its choices (Koza & Lewin, 1998). According to this model, the value proposition network of the enterprise is embedded in the strategic blueprint and evolves in conjunction with the strategy, institutional environment, organizational environment, competitive environment, and management

intentions. The evolution of the value proposition manifests in the adaptive strategic adjustment of the enterprise. The intent of a value proposition network can be seen as encompassing the goal of exploiting resources or exploring innovations. Additionally, Koza and Lewin (1998) observe that many factors exhibit co-evolution characteristics, such as corporate value proposition, corporate strategy, competition, technology, and institutional environment, co-evolving with each other.

As mentioned by Hou and Shi (2021) in 2004, an empirical study on the value proposition of a company based on co-evolution theory demonstrated that this evolution is driven more by corporate strategy than by considerations and development processes of bilateral network relationships while strategic decisions are influenced by the value proposition of a company. Furthermore, this co-evolution of value propositions and corporate strategies creates the possibility for companies to independently construct value propositions, posing significant challenges to corporate management.

Co-evolution theory stands as a crucial theoretical framework for elucidating the evolutionary process of enterprise value propositions. This theory posits that the evolution of an enterprise's value proposition results from the joint influence of internal and external factors. It underscores the dynamic interplay between the enterprise and its external environment, highlighting the significance of internal resource allocation.

According to co-evolution theory, the interaction between external and internal factors serves as the key driver for the evolution of corporate value propositions. Externally, factors such as the industrial environment, market competition, and customer needs impact the enterprise's value proposition. Changes in the external environment may create resource gaps, influencing the internal workings of the enterprise. For instance, shifts in market demand might necessitate adjustments to products and services, prompting the company to reassess and reallocate its internal resources. Additionally, external factors like changes in competitors' strategies and adjustments to policies and regulations can also prompt corresponding adjustments to corporate value propositions.

Internally, resource allocation emerges as a critical factor influencing the evolution of value propositions. This includes the effective management and allocation of human resources, financial resources, and material resources within an enterprise. Through strategic resource allocation, enterprises can bolster their core competitiveness and align with the evolving external environment. Simultaneously, the company's internal organizational structure, corporate culture, and management mechanisms impact resource allocation, further influencing the evolution of the company's value proposition.

In co-evolution theory, the evolution of a corporate value proposition is portrayed as a dynamic and interactive process. The interplay between external and internal factors leads to the constant adjustment and optimization of the enterprise's value proposition to adapt to the changing environment. This interaction extends beyond the creation of resource gaps and the role of resource allocation, encompassing information exchange, learning, and innovation between enterprises and the external environment.

Co-evolution theory holds significant guiding implications for corporate strategic management. Enterprises must possess a keen understanding of the external environment, adjusting their value proposition promptly to meet the challenges and opportunities it presents. Concurrently, optimizing internal resource allocation is vital for enhancing core competitiveness and aligning with changes and demands in the external environment. Throughout this process, companies must establish a flexible and dynamic strategic management mechanism to facilitate the continuous evolution of value propositions and ensure the sustainable development of the company.

In summary, co-evolution theory offers a novel perspective on comprehending the evolution of corporate value propositions. The evolution of a company's value proposition is the outcome of the collaborative impact of internal and external factors, evident in the resource gaps induced by external factors and the role of internal resource allocation. Through a thorough exploration of the co-evolution process of corporate value propositions, a better understanding of the nature of corporate strategic management can be attained, providing more practical guidance for companies.

2.6 Summary

In this section, we provide a summary and review of academic research on the driving factors influencing the evolution of corporate value propositions. Numerous studies indicate that while there are variations in the driving factors proposed by different scholars, they can generally be categorized into three main perspectives: internal driving view, external driving view, and co-evolution view.

Firstly, the internal driving view posits that the evolution of a company's value proposition primarily originates from internal factors within the organization, such as strategic changes, adjustments in organizational structure, alterations in resource allocation, etc. These internal dynamics directly impact the enterprise's value proposition, prompting corresponding changes. The internally driven view underscores the crucial role of an enterprise's internal

decision-making and strategic choices in the evolution of its value proposition.

Secondly, the external driving view contends that the evolution of corporate value propositions is mainly influenced by external environmental factors, including key industrial events, industry environmental evolution, technological innovation, policy changes, market demand, etc. These external factors are intricately linked with the enterprise's strategy and directly impact its value proposition. The externally driven view emphasizes that enterprises need to remain sensitive and responsive to changes in the external environment to adapt to new market demands and competition.

Finally, the co-evolution view asserts that the transformation of corporate value propositions is a process involving the interdependence and co-evolution of corporate strategy, organizational environment, institutional environment, and competitive environment. This perspective underscores the interactive relationship between enterprises and the external environment, suggesting that the transformation of enterprise value propositions occurs under the joint influence of changing internal and external environmental factors. The concept of co-evolution reminds enterprises that when facing changes in the external environment, they need to maintain strategic flexibility and adaptability to cope with unpredictability in the process of value proposition transformation.

Through literature analysis, it becomes evident that analyzing changes in corporate value propositions from a co-evolutionary perspective is beneficial. While an enterprise's internal motivations serve as the immediate driving force for the evolution of its value proposition, they are often triggered by changes in the external environment. As an enterprise grows and develops, it continually adjusts its behavior and strategies to adapt to environmental changes, leading to continuous alterations in internal demands. Therefore, the evolution of a corporate value proposition is the outcome of the interaction between internal and external environmental factors. This conclusion aligns with the overarching theme of this thesis, "ecosystem structure". The evolution of the value proposition of a company is not dictated by a singular factor but by the "ecosystem structure", ultimately shaping the value proposition of the enterprise.

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Chapter 3: Research Design

This chapter primarily outlines the research design concepts of the thesis. As mentioned earlier, this thesis studies the evolution of the value proposition of a large Chinese municipal platform enterprise and the driving factors influencing the evolution of value propositions. For this, a qualitative research method was employed using in-depth interviews to collect oral history in conjunction with secondary data from the enterprise (Gioia, 2021). In utilizing oral history research methods, interviews were conducted with various groups within the company to ascertain the evolution of the value proposition. Then, interviews were structured using both open-ended and structured questions. Subsequently, data coding and processing were executed through MAXQDA software to ultimately identify the driving factors affecting this evolution. This chapter is instrumental in providing insights into the research methods used in this thesis, the criteria for selecting research subjects, and the sources and processing techniques of data. This lays the groundwork for subsequent research and analysis.

3.1 Research design concepts

As mentioned in Chapter 1, municipal platform enterprises in China exhibit distinct characteristics as state-owned entities with government backing. However, they must also adhere to market rules and operate with a market-oriented approach to enhance corporate efficiency, so their value proposition significantly influences decision-making directions and path selections, with far-reaching implications for urban development, livelihood improvement, employment promotion, and support for public welfare endeavors.

As seen in Chapter 2, the value proposition is influenced by various significant factors, and analyzing its singularly or unilaterally cannot provide a precise solution. Therefore, this study introduces an ecosystem structural perspective, consisting of four aspects: activities, stakeholders, positioning, and networking. From this vantage point, we will undertake a comprehensive analysis of the value proposition of municipal platform enterprises in China. Building on this framework, this research initiates its exploration of the evolutionary process and driving factors of Chinese municipal platform enterprise value propositions using Xingcheng Renju Group as a specific research subject and addressing two primary questions. The first pertains to the evolution and characteristics of the value proposition of a municipal

platform enterprise in China at different stages, while the second centers on an analysis of the driving factors influencing this evolution. The findings of this research may serve as a valuable reference for municipal platform enterprises in China as they navigate their choice of value proposition.

3.2 Overview of research methods

3.2.1 Qualitative research

Qualitative research is a method or approach for understanding phenomena by examining their inherent attributes, driven by the characteristics of social phenomena and the contradictions present in their dynamics (Denny & Weckesser, 2022). This type of research encompasses two specific categories: the first involves advanced qualitative in conjunction with quantitative analysis, while the second is purely qualitative research not reliant on quantitative data (Ayre & McCaffery, 2022). In practice, both quantitative and qualitative analyses are often used together whereby qualitative research is frequently utilized as an initial step, enabling researchers to grasp the essence of the research subject before conducting quantitative research. Throughout the quantitative research process, qualitative research helps to uncover the qualitative transformations brought about by the research subject and to determine the reasons behind these changes, as well as their quantitative boundaries.

Qualitative research typically involves in-depth, comprehensive, and long-term examination of social phenomena within their natural environments. Methods employed often include fieldwork, open-ended interviews, participant and non-participant observation, document analysis, and case studies. Inductive reasoning is commonly the principal analytical approach. Researchers collect firsthand information from the context under study and, from the perspective of those involved, seek to comprehend the meanings of their actions and their perceptions of the subject matter. Based on this understanding, researchers then develop hypotheses and theories and subsequently employ various channels to validate their research findings (Ayre & McCaffery, 2022). This type of research is often an evolving process, requiring consideration of the personal background of the researcher and the relationship with the individuals under study. Qualitative research has primarily evolved within fields like anthropology, sociology, and folklore. Initially, it was marginalized in the realm of social science research, which was predominantly dominated by positivism due to a lack of a unified

guiding ideology and a systematic operational framework. However, over the last two decades, qualitative research has progressively established a comprehensive set of theories and methods to systematically design research, collect and analyze data, formulate hypotheses and theories, and assess validity and generalizability. This has been achieved despite criticism related to scientism and instrumental rationality (Beck, 2022).

In this study, interviews were conducted with 30 individuals who have experienced the development of Xingcheng Renju Group. Their personal recollections of the history and evolution of the company were used to summarize the value proposition across different periods. The interviewees included five senior company leaders, five middle managers, five retired senior leaders, five employees from the corporate planning department, five long-term employees with more than 15 years of experience, and five new employees of the company as described in Table 3.1.

3.2.2 Oral history

Oral history, also known as word-of-mouth historiography, is a method of collecting and utilizing oral historical materials for studying history, or a branch of historical research methods formed from it (Ritchie, 2010). Alan Nevins, a renowned historian at Columbia University where, in 1948, he founded an oral history program, believed that oral history can really offer an appreciation of history and be described as the “recollections of the researched” actively stimulated by the researcher to resolve doubts.

This study focuses on Xingcheng Renju Group as the subject of research. Considering various dimensions such as different generations, positions, genders, and levels, we engaged participants from senior leadership, middle-level management, retired leaders, members of the corporate planning department, and veteran employees with over 15 years of experience. In total, 30 interviewees from these six categories of company employees participated in the interviews (refer to Table 3.1). Through these dialogues, we gained insights into the evolution of the corporate value proposition during the development and construction phases of the group. The interview method employed was open-ended, with the focus on studying the evolution of the corporate value proposition from the perspective of ecosystem structure. The interview comprised six main questions:

- (1) What is the founding background and initial development of the company?
- (2) What constituted the initial scope of business for the company? Why this direction was chosen? What is the value proposition behind it?

- (3) How has the main business of the company changed in different periods? Are there any adjustments and changes to the value proposition behind these changes?
- (4) How are the teams and partners of the company established step by step? Is there an interplay of value propositions?
- (5) What is the focus of the operations and management of the company at different times? How does it relate to the value proposition of the company?
- (6) What changes have occurred in the market positioning of the company in different periods? Is there some degree of causal relationship between it and the value proposition?

Relevant content was then organized based on the actual background and interview recordings. The interview content and information were reviewed before finalization. Table 3.1 below presents basic information about the interviewees, interview duration and words recorded.

Table 3.1 Basic information of the interviewees

NO.	Interviewee	Position	Position type of interview	Interview duration	Word count in recorded text
1	Mr. Wang	Secretary of the Party Committee, Chairman	Senior leader of the company	79 minutes	15200
2	Mr. Hu	Vice secretary of the Party Committee, General manager	Senior leader of the company	85 minutes	16500
3	Mr. Zhang	Vice secretary of the Party Committee, Secretary of the Discipline Inspection Committee	Senior leader of the company	92 minutes	17100
4	Mr. Liu	Member of the Party Committee, Vice general manager	Senior leader of the company	80 minutes	15800
5	Mr. Ming	Member of the Party Committee, Vice general manager	Senior leader of the company	72 minutes	14200
6	Mr. Zhang	Director of the Strategic Investment Department	Middle-level leader of the company	6 5minutes	13000
7	Mr. Wang	Director of the Engineering Technology Department	Middle-level leader of the company	85 minutes	16000
8	Ms. Jiang	General accountant	Middle-level leader of the company	90 minutes	16500
9	Mr. Lin	General engineer	Middle-level leader of the company	62 minutes	12500
10	Mr. Hou	Director of the Office	Middle-level leader	50 minutes	11000

11	Mr. He	Former secretary of the Party Committee, Former chairman	Retired senior leader of the company	42 minutes	9500
12	Mr. Hu	Former vice general manager	Retired senior leader of the company	69 minutes	13100
13	Mr. Dai	Former vice general manager	Retired senior leader of the company	80 minutes	15200
14	Mr. Zhao	Former vice general manager	Retired senior leader of the company	75 minutes	14800
15	Mr. Fan	Former vice secretary of the Party Committee, Former general manager	Retired senior leader of the company	48 minutes	8500
16	Ms. Zhang	Manager	Leader of the Planning Department of the company	42 minutes	8900
17	Ms. Lin	Vice manager	Leader of the Planning Department of the company	59 minutes	11400
18	Ms. Peng	Vice manager	Leader of the Planning Department of the company	60 minutes	12000
19	Mr. Yang	Director	Leader of the Planning Department of the company	55 minutes	10200
20	Mr. Li	Vice director	Leader of the Planning Department of the company	78 minutes	14000
21	Mr. Dai	Vice director of the strategic Investment Department	Senior staff with more than 15-year experience	60 minutes	11200
22	Ms. Peng	Director of the Asset Management Department	Senior staff with more than 15-year experience	5 2minutes	10200
23	Mr. Dan	Director of the Finance Department	Senior staff with more than 15-year experience	48 minutes	9600
24	Ms. Li	Vice director of the Advertising Department	Senior staff with more than 15-year experience	80 minutes	15600
25	Mr. Xing	Director of the Finance Department	Senior staff with more than 15-year experience	72 minutes	13200
26	Mr. Jin	Vice director of the General Management Department	Senior staff with 10-15 years' experience	44 minutes	7800
27	Mr. Zhang	Vice director of the Party and Masses Department	Senior staff with 10-15 years' experience	50 minutes	8700
28	Mr. Yang	Director of the Party and Masses Department	Senior staff with 10-15 years' experience	55 minutes	9200
29	Mr. Chen	Director of the Operation and	Senior staff with 10-15 years' experience	49 minutes	8000

30	Mr. Wang	Management Department Vice director of the Operation and Management Department	Senior staff with 10- 15 years' experience	60 minutes	11200
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Source: Compilation of interview data

The coding method employs categorical coding, where senior leaders are denoted as A, middle leaders as B, retired leaders as C, corporate planning department members as D, employees with over 15 years of experience as E, and company employees with 5-15 years as F. Each interviewee is coded based on the order of the interview. For instance, senior leaders participating in the interview are coded as A01, A02, A03, A04, and A05; middle-level leaders as B01, B02, B03, B04, and B05; retired leaders as C01, C02, C03, C04, and C05; members of the corporate planning department as D01, D02, D03, D04, and D05; employees with more than 15 years of experience as E01, E02, E03, E04, and E05; and company employees with 5-15 years of experience as F01, F02, F03, F04, and F05.

Subsequently, the six interview questions are coded as 1, 2, 3, 4, 5, and 6, respectively.

This results in interview content codes, such as A01-1 for A01's response to the first question, A01-2 for A01's response to the second question, and so forth. This pattern extends to form A01-1, A01-2, A01-3, A01-4, A01-5, A01-6...F05-1, F05-2, F05-3, F05-4, F05-5, F05-6, totaling 180 research texts.

3.3 Research subject

This study has a two-fold objective: the first is to uncover the driving factors behind the evolution of the value proposition from an ecosystem structure perspective, and the second is to explore the evolutionary process of the value proposition of municipal state-owned platform enterprises in China from the same perspective. Following preliminary data collection, the chosen case for this thesis is Chengdu Xingcheng Renju Group, a Chinese municipal platform enterprise.

The data of Xingcheng Renju Group derives from significant corporate archives, media news, and corporate reports. Corporate planning encompasses various archival data, including corporate memorabilia, yearbooks, and operational plan outlines for each period. Media news focuses on collecting major project reports and official evaluations of Xingcheng Renju Group spanning the past 20 years. Corporate reports specifically gather information from the company's reports during project implementation. Notably, media news sources include

People's Daily, Xinhua News Agency, Sichuan TV Station, Sichuan Daily, among others. This research organizes the information according to the following criteria: first, screening for duplicate reports; second, filtering out irrelevant reports with keywords; third, excluding corporate reports lacking signatures and sources. After applying these three standards, the Xingcheng Renju Group database was ultimately compiled, consisting of four corporate five-year plans, records of corporate events from the past two decades, 15 corporate annual work summaries, and 526 media news reports.

Chengdu Xingcheng Renju Group follows the strategic layout of “deep cultivation and wide expansion”. On the one hand, they are deeply exploring the Chengdu market in China, focusing on significant projects like apartments for talents and international communities. They aim to build an asset scale of “hundreds of billions” and achieve annual operating income of “hundreds of billions”, thereby promoting the stable and healthy development of the real estate market in Chengdu. Their goal is to become a leading enterprise that is “recognized by the industry and favored by the market”. On the other hand, they are expanding into markets outside the province, strengthening regional market presence, and focusing on acquiring companies with domestic and foreign project resources for rapid market expansion.

Chengdu Xingcheng Renju Group is diversifying its “real estate +” business. They are promoting the “cluster-type” development of commercial housing, increasing land acquisitions, constructing high-standard apartments for talents and international communities, and creating high-quality living spaces. They aim to establish a diversified system encompassing hotels, healthcare, subway-covered properties, and other business formats. Based on international standards, they are accelerating their entry into the urban complex field. They are building an “integrated” smart property model, enriching “smart city” and “smart community” derivative products, providing comprehensive life services, and creating a “smart and worry-free” future life model.

Under the guidance of the “15933” (“1” construction philosophy, “5” product positioning, “9” life services, “3” operational supports, “3” product standards) product strategic plan, Xingcheng Renju Group has comprehensively upgraded its product system. Besides “construction philosophy” represented in the figure “1”, the company has defined five product positions, including Build Aesthetics (quality community), Splendid Landscape (ecological community), Fusion City (urban community), Smart Connection (smart community), and Cultural Creativity (humanities community); provided “nine types of life services” including medical care, education, transportation, new retail, entertainment, sports, food, finance, and

cultural tourism; created an intelligent operation platform that guarantees life services and are equipped with professional cooperation via the “three major operational supports”, including the brand management platform and talent development platform; and set “three categories of product standards” designed to be functional, improved, and elite, effectively creating a model of human settlement life with professional comprehensive urban development and operational capabilities.

The choice of Xingcheng Renju Group is based on its representation and demonstration as a platform enterprise in Chengdu, China. Firstly, it is the largest pan-real estate company among state-owned enterprises in Chengdu. Secondly, it has undertaken numerous landmark projects serving urban development in China. Thirdly, it holds a relatively high market share among local companies in the pan-real estate industry in Chengdu, China. Lastly, Xingcheng Renju Group has experienced several periods of rapid development in alignment with the urban development of Chengdu, making it an ideal research subject for this study.

The development history of Xincheng Renju Group has gone through three periods.

(1) Market development period (2004 - 2008)

In 2004, the world appeared to be at a crossroads, with part of it steeped in uncertainty, while the other part was blazed with opportunity. World trade had slowly recovered from the recession of the previous two years, and its growth rate had gathered momentum. The United Nations’ “World Economic Situation and Prospects 2004” report revealed that the global economy had achieved a remarkable 4% growth rate in 2004, the highest in three decades.

The global economy had rekindled its vigor, and China, the driving force of the world economy, continued to surge ahead. The commercial real estate market, which had flourished since the elimination of welfare-based housing allocation and the initiation of housing reform in 1998, regained its growth momentum. This wave of prosperous market conditions persisted until the global financial crisis in 2008.

Against this backdrop, Chengdu completed the revision of the “2003-2020 Chengdu Urban Master Plan”. Subsequently, Chengdu moved away from the previous model of massive urban development, clarifying its strategy for “to East and to South” development. Chengdu Renju Real Estate Co., Ltd., the predecessor of Xingcheng Renju, was established with a registered capital of 20 million yuan (app. 2.5 million euros) and actively engaged in the construction of the starting areas of the eastern and southern new regions. In November 2004, construction commenced on Tianfu Mingju, the first affordable housing project, and in December of the same year, construction began on Huangjing Garden, another affordable housing project. By December 2006, the annual construction scale had exceeded one million

square meters. In March 2007, with the support of Chengdu Xingnan Investment Co., Ltd., the predecessor of Xingcheng Group, the registered capital was increased to 150 million yuan (app. 19 million euros). In March 2008, again with the support of Chengdu Xingnan Investment Co., Ltd., further capital injections elevated the registered capital of Xingcheng Renju Group to 600 million yuan (app. 76 million euros).

At this stage, the activities related to Xingcheng Renju exemplify the following characteristics: firstly, an expanded business scope encompassing various facets from residential real estate to commercial real estate; secondly, diversification of business types, progressively extending from real estate to investments; thirdly, the broadening of cooperation partners from individual collaborators to the formation of a collaborative network.

(2) Comprehensive development period (2009 - 2015)

In the annals of real estate history, 2009 was a year characterized by fluctuations, where the market experienced both moments of exuberance and downturns.

Amid the looming shadows cast by the 2008 financial crisis, numerous enterprises found themselves at the brink of financial collapse. In the early months of 2009, the real estate market remained mired in a state of depression. Experts even went so far as to call for measures to “rescue China’s real estate market”. By the year’s end, the executive meeting of the State Council recognized the necessity to rein in excessive surges in housing prices in some cities. Consequently, they issued a series of regulations, notably the “Four National Regulations” and the “Eleven Articles of the Nation”, aimed at regulating the real estate market. Following these interventions, real estate transactions began to escalate rapidly, propelling housing prices to surge consistently for eight consecutive months, with each passing month witnessing an expansion in these increases.

During this phase, Xingcheng Renju advanced its market expansion efforts and continued to enhance its organizational structure, marked by the following key developments:

Firstly, increased project volume with frequent quality acknowledgment. In this period, several projects such as the Sichuan University West China Second Hospital, Chengdu University Phase II and Phase III Area A, Shenghe Linyu, Dongyu Kejia, and the inaugural commercial villa project, Ziyunting, commenced construction. Simultaneously, land consolidation and reserve activities were initiated for Chengdu University Jinniu Campus, Dujiangyan Campus, Wenjiachang Campus, and Yangshijie Campus. The company achieved the successful completion and handover of projects such as Jincheng Shijia, Jinjiang School, Jinjiangpan, Tianfu Shijia, Chengdu National Comprehensive Archives, and Chengdu University Phase II and Phase III Area A, as well as five welfare housing projects launched in

2011. Notably, the Chengdu National Comprehensive Archives project received full recognition from Ge Honglin, the then Deputy Secretary of the Chengdu Municipal Party Committee and Mayor. Furthermore, the company undertaking of the old city renovation Nanguang Factory dormitory area project in 2013, its inaugural foray into this field, led to its inclusion in the government work report of the first session of the 16th People's Congress of Chengdu. In that year, the contract signing rate for simulated relocations reached 100%.

Secondly, focus on core business and enhanced impact: In the realm of affordable housing construction, the group in 2013 devised a comprehensive management approach that encompassed design concepts, bidding models, quality standards, construction techniques, and sales strategies. This approach has since served as a reference point for sister development companies and garnered recognition from government authorities and the media. In 2014, the Jinshang Tianhua project was designated as the "Sichuan Province Affordable Housing Observation Base" and was entrusted by municipal authorities to lead in the formulation of the city standards and specifications for affordable housing construction. The "Chengdu Affordable Housing Architectural Design Guidelines," led by the company, were released in 2015 and implemented by the Municipal Housing Insurance Center. This effectively propelled the large-scale and standardized development of affordable housing in Chengdu.

Thirdly, structural adjustments and optimized management processes: In 2013, following the departure of management stalwarts who had supported the construction of the Tianfu New Area, the company bolstered its leadership team and middle-level cadres. This strengthened the decision-making mechanisms of the board of directors, party branch meetings, and general manager office meetings, facilitating a seamless transition. In 2014, the company established its trade union, with the first trade union committee members democratically elected. Disciplinary committee members and full-time discipline inspection staff were appointed. The Youth League branch of the company was created, and it put in place a scientific and standardized system for selecting and appointing cadres. A refined management mechanism emerged, encompassing a commercial housing project development process comprising 12 major projects and over 170 sub-projects.

In addition, during this phase, the company initiated the process of share reform, listing, and capital securitization. It issued 1500 million yuan (app. 190 million euros) in corporate bonds, thus becoming the first state-owned enterprise in Chengdu to issue corporate bonds on the Shanghai Stock Exchange.

(3) Transformation and upgrading period (2016 - present)

In the period from 2016 to the present, the Chinese real estate industry experienced a rollercoaster ride with numerous ups and downs. The first half of 2016 witnessed soaring housing prices in first and popular second-tier cities. However, the tide soon turned as central and local governments introduced a series of regulatory policies during the National Day holiday to curb these increases. This year was characterized by remarkable events in the real estate market, including a house-buying rush, divorce for property splitting, high land prices, and homeowners selling their properties to save money.

Subsequently, the real estate sector rapidly moved forward. In 2019, local authorities, adhering to the goal of “stabilizing land prices, housing prices, and expectations”, implemented policies tailored to specific cities, regions, and timeframes to ensure the overall stable operation of the property market. In 2021, the national real estate market reached an all-time high, with the sales area for commercial housing approaching 1.8 billion square meters and total sales amounting to 18.2 trillion yuan (app. 2.31 trillion euros). However, as the year progressed, the real estate market began to cool significantly in the second half, with a notable decline in market and land sentiment. In 2022, the sales area dropped to its lowest point in seven years.

During this period, the company not only expanded its core business but also promoted transformation, upgrading, and cross-border alliances. Key highlights include:

Firstly, a focus on core business and market expansion: The company initiated the exploration of a pan-real estate development model and commenced the development of Gran Meliá Hotel and the Zongfu Road projects. It established the first joint venture company, China Construction Renju Yayuan Company, and introduced a new model of project equity cooperation. The company entered markets in Guangzhou and Xi'an, ranking first in terms of annual land acquisition area, amount, and number of cases. It also entered Tianfu New Area for the first time, securing three high-quality land parcels. In addition, the company ventured into the overseas market for the first time with the China-Belarus Industrial Park Minsk Exhibition Center project. Its market footprint extended to cover 15 districts (cities) and counties in Chengdu, along with three domestic and foreign cities: Guangzhou, Xi'an, and Minsk in Belarus. Moreover, the company acquired the Shanghai Jiazhiding project of Sinochem Geotechnical, marking its entry into the Shanghai market.

Secondly, cross-border alliances to expand market reach: The company diversified into community or area development, venturing into international community development in Chengdu, and preparing for the development of Jade International Community in 2018. In 2019, it embarked on area development by focusing on “eastward expansion” and “south

expansion”, which included implementing projects in the Jiangxi North Area of Airport New City, Yang’an New City, Qingbaijiang Qixing Island, and other areas. The company also entered the film and television tourism sector, establishing a strategic partnership with the Sichuan Provincial Film Company, founding Renju Tourism Hotel Company to tap into the cultural tourism market, and advancing its transformation of business capabilities into industrialization. This included a range of services covering residential development, TOD (Transit-Oriented Development) comprehensive development, high-end hotels, cultural tourism real estate, smart properties, and comprehensive urban development.

Thirdly, collaboration with intelligent media for consumer guidance: The company initiated on-site visits to potential partners in the United States, Australia, and other countries in 2016. It outlined the development direction of “smart cities” and “smart communities”, opening the door to building a market-oriented management system and participating in market-oriented competition. Collaborating with Alibaba Cloud, it developed a smart living platform and ventured into the “smart life” market.

Fourthly, standardized management and enhanced efficiency: The company implemented systems such as the “Corporate Bond Information Disclosure Management Measures” and the “Outside Investment Management Measures” to lay the groundwork for corporate bond issuance and standardized management. It established the Renju Real Estate Group, with a clear division of the three major businesses - commercial housing development, pan-real estate development, and smart property. An operating model was established, focusing on “intensive management and control by the headquarters, construction and implementation by subsidiaries”. The integration of Xingdong Real Estate and Jiangong Real Estate commenced, and a strategic investment center, engineering technology center, cost management center, marketing operation center, and project teams were set up to coordinate and manage the project company. The company executed a series of quality reforms, including organizational structure reform, the “three systems” reform (refers to the restructuring of the labor, personnel, and distribution systems), and the enhancement of internal control systems, leading to the transformation of corporate governance into a group. Intensive management and control were strengthened, and decision-making procedures and operating mechanisms were improved. The company integrated the Chengdu regional department, established a new capital operation department, and enterprise operation management department, enhancing the quality and efficiency of scale management and professional support. It also advanced the “6, 12, 18” standard cycle (meaning that construction will commence within 6 months, sales will commence within 12 months, and self-owned funds will return to their normal state within 18

months) and introduced high-quality reforms in areas such as organizational structure, human resource management, financial management, business decision-making, performance management, and audit supervision. Additionally, the company initiated a pilot market-based salary reform for leaders of second- and third-level subsidiaries.

3.4 Data collection

In the collection of primary data, this study places a significant focus on conducting in-depth oral history interviews with individuals who have firsthand experience with several pivotal events concerning Xingcheng Renju Group (Table 3.1). Additionally, participation in strategic meetings held by Xingcheng Renju Group facilitated the acquisition of original data and allowed for cross-referencing through various channels. Furthermore, pertinent secondary data were sought before and after the interviews, and original data were cross-verified and supplemented.

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Chapter 4: Analysis of the Evolution of the Value Proposition of Xingcheng Renju Group

There are distinct stages in the evolution of the value proposition of municipal platform enterprises in China of which Xincheng Renju Group is a prime example. Therefore, this chapter addresses the key question of what factors influence and drive the evolution of the value proposition of the organization studied.

4.1 Overall model results of the driving factors affecting the evolution of corporate value propositions

Taking the method proposed by Gioia et al. (2013), this study employs a three-level coding approach, involving open coding, main axis coding, and selective coding on qualitative data to sequentially identify concepts, dimensions, and categories. Based on the obtained relevant information the results from the interviews to 30 experts were initially compiled, and over 1930 minutes and 370,100 words of interview records were analyzed and organized. The records were imported into MAXQDA 2022 software for coding. After analyzing the answer sheet data of the responses of 30 individuals, 651 open codes were identified in the summary of concepts influencing changes in corporate value propositions. After the second-level coding and refinement, 18 subcategories were formed. After the third-level coding, 4 categories were extracted, representing factors influencing these changes. Figure 4.1 presents the model diagram of the three-level coding. Table 4.1 provides a detailed analysis of the coding process.

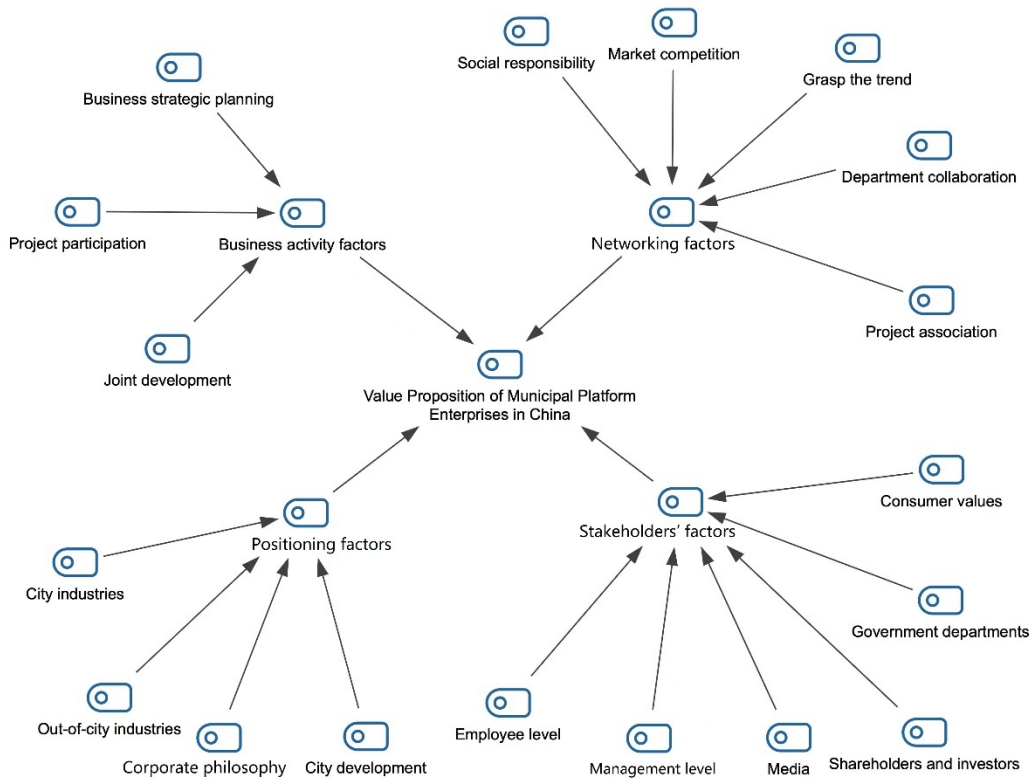


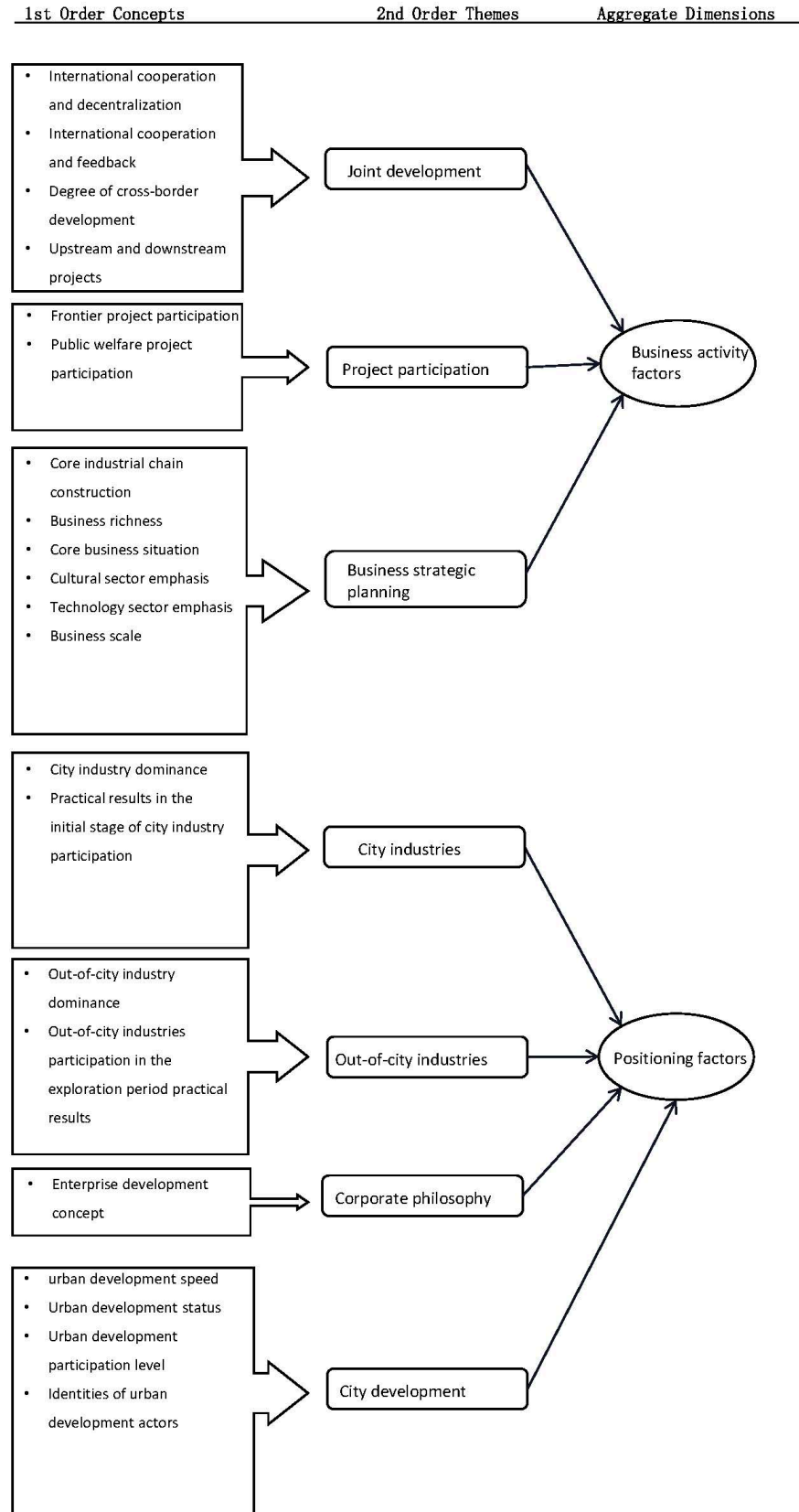
Figure 4.1 Model diagram of three-level coding table for interview data

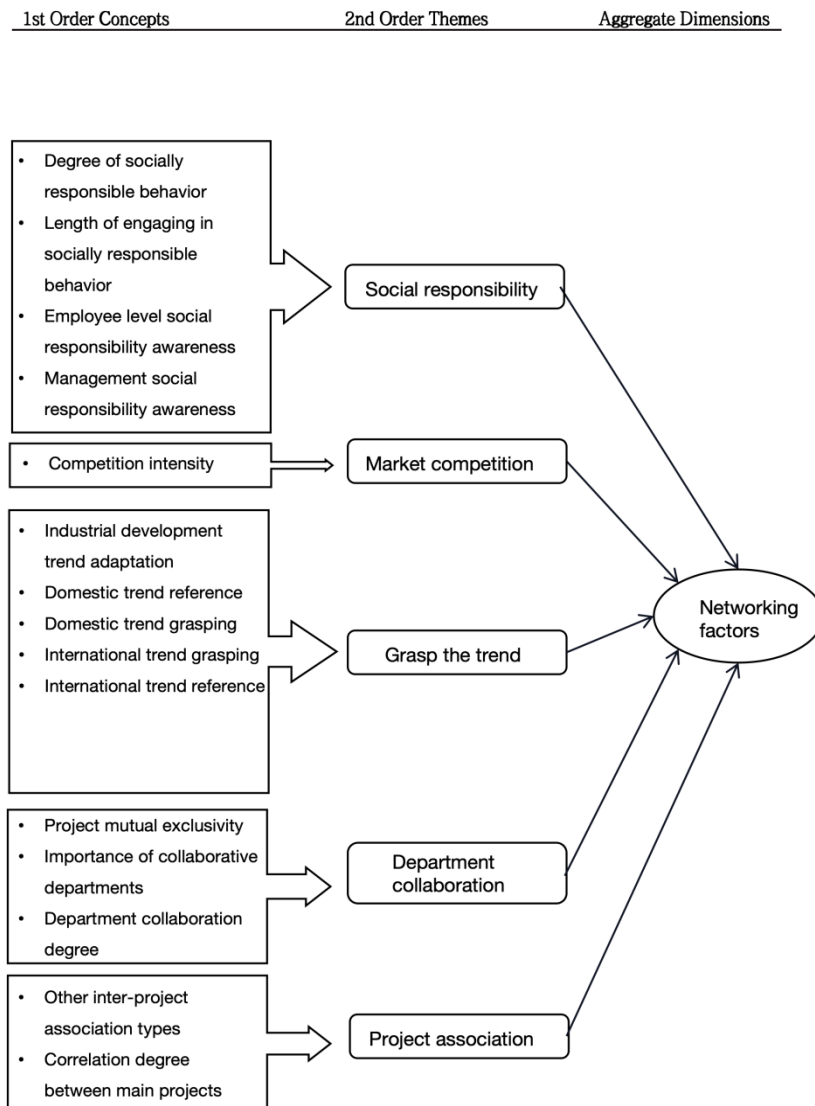
Table 4.1 Analysis of the driving factors of the evolution of corporate value proposition

Type of driving factors	Driving factors (18)	Coding number (651)
Business activity factors	Joint development	174
	Project participation	58
	Business strategic planning	59
		57
Positioning factors	City industries	152
	Out-of-city industries	51
	Corporate philosophy	40
	City development	1
		60
Networking factors	Employee level	164
	Management level	40
	Media	32
	Shareholders and investors	43
	Government departments	38
	Consumer values	11
Stakeholders' factors	Employee level	161
	Management level	18
	Media	28
	Shareholders and investors	32
	Government departments	34
	Consumer values	21
		28

Through the utilization of MAXQDA, we have transcribed and streamlined the extensive number of words collected from the interviews. From this model diagram, we identified four types of driving factors: business activities, networking, positioning, and stakeholders. Within

these four types of factors, we further categorized the response outcomes into segmented concepts. For instance, the category of connecting factors includes social responsibility, market competition, department collaboration, and the positive and negative signs represented on each straight line denote the influence relationship of the indicators. Overall, these coding results furnish detailed information about the factors influencing changes in the Group's value propositions and can serve as a foundation for further research and discussion. Refer to Figure 4.2 for details.





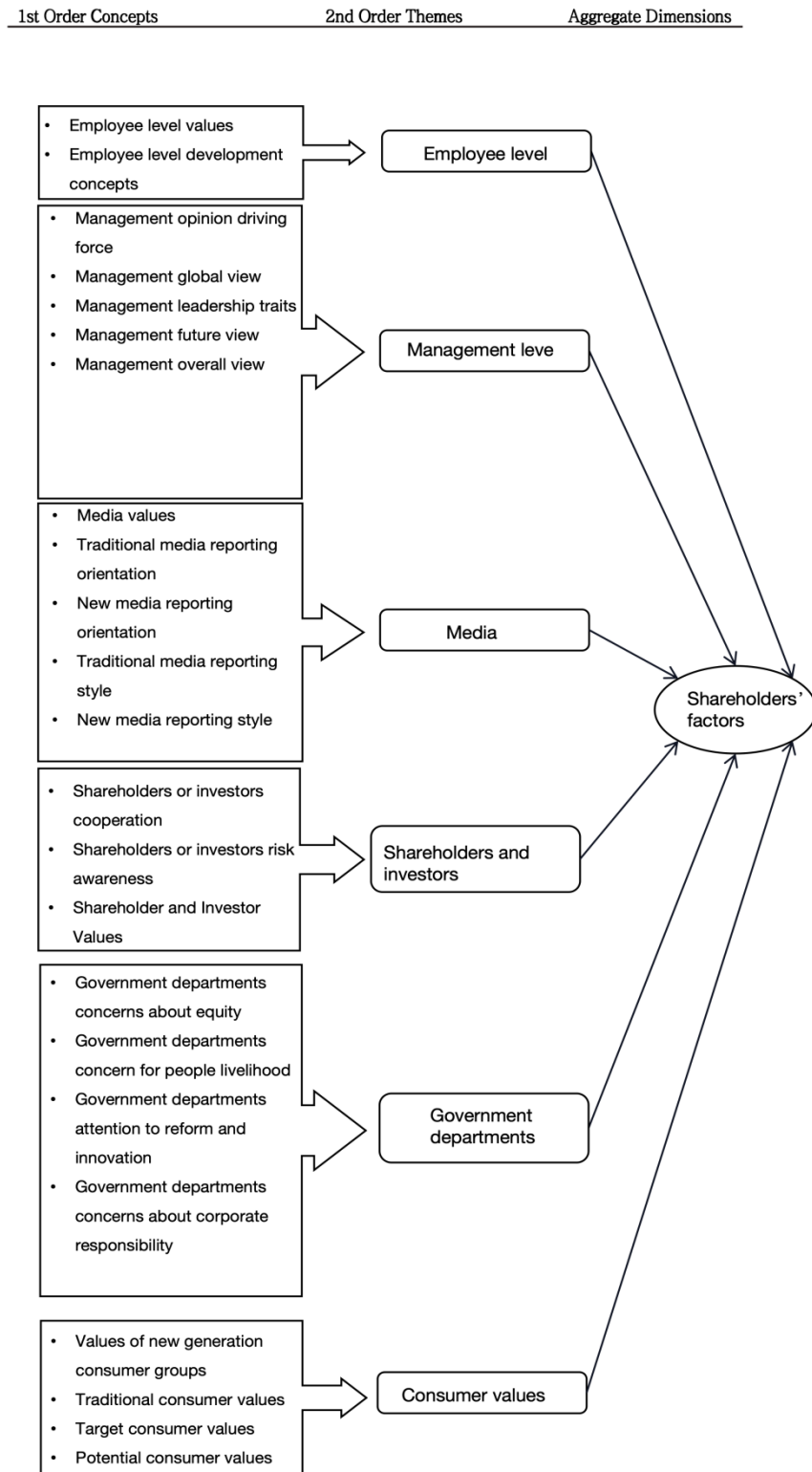


Figure 4.2 Three-level coding for interview data

4.1.1 Business activity factors

Upon analyzing the data and consolidating the three categories of “joint development”,

“project participation”, and “business strategic planning” into the main category “business activity factors”, as shown in Figure 4.3.

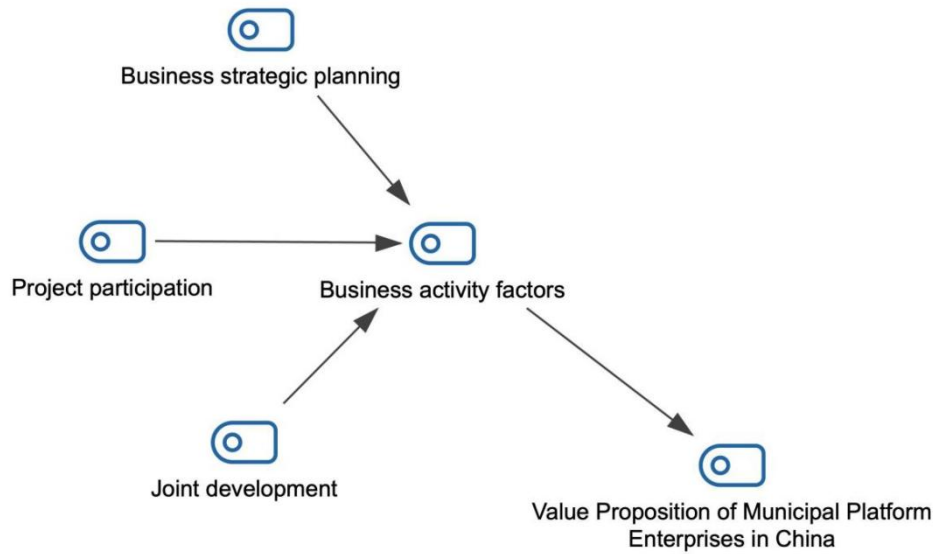


Figure 4.3 Model diagram of coding table for business activity factors

Further analysis reveals that “joint development” is a crucial subcategory of corporate activity factors. Among these, “international cooperation and decentralization” is mentioned 6 times. “International cooperation and feedback” is mentioned 24 times, and “degree of cross-border development” is mentioned 5 times. The subcategory “downstream items” is mentioned 23 times and “upstream and downstream projects” are further categorized into “upstream projects” and “downstream projects”, which is mentioned 14 times and 9 times respectively. “Project participation” is another significant subcategory that mentioned more frequently. Within this, “frontier project participation” is mentioned 27 times, and “public welfare project participation” is mentioned 32 times, which is the most frequent. “Business strategic planning” is also a noteworthy subcategory of “business activity factors”. In this subcategory, “core industrial chain construction” is mentioned 2 times, “business richness” is mentioned 18 times, “core business situation” is mentioned 20 times, “cultural sector emphasis” is mentioned 5 times, and “technology sector emphasis” is mentioned 4 times. “business scale” is mentioned 8 times.

Some interviewees emphasize the significant impact of joint enterprise development on the evolution of corporate value propositions. Throughout the interviews, phrases such as “international cooperation”, “cross-border development”, and “upstream and downstream projects” were frequently mentioned.

For instance, international cooperation is increasingly recognized as a global trend. Despite being a municipal platform company, we cannot evade the forces of globalization;

instead, active engagement in international cooperation projects can foster the company's development. The sentiment is to confront international cooperation proactively rather than avoid it. (Interview Material A01-6)

The cross-border development of enterprises, as highlighted by interviewee B02-3, has the potential to overcome growth limitations, establish fresh competitive advantages, and significantly influence changes in corporate value propositions. For instance, Xingcheng Renju Group's venture into tourism real estate marked a successful cross-border development, granting the company a distinctive competitive edge, facilitating rapid business growth, and opening up new revenue streams. (Interview Material B02-3)

The linkage between real estate and various industries forms an extensive upstream and downstream industry chain. Interviewee C05-6 noted that developments in both upstream and downstream sectors, such as advancements in construction materials and the quality of properties, profoundly impact the value proposition of Xingcheng Renju Group. (Interview Material C05-6)

Many respondents stress that specific projects they are involved in exert a considerable impact on the evolution of the company's value proposition. Frequent mentions of "frontier project participation" and "public welfare project participation" were made during the interviews.

In real estate, where innovation is easily integrated with cutting-edge technology, constant exploration and adoption of new technologies are necessary. For example, the incorporation of smart home systems and energy-saving building materials not only enhances living comfort but also improves the overall quality of occupancy. (Interview Material B02-2)

The primary business of Xingcheng Renju Group are welfare projects. Engaging in such projects not only enhances the company's brand value but also contributes to its social image by fulfilling social responsibilities. Public welfare projects are seen as an extension of corporate culture and the core values of municipal platform companies. (Interview Material B02-1)

Strategic planning emerged as a recurring theme among interviewees who regarded it as the primary driving factor influencing the evolution of the company's value proposition. Frequent references to "main business" and "development direction" were made during the discussions.

For instance, Xingcheng Renju Group's initial focus on land development evolved into a diversified stage involving businesses such as hotels, shopping malls, and property management. This trend of the main business extending across various sectors closely

paralleled the evolution of corporate value propositions. (Interview Material C04-3)

The dynamic interaction between the development direction of an enterprise and the evolution of its value proposition. The enterprise's development direction inevitably affects the evolution of its value proposition, while concurrently, the evolution of the value proposition guides the enterprise's development direction. (Interview Material F04-3)

J. M. Yin (2020) studied the impact of corporate joint development on corporate performance and value creation. The study found that through coordinated development with partners in different fields, companies can realize advantages such as resource sharing, technological innovation, and market expansion, thereby enhancing their competitiveness and creating higher corporate value. H. M. Luo (2020) discussed the impact of corporate project participation on corporate innovation and social responsibility. Research results show that companies that actively participate in cutting-edge and public welfare projects can obtain more innovation opportunities and establish a good reputation and image in society, thereby increasing the value proposition of the enterprise.

Joint development, project participation, and business strategic planning have an impact on changes in corporate value propositions. These factors can provide resource advantages, innovation opportunities, and competitive advantages to enterprises, enhancing the position and brand reputation of the enterprise in the market. This, in turn, promotes value creation and performance growth for the enterprise. Therefore, these factors should be carefully considered and effectively managed in corporate decision-making and activities to achieve long-term sustainable development for the enterprise.

4.1.2 Positioning factors

Upon analyzing the data, the four categories of “city industries”, “out-of-city industries”, “corporate philosophy”, and “city development” were consolidated into the main category “positioning factors”, as shown in Figure 4.4.

Concerning “city industries”, the frequency of “city industry dominance” and “practical results in the initial stage of city industry participation” is relatively high, with 30 and 21 times respectively. Regarding “out-of-city industries”, the frequency of “out-of-city industry dominance” and “out-of-city industries participation in the exploration period practical results” results is 28 and 12 times respectively. Concerning “city development” or “urban development participation level” the mentions are the highest at 30 times, followed by identity as an “identities of urban development actors” which was mentioned 22 times. The

frequencies of “urban development speed” and “urban development status” are relatively low, both having been mentioned 4 times.

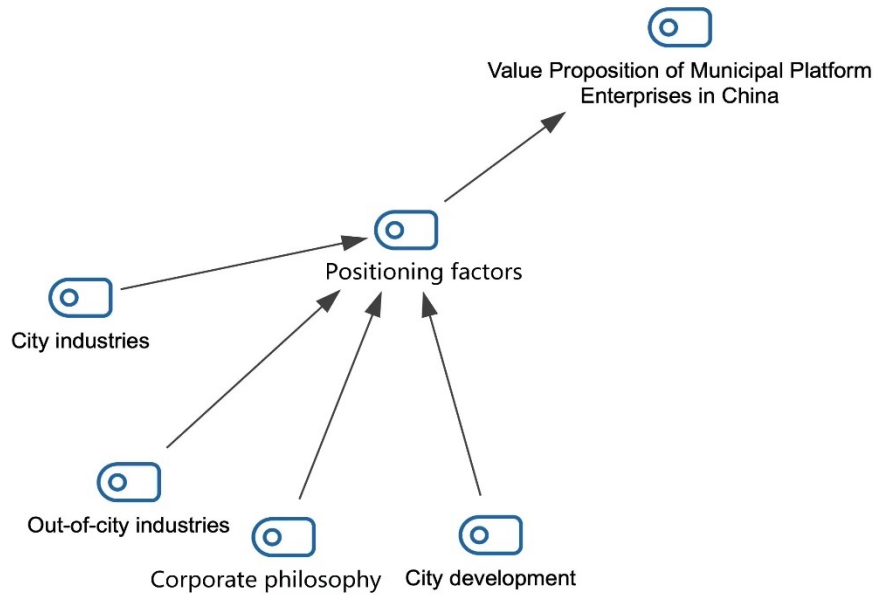


Figure 4.4 Model diagram of coding table for positioning factors

Among the positioning factors, both the degree of participation in “urban development participation level” and identities of urban development actors are relatively high. Among the positioning factors, it is notable that the speed of urban development, status, participation level, and frequency of participant identity have a significant impact on changes in the value propositions of company. It can be inferred that rapidly growing cities tend to offer more opportunities and resources. The high frequency of urban development speed indicates that the city is growing rapidly, meaning there are more business opportunities and potential markets for companies to leverage. Therefore, companies are more likely to shape a robust value proposition in such cities. Likewise, cities with higher status are likely to have greater economic, political, and social influence. This status may enable a business to collaborate more easily with governments, other businesses, and relevant stakeholders, thereby gaining more support and resources to further develop its value proposition. The high frequency of participation levels and participant identities indicates that companies are actively involved in urban development practices. This active participation may bring more opportunities, such as cooperation with other companies, or participation in government projects, thereby enhancing the company’s innovation capabilities and competitive advantages and further shaping its value proposition.

The overwhelming majority of interviewees assert that both in-city and out-of-city industries serve as key factors driving the evolution of corporate value propositions. Phrases

such as “city industry dominance”, “practical results in the initial stage of city industry participation”, and “out-of-city industry participation leading efforts” were repeatedly cited.

Given the pronounced regional attributes of municipal platform companies and their primary focus on local service, the local industrial layout and influence play a direct role in shaping the evolution of the company’s value proposition. As exemplified by Xingcheng Renju Group’s leadership in setting real estate trends in the Chengdu area, the local industrial landscape significantly molds the enterprise’s value proposition. The sentiment expressed is that if the enterprise were situated in a different city, its value proposition would align solely with that city’s development. (Interview Material D04-1)

During the early stages of expansion, the effectiveness of expansion efforts becomes a critical determinant influencing the evolution of the enterprise’s value proposition. Positive outcomes encourage increased focus on developing industries outside the city, while poor results prompt a corresponding reduction in the expansion of operations beyond city limits. This principle holds true for Xingcheng Renju Group. (Interview Material A05-2)

Some interviewees posit that the development of the city where the company is based serves as the driving force behind the evolution of the company’s value proposition. Phrases like “degree of participation in urban development” and “identity of urban development participants” were frequently mentioned.

City development and real estate companies are intricately connected, and Xingcheng Renju Group’s deep involvement in the urban development of Chengdu has significantly impacted its value proposition. The sentiment expressed is that the more actively a company participates in urban development, the greater the impact of urban development on the company. (Interview Material B01-3)

The identity of an enterprise as a participant in urban development holds substantial importance. For example, Xingcheng Renju Group, being a local enterprise in Chengdu, embodies local attributes, consequently rendering its value proposition more susceptible to the city’s development. (Interview Material C05-3)

One respondent explicitly mentions corporate philosophy, some believe it is a driving factor for the evolution of corporate value propositions.

Corporate philosophy encapsulates the fundamental ideas and operational principles guiding corporate development, with its manifestation evolving over different periods (Interview Material F03-2).

Researching by Y. M. Liu (2021) points out that rapid urban development can provide companies with a broader market and consumer groups, promoting innovation and growth. At

the same time, research by Sina et al. (2023) found that companies actively participating in and playing an important role in urban development can help enhance their reputation and brand image, increase interaction with stakeholders, and thus shape a positive value proposition. In addition, research by George and Rodger (2010) also pointed out that the status and prestige of a city can attract more investment and talents, providing enterprises with better cooperation and development opportunities. At the same time, research by Ham and Kim (2010) shows that companies involved in urban development are often able to form strategic partnerships with other organizations to jointly promote urban development and innovation.

4.1.3 Networking factors

Upon analyzing the data and consolidating the five categories of “social responsibility”, “market competition”, “grasp the trend”, “department collaboration”, and “project association” into the main category “networking factors”, as shown in Figure 4.5.

Specifically analyzing the indicators at all levels: concerning “social responsibility”, the degree of “degree of socially responsible behavior” appeared 6 times, “employee level social responsibility awareness” appeared 10 times, and “management social responsibility awareness” appeared 22 times. Regarding “market competition”, “competition intensity” appeared 32 times. In terms of “grasp the trend”, “industrial development trend adaptation” appeared 3 times, the two sub-factors of “domestic trend reference” and “international trend reference” appeared 5 and 4 times respectively, and “domestic trend grasping” and “international trend grasping” appeared 16 and 15 times respectively. Concerning “department collaboration”, the degree of “department collaboration degree”, “project mutual exclusivity”, and “importance of collaborative departments” appeared 27 times, 7 times, and 4 times respectively. In the field of “project association”, “other inter-project association types” appeared 6 times, and “correlation degree between main projects” appeared 5 times.

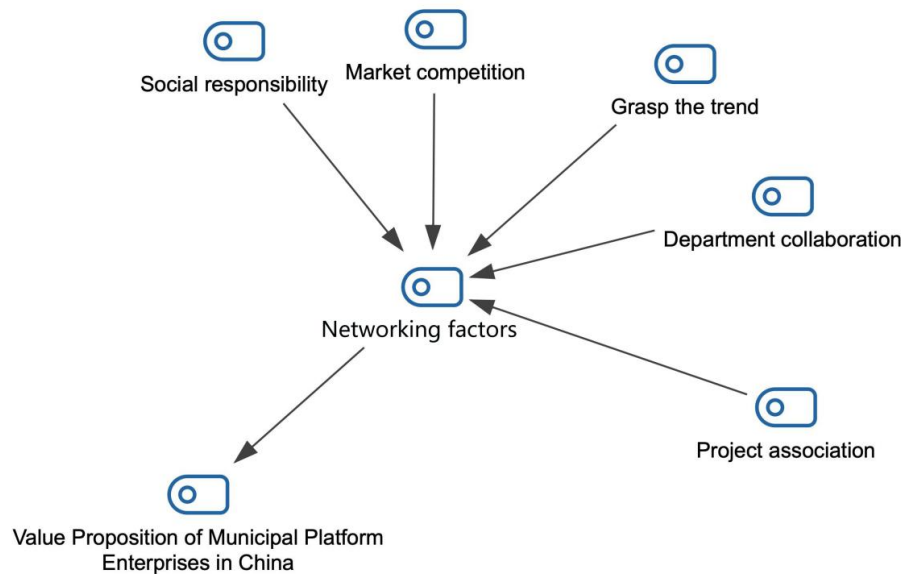


Figure 4.5 Model diagram of coding table for networking factors

Many interviewees emphasize that “social responsibility” serves as a driving force for the evolution of corporate value propositions. Repeated mentions include “management social responsibility awareness” and “employee level social responsibility awareness.” Management interviewees assert that “employee level social responsibility awareness” is the primary driver of corporate value propositions, while employees contend that “management social responsibility awareness” influences the evolution of corporate value propositions.

During the initial stages of its establishment, Xingcheng Renju Group primarily pursued economic benefits and rapid enterprise growth. As the enterprise matured, there was a gradual shift towards improving product quality and services, accompanied by a growing focus on social responsibilities such as environmental protection and charity. These changes are closely tied to managerial decisions, and thus, managers’ awareness of social responsibility positively impacts the evolution of corporate value propositions. (Interview material F05-4)

The awareness of social responsibility among employees directly impacts enterprise development. Clear comprehension of the enterprise’s social responsibilities contributes to long-term development, while a lack of understanding hinders the fulfillment of social responsibilities. (Interview material B02-4)

Some interviewees attribute the intensity of market competition as the driving factor for the evolution of corporate value propositions. Respondents argue that heightened competition is less conducive to the evolution of corporate value propositions.

In the early stages of Xingcheng Renju Group’s development, market competition was relatively subdued, allowing for calm and focused development. However, post-2010, as

market competition intensified, profits from many projects dwindled, leading to widespread business challenges. (Interview material C02-1)

The heightened competition within the enterprise resulted in decreased cooperation among internal teams. (Interview material D02-4)

A subset of interviewees believes that “grasp the trend” is a driving factor for the evolution of corporate value propositions, emphasizing the importance of “grasping domestic trends and grasping international trends.”

Management’s ability to foresee industry trends significantly influences the formation of a company’s value proposition. Accurate predictions by management enhance the reasonability of the company’s value proposition, while incorrect predictions may lead to misguided value propositions. (Interview material E02-6)

Despite being a municipal platform enterprise, Xingcheng Renju Group wields significant international influence. Aligning the company’s value proposition with future international development trends is seen as crucial for smoother future development. (Interview material F01-6)

Some interviewees argue that the degree of “department collaboration” serves as a driving factor for the evolution of corporate value propositions, frequently mentioning “department collaboration and issue collaboration.”

Departmental collaboration is deemed foundational for realizing an enterprise’s value proposition. Smooth and efficient departmental collaboration optimizes resource allocation, enhances corporate innovation capabilities, and reinforces corporate brand consistency. (Interview material A03-4)

In the actual development process, complex problems often necessitate multi-department collaboration. Problem-solving through collaborative efforts contributes to realizing the enterprise’s value proposition. (Interview material F01-4)

Lastly, some interviewees highlight “project association” as a driving factor for the evolution of corporate value propositions, emphasizing “correlation degree between main projects” and “other inter-project association types”.

Core businesses with a lasting impact on enterprise development are closely tied to the enterprise’s market positioning. The success of these core businesses directly influences the enterprise’s development, making it crucial for them to form a closed loop and mutually support each other for the evolution of the enterprise’s value proposition. (Interview material C01-5)

While projects outside the core business provide substantial support, they are also

susceptible to negatively impacting the enterprise's value proposition due to factors like dispersed resources and poor management. (Interview material B02-5)

In terms of social responsibility, research by Chi (2023) has shown a positive relationship between corporate social responsibility behavior and corporate performance, indicating that improved social responsibility can enhance enterprises' competitiveness in the market. In turn, research by An and Sheng (2023) found that the social responsibility awareness of corporate management is closely related to corporate innovation capabilities and helps shape the core competitiveness of companies. In terms of trend grasping, research by Qin (2022) pointed out that companies accurately grasping industry development trends and adjusting strategies flexibly can improve market competitiveness and adaptability while Xue (2022) found that companies learning from domestic and international trends and adjusting strategies in a timely manner can help discover new business opportunities and market demands, thereby enhancing their value creation capabilities. In terms of departmental collaboration, research by X. J. Wang (2022) shows a positive relationship between the degree of collaboration between departments and corporate innovation capabilities and performance.

4.1.4 Stakeholders' factors

Upon analyzing the data and consolidating the six categories of “employee level”, “management level”, “media”, “shareholders and investors”, “government departments”, and “consumer values” into the main category “stakeholders' factors”, as shown in Figure 4.6.

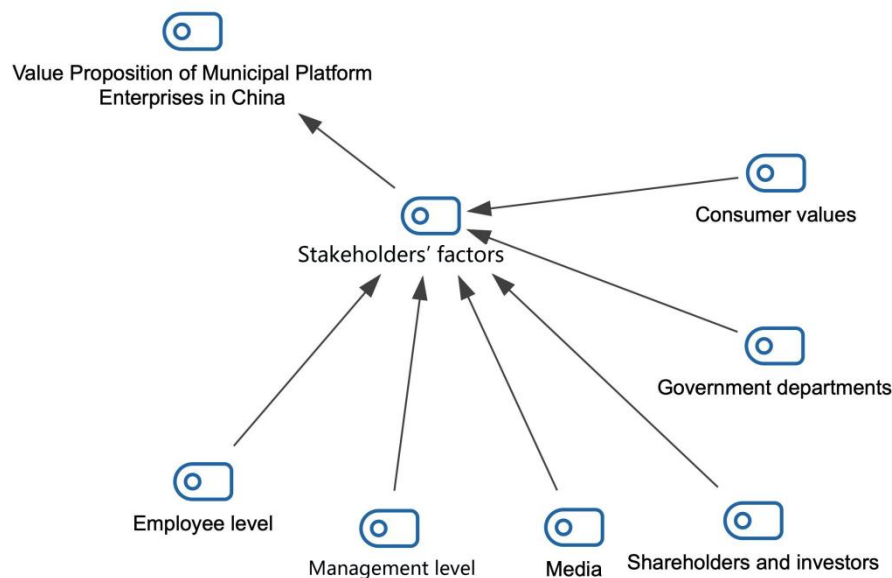


Figure 4.6 Model diagram of coding table for stakeholders' factors

Further analysis found that “employee level values” and “employee level development concepts” appeared 11 times and 7 times. “Management opinion driving force”, “management

global view”, “management leadership traits”, “management future view”, and “management overall view” appeared 4, 6, 6, 5, and 7 times respectively. “Shareholders or investors cooperation”, “shareholders or investors risk awareness”, and “shareholders and investors values” appeared 6 times, 10 times, and 18 times respectively. “Government departments concerns about equity”, “government departments concern for people livelihood”, “Government departments attention to reform and innovation”, and “government departments concerns about corporate responsibility” appeared 4, 7, 5, and 5 times respectively. “Values of new generation consumer groups”, “traditional consumer values”, “target consumer values”, and “potential consumer values” appeared 6, 6, 10, and 6 times, respectively.

Some interviewees assert that “employee level” is a key driver in the evolution of corporate value propositions, emphasizing “employee-level values and employee-level development concepts” multiple times.

There exists a reciprocal influence and shaping relationship between employee values and corporate value propositions. Value propositions offer employees a code of conduct, while employee values provide a foundation for realizing corporate value propositions. (Interview material E03-4)

The continuous learning and growth of employees also significantly impact the company’s value proposition. When the company’s value proposition aligns with employees’ development concepts, it enhances employee loyalty, leading to increased contributions to the company. (Interview material F02-4)

Some interviewees argue that “management” is a pivotal factor in the evolution of corporate value propositions, frequently mentioning “management opinion driving force, global outlook, leadership traits, future view, and overall view”.

Management plays a crucial role in advancing the implementation of corporate strategies and the formation of value propositions, serving as a positive role model in strategy formulation, decision-making execution, culture shaping, and change management. (Interview material E01-3)

The behavior and attitude of management profoundly impact employees, especially in reinforcing employee recognition of corporate value propositions. (Interview material E04-3)

Management assumes a significant role in driving corporate reforms and ensuring adaptability to market changes. (Interview material F02-3)

Interviewees also posited that “media” is a driving factor in the evolution of corporate value propositions, consistently mentioning “media values, traditional media reporting orientation, new media reporting orientation, traditional media reporting style, and new media

reporting style.”

The media plays a crucial role in disseminating corporate value propositions, particularly for real estate companies like Xingcheng Renju, where maintaining a positive public image is paramount. (Interview material D05-5)

Enterprises leverage media to communicate their value propositions, simultaneously shaping these propositions in the minds of the audience. (Interview material D03-5)

Some interviewees contend that “shareholders and investors” are driving factors for the evolution of corporate value propositions, emphasizing “shareholders or investors’ cooperation and risk awareness” on multiple occasions.

Shareholders and investors directly influence the evolution of a company’s value proposition. (Interview material C02-4)

They have a multifaceted impact on enterprises, encompassing aspects such as capital allocation, strategic choices, and system formulation. (Interview material D02-4)

In the interviews it was also argued that “government departments” are driving factors in the evolution of corporate value propositions, repeatedly mentioning “government departments’ concern in equity, people livelihood, reform and innovation, and corporate responsibility.”

Government departments contribute to enterprises mainly through policy formulation and fostering social responsibility (Interview material C05-2).

Policies issued by government departments wield a substantial impact on corporate value propositions (Interview material D02-2).

Government departments effectively encourage enterprises to actively assume social responsibilities (Interview material E01-2).

Some interviewees maintain that “consumer values” are driving factors for the evolution of corporate value propositions, frequently mentioning “the values of new generation consumer groups, traditional consumers, target consumers, and potential consumers.”

Consumers exert a direct impact on corporate value propositions, with many corporate strategy formulations being market-oriented. (Interview material B02-6)

Consumers serve as the ultimate judge of whether a company’s value proposition is correct or not. (Interview material E05-6)

Consumer needs, preferences, and behaviors constitute the primary drivers of a business’s value proposition. (Interview material F05-6)

Y. Wang et al. (2023) studied the relationship between managers’ global outlook and leadership on organizational performance and found that managers with a higher global

outlook and leadership can better cope with global competition and changing environments, improving organizational performance levels. H. Zhang (2023) studied the impact of media reporting style on consumer purchase intention and explored the moderating role of psychological distance in it and found that traditional media reporting orientation and new media reporting orientation have different impacts on consumers' purchase intention, and this impact is moderated by psychological distance. Huang (2023) explored the relationship between shareholder governance, risk awareness, and corporate innovation performance to conclude that shareholders who actively participate in shareholder governance and have higher risk awareness can provide enterprises with better resource support and strategic guidance, promoting the improvement of enterprise innovation performance. These studies have emphasized the positive impact of employees, management, media, shareholders, and investors, and government departments on changes in corporate value propositions. They provide further evidence to support and an in-depth understanding of the above conclusions, revealing the importance of various stakeholders to the corporate value proposition from different perspectives.

4.1.5 Conclusion of the theoretical model

Based on the above analysis, it is possible to formulate a comprehensive theoretical model to elucidate factors influencing the evolution of the value proposition of Xingcheng Renju Group. This model takes into account the impact of factors related to corporate activities such as business activity factors, positioning factors, networking factors, and stakeholders' factors, which are the aggregate dimensions extracted from the interviews. The model may assist municipal platform enterprises in China such as the case company to better comprehend and respond to changes in the external environment, enabling them to adjust and redefine value propositions, as in Figure 4.7.

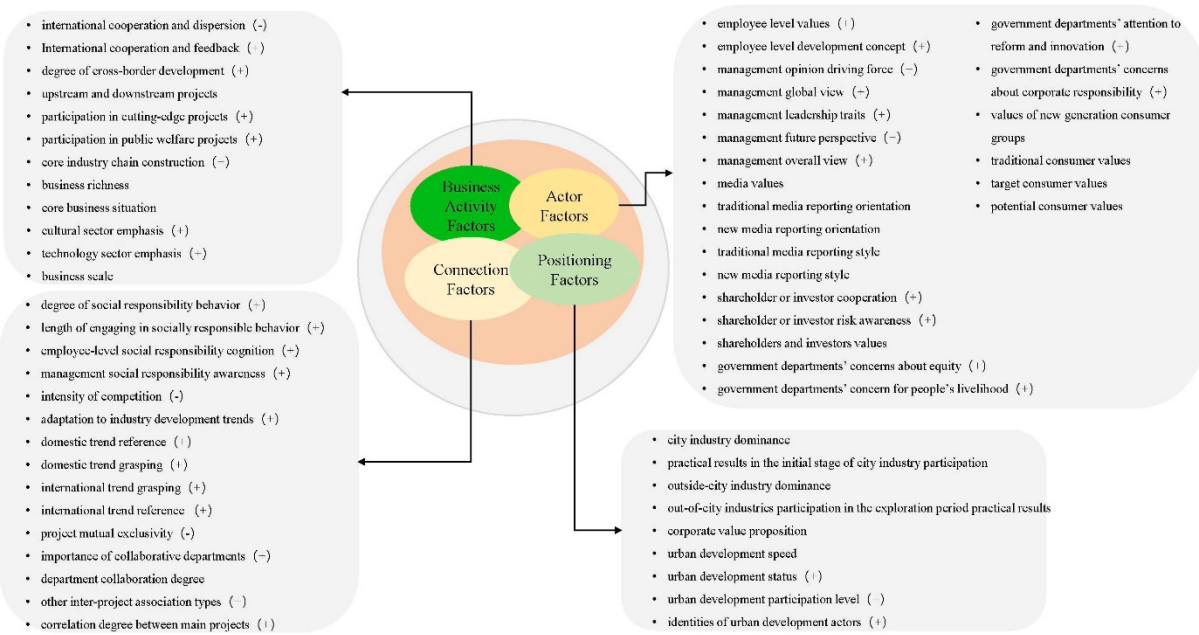


Figure 4.7 Comprehensive theoretical model of the influencing factors

Changes in value propositions of enterprises are influenced by the following factors:

Business activity factors: Encompassing dispersed international cooperation and decentralization, international cooperation and feedback, degree of cross-border development, and upstream and downstream projects. These factors affect activities and collaborative approaches of the enterprise in diverse areas, subsequently influencing the value proposition of the enterprise.

Positioning factors: Elements like city industry dominance, out-of-city industry dominance, practical results in the initial stage of city industry participation, and city development status and participation level will affect environmental and resource acquisition of the enterprise. This, in turn, influences the value proposition of the enterprise.

Networking factors: Variables such as degree of socially responsible behavior, competition intensity, industrial development trend adaptation, department collaboration degree, and correlation degree between main projects have an impact on external connections and resource integration capabilities of the enterprise, thereby affecting the value proposition of the enterprise.

Stakeholders' factors: Aspects such as employee level values and development concept, management opinion driving force and global view play a crucial role in internal decision-making and actions of the enterprise. The new media reporting orientation, shareholder or investor cooperation and risk awareness, as well as the government departments concern for people livelihood and target consumer values, also influence the value proposition of the enterprise.

4.1.6 Section summary

Through the analysis on the interview materials, it is observed that there are four aggregate dimensions of drivers in the evolution of the value proposition of the municipal platform enterprise under study. They are: business activity factors, networking factors, positioning factors and stakeholder factors. The four dimensions construct an ecosystem structural view.

The ecosystem structural view is a conceptual framework that delineates the composition and functions of ecosystems. It helps in comprehending the interactions between diverse components within an ecosystem and how ecosystems react to external perturbations (Adner & Feiler, 2019).

Within the ecosystem structural view, four dimensions are considered: business activity, positioning, networking, and stakeholders (Adner, 2017).

Business activity: Business activity encompasses the various undertakings of different species and ecological processes within the ecosystem, encompassing food chains, ecological succession, the nitrogen cycle, and so on. This dimension primarily focuses on discerning how diverse ecological processes interrelate and influence each other within ecosystems.

Positioning: Positioning pertains to the spatial distribution of various components within an ecosystem, involving land, water, atmosphere, and other elements. Understanding the positions of these distinct components facilitates comprehension of their interactions and impacts.

Networking: Networking refers to the interrelations between different components of an ecosystem, encompassing food webs, habitat connectivity, and the like. This dimension emphasizes understanding the interdependencies among diverse components and the overall cohesion of the ecosystem.

Stakeholders: Stakeholders comprise various entities, including species, environmental conditions, and human activities within the ecosystem, all of which exert an influence on the composition and functioning of the ecosystem. An understanding of these stakeholders enables insight into how ecosystems respond to external disturbances and alterations.

These four dimensions are intertwined and collectively form the structural view of ecosystems. By comprehending and investigating these dimensions, we can enhance our understanding of the composition and functioning of ecosystems, thereby facilitating improved conservation and management practices (Granstrand & Holgersson, 2020).

4.2 The evolution of the value proposition of Xingcheng Renju Group

Based on the interview materials and secondary sources, the evolution of the value proposition has undergone different stages as it is described below.

4.2.1 Fuzzy value proposition stage (2004 - 2008): Integrity, pragmatism, and steady progress

In this first period, the company was a startup, and it had not yet established a clear plan for project positioning, target customer groups or product features. This stage represents a period of unclear value proposition.

4.2.1.1 Activity dimension: Resource integration and market development

The activity dimension in the fuzzy value proposition stage encompassed real estate project planning and development, initial market research and customer demand analysis, team and partner establishment, land resource acquisition, preliminary market promotion, brand building, internal corporate management standardization, basic customer service, and after-sales service, as detailed in Table 4.2.

Table 4.2 Manifestations of business activity dimension of Xingcheng Renju Group in the fuzzy value proposition stage

Dimension	Manifestations
The activity dimension of Xingcheng Renju Group in the fuzzy value proposition stage	Real estate project planning and development
	Initial market research and customer demand analysis
	Team and partner establishment
	Land resource acquisition
	Preliminary market promotion, brand building
	Internal corporate management standardization
	Basic customer service, and after-sales service

(1) Real estate project planning and development:

During this stage, Xingcheng Renju Group initiated the planning and development of real estate projects. Given their early market entry, decisions were made cautiously, with a strong focus on controlling scale and managing risks (Interview A01-1, A01-3, C03-3).

The company initially focused on housing development and real estate projects. We chose this business area because cities need housing of reliable quality, and our initial value proposition is to provide affordable housing to meet unmet needs in the market (Interviewee A01-1)

We avoided blind expansion. Do not proceed too fast, as it may lead to bubbles

(Interviewee A01-3)

It is challenging to let go of the “scale complex” and “speed complex” (Interviewee C03-3)

(2) Preliminary market research and customer demand analysis:

Xingcheng Renju Group conducted initial market research and analyzed customer demand to grasp the supply and demand dynamics of local real estate market, the needs of potential competitors and target customers, providing essential insights for subsequent project positioning. This is particularly referred by interviewee C04-1.

Xingcheng Renju Group was founded in 2004. Our original motivation was to meet the need for affordable housing for low and moderate-income families in the city. Initially, the company was relatively small, with about 30 employees. The initial development goal was to establish its market position, and the strategy was to provide affordable housing

(3) Internal team and partner establishment:

The company established its internal team and created positions in planning, development, sales, and other key areas. Concurrently, Xingcheng Renju Group formed cooperative relationships with foundational partners, such as design and construction companies, setting the stage for future project development, as referred by interviewees B02-5, C03-5.

Enterprise development cannot be achieved alone (B02-5)

Real estate agency construction is not as straightforward as imagined (C03-5)

(4) Land resource acquisition:

In the real estate industry, securing land resources is a crucial element. At this stage, Xingcheng Renju Group embarked on a quest to identify suitable land resources. They engaged in discussions with government departments or landowners to secure land use rights in preparation for real estate project development, as particularly mentioned by interviewees A05-2, D02-2, D02-5, D04-2.

“Our development philosophy is to cherish the land and build with heart.” (A05-2)

For any piece of land, Xingcheng Renju’s team will conduct on-site investigation. (D02-2)

Land resources are limited and non-renewable. (D02-5)

High-quality land resources are crucial for a project to gain market recognition. (D04-2)

(5) Initial marketing and brand building:

Gradual introduction of marketing and brand-building efforts aimed at enhancing the visibility and exposure of the company. This typically involved simple advertising campaigns and participation in local real estate exhibitions and related activities as mentioned by interviewee B01-1.

Xingcheng Renju Group was founded in 2004 with the motive of catering to the rapid growth and housing needs of local cities. The company started out small, with only about 25 employees. The initial development goal is to establish a market position, and the strategy is to provide diversified housing solutions.

(6) Standardizing internal enterprise management:

Interviewees A02-3, B01-4 and C01-1 referred the standardization of internal enterprise management processes and systems to enhance operational efficiency and management effectiveness as follows:

Our corporate development strategy emphasizes eight words: steady operation and hard work. (A02-3)

We focus on implementing refined management and seek benefits from management. (B01-4)

In the early stages of enterprise development, we took the initiative to slow down the pace of development, made various opportunistic arrangements, and focused on internal corporate control. (C01-1)

(7) Basic customer service and after-sales support:

The interviews also provided information on the provision of fundamental customer service and after-sales support to meet customers' basic needs, while simultaneously building a positive reputation and retaining potential consumers in this early stage of development:

In the early days, the company was mainly engaged in housing development and real estate projects. We chose this field because the market demand is huge, and there are many opportunities. The initial value proposition is to provide high-quality, affordable housing to meet customers' housing needs. (Interviewee C02-2)

We aim to be the developer that understands customers best in the region. (Interviewee C04-2)

In the fuzzy value proposition stage, Xingcheng Renju Group was in the early stages of startup and development, lacking a well-defined strategic plan and core competitiveness. Accordingly, the value proposition centered around "integrating resources and developing markets". Externally, primary activities were concentrated in the realms of affordable housing and public construction projects, exemplified by projects such as "Tianfu Mingju" and "Huangjing Garden". These initiatives aimed to cater to low-income families and enhance social welfare in Chengdu, China, with a focus on urban development and residents' living conditions. However, it is important to note that, during this stage, the group's activities were relatively singular, lacked diversification, and had not yet expanded into a broader spectrum

of real estate business areas.

4.2.1.2 Positioning dimension: Reducing costs, increasing efficiency, and identifying opportunities for success

The positioning dimension encompasses the company standing among similar enterprises, geographical reach, business domain layout, market positioning, industry collaborations, customer relationships, and more. During this stage, Xingcheng Renju Group primarily engaged in the following activities (Table 4.3).

Table 4.3 Manifestations of positioning dimension of Xingcheng Renju Group in the fuzzy value proposition stage

Dimension	Manifestations
The positioning dimension of Xingcheng Renju Group in the fuzzy value proposition stage	Smaller-scale enterprise
	Limited geographic coverage
	Singular business scope
	Unclear market positioning
	Need for expanded industry collaboration
	Customer relationships still evolving

(1) Smaller-scale enterprise:

In its initial stages, Xingcheng Renju Group operated on a relatively small scale. The company faced limitations in terms of capital, technology, human resources, and other resources, necessitating continuous development and growth to enhance competitiveness as it was confirmed by interviewees C01-1, C03-1.

Initially, the company was relatively small, with only about 30 employees. (C01-1)

The company started out small, with only about 25 employees. (C03-1)

(2) Limited geographic coverage:

During these early phases, Xingcheng Renju Group embarked on its first real estate projects, and its geographic reach remained restricted. Expanding into broader markets required extending geographical coverage to encompass additional cities and regions:

When it comes to Xingcheng residential areas, the keyword must be “deep cultivation in Chengdu”. (Interviewee A05-3)

To start in Chengdu, we must first stabilize the Chengdu market. (Interviewee C04-2)

Chengnan has always had a special status in the hearts of Chengdu people, evident from the revision of government planning. In 1997, the “New Modern Urban District” planned a large amount of industrial land; in 2004, the plan was revised to “New”, and most of the industrial land was adjusted to science and technology research and development land, also equipped with a larger area of residential land. (Interviewee C05-1)

(3) Singular business scope:

In the fuzzy stage, Xingcheng Renju Group likely concentrated on real estate development exclusively and had yet to diversify into other sectors. The business scope of the company was relatively narrow, and gradual expansion into diverse areas was required to bolster market influence (Interviewee C04-3).

The initial development goal is to establish a market position, and the strategy is to provide diversified housing solutions.

(4) Unclear market positioning:

As a nascent real estate development firm, the market positioning of Xingcheng Renju Group remained uncertain. In the real estate market of that era, established real estate developers already existed so the company needed to identify its own market positioning and competitive advantages through continuous exploration and development, as mentioned by the following interviewees:

Real estate is a policy-driven market, so market positioning has uncertainties. (C05-5)

There is uncertainty in the market, so the market positioning of the group is also uncertain. (D04-3)

Due to policy adjustments, market changes, and other reasons, the real estate industry is facing uncertainty. (D05-6)

(5) Need for expanded industry collaboration:

Given its early stage, Xingcheng Renju Group had relatively limited industry partnerships. Cooperation with suppliers, design agencies, sales channels, and the like might have been in preliminary stages, with robust collaborative relationships yet to be established. Expanding industry partnerships became a significant task during this phase:

To share financial pressure and risks, cooperative land acquisition and development models have become common in the industry. (Interviewee D03-4)

In the startup period, we expand the main body while expanding our partners. (Interviewee D05-4)

(6) Customer relationships still evolving:

In the fuzzy stage, Xingcheng Renju Group might have suffered from a lack of visibility and reputation. Customer trust and recognition of the company were not yet high, requiring gradual establishment of a positive corporate image and reputation through ongoing efforts to provide high-quality products and services as interviewees E03-6, F02-5 testify.

Customers are different from the customers we “see”. (E03-6)

Being in contact with different customers every day, it is inevitable that we will forget

some customers. Therefore, keeping good customer files, regular follow-ups, and accurate networking are effective methods. (F02-5)

The challenges outlined above are typical for emerging enterprises in their initial development stages and demand gradual resolution through continuous effort and development. During this period, the value proposition of Xingcheng Renju Group strongly reflected its commitment to “reducing costs, increasing efficiency, and identifying opportunities for success”. As a local state-owned platform enterprise in Chengdu, China, the group chose to commence operations in the eastern and southern new districts of the city. This strategic move not only aligned with the development needs of the company but also conformed to the urban development direction of the city, providing favorable conditions for its future growth.

4.2.1.3 Networking dimension: Prioritizing quality and trust

The networking dimension encompasses issues related to collaboration within supply chains, sales channels, and strategic partnerships, as well as the networking between the enterprise and the community and customers, and the alignment of corporate culture with employees. To this aim, during this stage, Xingcheng Renju Group primarily engaged in the following activities (Table 4.4).

Table 4.4 Manifestations of networking dimension of Xingcheng Renju Group in the fuzzy value proposition stage

Dimension	Manifestations
The networking dimension of Xingcheng Renju Group in the fuzzy value proposition stage	Gaps in the supply chain
	Gaps in sales channels
	Gaps in strategic cooperation
	Insufficient community and customer networking
	Insufficient alignment between corporate culture and employees

(1) Gaps in the supply chain:

In this fuzzy stage, Xingcheng Renju Group and its supply chain partners were in a period of adjustment, inevitably experiencing collaboration challenges. Moreover, the group’s associations with only a few suppliers prevented the formation of a complete supply chain system. This limited the efficiency of procurement and production, potentially introducing risks related to product quality and quality control as interviewee D05-3 refers:

The model of real estate companies and supply chain brands joining forces to jointly research and build products based on user needs has changed the traditional model. In the early days, our awareness in this regard was insufficient.

(2) Gaps in sales channels:

During this phase, the group's cooperation within sales channels remained relatively limited. It mainly relied on its in-house sales team and a few sales agents for promoting and selling real estate products. The lack of broader sales channel collaboration also restricted market coverage and sales performance:

Between the sales peak and the lagging construction start cycle, the supply in China's real estate market may form a gap. (Interviewee D03-3)

(3) Gaps in strategic cooperation:

As an emerging enterprise in its startup phase, Xingcheng Renju Group was actively seeking and cementing strategic partnerships. During this process, strategic cooperation was still in the exploratory phase, which meant that the networking with strategic partners were not yet well-established. Strategic partners are pivotal for the company development, as they can facilitate resource sharing, complement one another's strengths, and enhance the core competitiveness of the company. Insufficient ties with strategic partners may render the company less competitive in the market as specifically mentioned by interviewee D04-4.

Establishing strategic partnerships between real estate companies and suppliers has become a key measure to integrate resources effectively, improve procurement efficiency, and reduce development costs. However, many problems in the strategic cooperation process affect the stability of the partnership.

(4) Insufficient community and customer networking:

Community and customers represent the two primary entities that real estate companies must engage with. However, Xingcheng Renju Group, in this uncertain phase, may have devoted more effort to market exploration and remained in a somewhat passive positioning concerning interactions with the community and customers. Due to limited brand recognition and influence, the company struggled to establish positive interactions with the community, and customer loyalty could remain relatively low as noted by interviewee D03-5.

As the market becomes increasingly optimistic, we will pay more attention to improving product and service capabilities, as well as meeting customer needs. (Interviewee D03-5)

(5) Insufficient alignment between corporate culture and employees:

Other interviewees, such as A03-3, A04-3, E05-6, mentioned that the alignment between Xingcheng Renju Group's corporate culture and its employees was not yet as close as needed. As the company was still in its early development stages, the establishment of corporate culture and values remained relatively rigid and one-sided, and employees had not yet developed a strong emotional networking with corporate culture, which might lead to

employees having a relatively low sense of belonging and cohesion with the company:

Corporate culture must continue to evolve with industry and enterprise trends. Especially, the real estate industry has entered the VUCA era [VUCA stands for volatility, uncertainty, complexity, and ambiguity]. It describes an era or situation full of variability, uncertainty, complexity, and ambiguity. This term originated in the US military field in the 1990s and became more widely used after the 2008 global financial crisis. Uncertainty is strong, and culture cannot be inert. The speed and direction of cultural evolution determine the success or failure of an enterprise. (A03-3)

The “Wolf culture” has been on the rise in the real estate industry in recent years, and the debate on whether it is an advantage, or a disadvantage has never stopped. (A04-3)

Incentive is the most direct and effective function of corporate culture. It must be admitted that people are inert and have negative emotions. By helping people overcome these negative energies, more value can be created. (E05-6)

The challenges mentioned above are common pain points for startups in their early stages of development. They need to actively explore and expand cooperation, strengthen internal and external networking and collaborations, and gradually establish a more stable ecosystem networking.

In the fuzzy stage, Xingcheng Renju Group established certain networking with the government, suppliers, customers, and other stakeholders. The government was a crucial partner, providing support and resources. Suppliers supported the company with materials and services, and customers included low-income families and citizens in need of homes. However, overall connectivity remained relatively low, and a comprehensive ecosystem collaboration had yet to be fully realized. The business of the company was primarily limited to real estate development and lacked in-depth collaboration with other related industries. The company also faced management and operational challenges, including an unclear organizational structure and low decision-making efficiency, which could lead to poor information flow and delayed decision-making, impacting project progress and overall operational efficiency. Cooperation and networking between the group and other related industries and enterprises were also relatively limited, lacking cross-industry and cross-field synergy.

During this stage, Xingcheng Renju Group strongly embodied the value proposition of “prioritizing quality and trust” within the networking dimension. This approach involved expanding outward while focusing on internal development, thus laying a solid foundation for the subsequent “networking” phase.

4.2.1.4 Stakeholders' dimension: Cooperation with sincerity for mutual prosperity

This dimension involves various stakeholders, such as founders and core teams, employees, suppliers and partners, customers, government and regulatory agencies, competitors, and more (Table 4.5).

Table 4.5 Manifestations of stakeholder dimension of Xingcheng Renju Group in the fuzzy value proposition stage

Dimension	Manifestations
The stakeholder dimension of Xingcheng Renju Group in the fuzzy value proposition stage	Founders and core team Employees Suppliers and partners Customers Government and regulatory agencies Competitors

(1) Founders and core team:

In the startup stage, the founders of Xingcheng Renju Group played a pivotal role since their decisions and business philosophy directly influenced the development direction and strategic decisions of the company. The core team consisted of the founders and a handful of executives who collectively made decisions and drove the company forward as referred by interviewees C03-1, D04-6.

Looking at the business practices of successful companies worldwide, we find that the reason a company can stand out in fierce market competition is ultimately because it has formed an excellent and unique corporate culture in its business practices, often relying on the personal charisma of the founder or leader. He is the strength of the heart, the strength of morality, the strength of belief, and is the foundation for the success of an enterprise. (C03-1)

In the Chinese real estate market, the most indispensable thing is the person at the helm who can stand upright, understand the market, and have foresight. (D04-6)

(2) Employees:

During the fuzzy stage, employees at Xingcheng Renju Group were integral to the organization. Given the small size of the company, their number was limited and they shouldered various responsibilities across functions and departments, contributing jointly to the development of the company. The competence, responsibility, and teamwork of employees were crucial to the success of the company as interviewees C03-6, F03-5, F04-4, F05-5 were keen to say.

For enterprises, it is crucial to grasp every outstanding employee. (C03-6)

The company advocates that "one person can go fast, and a group of people can go far". (F03-5)

Excellent employees are the backbone of an enterprise. (F04-4)

During the construction period, there was a shortage of cleaning manpower at the Tianfu Family Project handover. All personnel were mobilized to work together, resulting in smooth house handover. Many had blisters on their hands, but there were no complaints. (F05-5)

(3) Suppliers and partners:

At this stage, Xingcheng Renju Group had established preliminary cooperative relationships with several suppliers and partners. Suppliers provided raw materials and services, while partners might have included design agencies, construction teams, and more. These partners played a crucial role in the implementation of the real estate projects and quality control of the company:

Future development must be based on a trust system, so this year we will focus on building a trust system. (Interviewee A01-6)

Only with the client's trust can there be more cooperation; only with the trust of financial institutions can there be financial cooperation; there is also the trust of the government and so on. (Interviewee D05-4)

(4) Customers:

Customers of Xingcheng Renju Group held a central role among the stakeholders. In the startup stage, the company primarily targeted potential homebuyers. Understanding customer needs and receiving their feedback was of paramount importance for guiding the product design and market positioning:

Only customers who trust us will buy a house from us. (Interviewee D03-6)

Paying attention to establishing and maintaining good relationships with customers is essential for long-term development. (Interviewee E01-6)

(5) Government and regulatory agencies:

During the fuzzy stage, the development of the company was significantly influenced by the local government and regulatory agencies. Factors such as government policy guidance and land supply directly impacted the progress and scale expansion of the company projects as stated by interviewee E03-5:

The steady development of the real estate industry requires strict market supervision and precise policy guidance and support.

(6) Competitors:

At this stage, Xingcheng Renju Group faced competition from other real estate developers. The products and market performance of competitors had a certain impact on the market share and competitive advantages of the company:

Every industry has competitors, and the real estate industry is no exception. (Interviewee D02-3)

In the increasingly competitive Chengdu property market, some are thriving in the spring breeze, while others are falling into silence. In the Chengdu property market, there were once as many as 20 to 30 real estate companies in second-tier cities in Sichuan. (Interviewee D04-5)

Xingcheng Renju Group exemplified the value proposition of “cooperation with sincerity for mutual prosperity” from the stakeholder dimension, which laid the foundation for the rudimentary network established during the early stages of the company.

The mentioned stakeholders collectively influenced the development of the company, and their cooperation and synergy would determine whether the company could successfully establish a robust ecosystem and gain a competitive edge in the market. Nevertheless, as the company was still in its initial stages, the roles of stakeholders like the core team, employees, suppliers, and partners were not yet clearly defined. Furthermore, the group lacked a distinct brand positioning and differentiated competitive strategies. With the growth of the company, the roles and influence of these stakeholders would continue to evolve.

In conclusion, the exploration and practices within the above dimensions collectively embodied Xingcheng Renju Group’s value proposition of “integrity and pragmatism, steady and rapid progress” during this stage. This represented the rational choice and objective positioning of the enterprise in its early phase. Xingcheng Renju Group’s initial geographical position aligned with the urban development strategy and established networking with the government, suppliers, and customers. As a local state-owned platform enterprise, Xingcheng Renju Group played a participatory role in urban development and social welfare. However, it is worth noting that the group’s ecosystem structure view during the fuzzy stage was characterized by singular activities, low positioning connectivity, and a lack of clear brand positioning and competitive advantage strategies. These issues would be improved and enhanced over time with the accumulation of experience, providing a solid foundation for future development.

4.2.2 Value proposition clarity stage (2009 - 2015): Balancing quantity and quality, accelerating innovation

After successfully navigating the startup phase, Xingcheng Renju Group accumulated valuable experience in various aspects. During this period, the company gradually

transitioned into a stage where its value proposition became clear.

4.2.2.1 Activity dimension: Pioneering in thought and practice

This phase encompassed various activities, including real estate project development, architectural design and planning, marketing and sales, project operations and management, customer service and after-sales support, quality control and safety management, resource integration and collaboration, market research, and product innovation (Table 4.6).

Table 4.6 Manifestations of business activity dimension of Xingcheng Renju Group in the value proposition clarity stage

Dimension	Manifestations
The activity dimension of Xingcheng Renju Group in the value proposition clarity stage	Real estate project development
	Architectural design and planning
	Marketing and sales
	Project operation and management
	Customer service and after-sales
	Quality control and safety management
	Resource integration and collaboration
	Market research and product innovation

(1) Real estate project development:

In the phase of a clarified value proposition, Xingcheng Renju Group vigorously promoted real estate project development. The company intensified land acquisition and initiated multiple commercial housing projects, spanning residential and commercial real estate, uncovering agent-construction business, rapidly expanding its market coverage while meeting market demands. Interviewees A01-5, A03-6 and B03-6 testify:

The operational focus of the company has evolved over different periods. In the early days, our emphasis was on the efficiency and economics of housing projects. As we expanded, our attention shifted to sustainability and social responsibility, aligning with our updated value proposition. (A01-5)

Over time, our primary business areas changed. With growth, we diversified into urban planning and sustainability projects, aligning with an adjusted value proposition from affordable housing to active participation in the sustainable development of the city. (A03-6)

In the agency construction sector, we did not consciously expand one business at a time. Instead, we noticed that some development entities lacked capabilities and trusted Xingcheng Renju, leading to requests for 'build the project for me.' At this point, the construction agency business inclined more toward 'help.' (B03-6)

(2) Architectural design and planning:

During this stage, Xingcheng Renju Group increased its focus on architectural design and

planning. Collaborating with renowned design firms, the company aimed to enhance the quality of project planning and design to create high-quality real estate products:

Building a house means creating a “small world”. The atmosphere conveyed in the house reflects the people inside. (Interviewee A03-2)

In the Chinese concept, architecture represents a lifestyle that harmonizes with nature. (Interviewee C01-5)

(3) Marketing and sales:

Marketing and sales became a key priority for Xingcheng Renju Group in this stage. The company employed advertising and promotional activities to attract potential customers and bolster real estate product sales through various channels. Interviewee C01-6 mentioned:

In the intense real estate market competition, attracting customers necessitates creating appealing sales strategies and marketing methods.

(4) Project operation and management:

At this stage, Xingcheng Renju Group dedicated more attention to project operation and management. A dedicated project operation team was established to oversee the daily management and operation of projects, ensuring timely delivery and smooth operation:

Xingcheng Renju’s primary goal is not blind expansion for market share but a focus on improving its management level, capabilities, and realizing project operations. Because only through operations can sustainable development be achieved and more cooperation opportunities arise. (Interviewee A05-1)

(5) Customer service and after-sales:

In the value proposition clarity stage, Xingcheng Renju Group began to emphasize customer service and after-sales support as referred by interviewees A04-3, B04-6, B05-3. A dedicated customer service department was set up to promptly address customer inquiries, manage complaints, and provide after-sales services, enhancing customer satisfaction.

Service takes precedence, and I firmly believe that excellent service leads to positive responses. (A04-3)

High-quality after-sales service attracts more customers. (B04-6)

A transaction is only the starting point of service; after-sales service has no end. (B05-3)

(6) Quality control and safety management:

Quality control and safety management were strengthened during this stage. The company implemented a rigorous quality management system to ensure the quality and safety of its real estate products. Interviewee B01-5 recalled:

In the engineering department, during the tight construction period, one person had to

manage several buildings due to a lack of personnel. However, in emergencies, whether in the development unit, construction unit, or supervision unit, everyone united to complete the project.

(7) Resource integration and collaboration:

Xingcheng Renju Group may have intensified resource integration and cooperation during this phase according to interviewees A05-1 and B05-3. Collaboration with various partners, including construction material suppliers and financial institutions, could have been part of the strategy to jointly promote project development and operations.

As a crucial participant in urban construction, developers must focus on leading product creation, professional operational services, and diversified resource integration. (A05-1)

We can integrate existing resources and have mature operating processes from site selection, land purchase, planning, design, engineering, sales, to after-sales service. This integrated operating standard effectively helps companies respond to market changes. (B05-3)

(8) Market research and product innovation:

The company conducted market research to comprehend consumer needs and market trends. It used the research findings to drive product innovation, developing real estate products that aligned more closely with market demands. Interviewees B05-1, C01-2, C01-3, D01-5, and D05-5 mentioned:

Market research aids in exploring and seizing market opportunities. (B05-1)

It creates connections between consumers and the market. (C01-2)

Innovation is the driving force for development, and product innovation propels enterprise development. (C01-3)

In the competitive market, product innovation is inevitable. (D01-5)

Continuous innovation is crucial for adapting to new opportunities and navigating the rapidly changing market. (D05-5)

In this stage of value proposition clarity, Xingcheng Renju Group progressively embodied the value proposition of “leading in thought and putting methods first”. This conceptual shift represented an adjustment made by companies with substantial experience to further penetrate the market.

During this phase, Xingcheng Renju Group’s activities primarily centered around affordable housing construction, commercial housing business, and agency construction business. It actively engaged in affordable housing and public welfare projects, such as “Jinjiang Pai”, “Jinjiang Bank”, “Jinjiang Hui”, “Yongling Museum”, and urban renewal projects, aiming to fulfill the demand of the market for affordable housing and public

facilities.

Simultaneously, the company ventured into the commercial housing sector, developing high-end commercial residential projects like “Tianfu Shijia” and “Ziyunting” villa projects, with a strong focus on product quality and cultural heritage value. Xingcheng Renju Group also expanded into the construction agency business, taking on public building projects, including medical colleges and schools like the “Chengdu University Medical College” project and the “Chengdu University New Campus” project, contributing to urban infrastructure development.

Through these practices, Xingcheng Renju Group achieved the expansion of real estate project scale and heightened brand awareness during the phase of a clear value proposition. The company maintained a strong focus on real estate development and sales while emphasizing project quality and customer service, positioning itself prominently in the market competition. This stage laid the foundation for Xingcheng Renju Group’s subsequent three-dimensional value proposition stage.

4.2.2.2 Positioning dimension: Striving for precision, thoroughness, and practicality

In this stage, the dimensions of activities pertain to directional research, market positioning, regional planning, project layout, product positioning, brand establishment, and partner selection (Table 4.7).

Table 4.7 Manifestations of positioning dimension of Xingcheng Renju Group in the value proposition clarity stage

Dimension	Manifestations
The positioning dimension of Xingcheng Renju Group in the value proposition clarity stage	Directional research and assessment
	Market positioning
	Regional planning
	Project layout
	Product positioning
	Brand establishment
	Partner selection

(1) Directional research and assessment:

During this stage, Xingcheng Renju Group undertakes extensive research and assessment to identify its development direction. This involves formulating a development plan grounded in factors such as market demand, the competitive landscape, and the unique circumstances of the company. As mentioned by interviewees A01-5, A03-6 and D02-3, it also entails the allocation of resources and elements accordingly.

Understanding the current industry status is insufficient; understanding the development direction of the industry is crucial. (A01-5)

A pragmatic enterprise looks forward to predicting the change direction of the industry in the next five, ten years, or longer. (A03-6)

Following strict industry logic is essential for determining product direction. (D02-3)

(2) Market positioning:

Having gained experience during the initial stage, Xingcheng Renju Group now possesses a relatively clear understanding of its market position and in this phase, as mentioned by interviewees D03-3 and E01-3 it works to solidify it. The company meticulously studies audience needs, reinforces marketing strategies, and actively secures its place in the market:

Market positioning clarifies market segments and focuses on core values. (D03-3)

The competitiveness of enterprise products depends on clear product and market positioning. (E01-3)

(3) Regional planning:

At this stage, Xingcheng Renju Group embarks on regional planning. The company designates specific geographic areas as primary development zones and actively seeks suitable land resources for real estate project development within these regions. Interviewees C01-3, D01-3, D02-5 and D05-2 refer:

What makes an area good? An area with net population inflow! (C01-3)

Analyzing the current industrial development involves looking at the regional industrial layout. (D01-3)

The real value of real estate lies in building an ecosystem and serving regional development. (D02-5)

Focus should be on competition and regional key projects and enterprises. (D05-2)

(4) Project layout:

Project layout is another focus for Xingcheng Renju Group in this phase. The company selects various project types, including residential properties, commercial real estate, and office buildings, to expand project layouts in different regions and increase market share and influence. According to interviewee A04-2:

Several criteria guide project selection, including good people, good land, comprehensive judgment on location, and avoiding risks.

(5) Product positioning:

Xingcheng Renju Group also refines its product positioning in this stage. The company launches real estate products with distinct positions tailored to various market segments and consumer groups, including high-end residences, affordable housing, commercial real estate, and more (Interviewees A04-2, A04-3).

Adhering to product positioning, Xingcheng Renju focuses on product R&D and promotes iterative upgrades. (A04-2)

Returning to products and services is essential; they form the foundation for a survival. (A04-3)

(6) Brand establishment:

In the process of clarifying its value proposition, Xingcheng Renju Group places considerable emphasis on brand establishment. The company engages in brand-building and promotional activities to bolster its visibility and image within the real estate industry, thereby enhancing its brand's standing in the market. Interviewees A05-6, B02-2, and D02-3 noted:

A positioning of the company determines its brand image, target customers, and market strategy. (A05-6)

Real estate developers must determine their core values and market positioning, conveying them to target customers to create a unique brand image. (B02-2)

To build a good brand, a good strategy and positioning are essential. (D02-3)

(7) Partner selection:

Xingcheng Renju Group begins to strategically select partners during this stage. The company establishes collaborative relationships with local governments, architectural design firms, financial institutions, and other partners to facilitate cooperation in project development, secure financing support, and engage in resource sharing as mentioned by interviewees C05-4 and D02-4.

Choosing the right partner is crucial in real estate investment because the success of investment projects often relies on multiple aspects of professional knowledge and experience. (C05-4)

Choosing the right partner is one of the keys to entrepreneurial success. (D02-4)

Through its performance in the aforementioned positioning dimensions, Xingcheng Renju Group solidified its market positioning and regional planning in the value proposition clarity stage. Its value proposition of “refinement, detail, and practicality” becomes evident. The company actively aligns itself with the urban development strategy of municipal government, participating in urban renewal and public construction projects, and taking on the crucial role of fostering urban development. By clearly defining its product and brand positioning, selecting partners strategically, and planning for development, the company enhances its standing and competitiveness within the real estate industry. This stage lays the groundwork for the subsequent development of Xingcheng Renju Group, offering a broader scope for future stages.

4.2.2.3 Networking dimension: Unity, collaboration, and collective progress

The networking dimension encompasses the alignment of urban planning and policies, supply chain partnerships, sales channel expansion, brand cooperation and promotion, partner engagement, social resource integration, information sharing, and communication, among other aspects. In this stage, Xingcheng Renju Group primarily executed the following (Table 4.8).

Table 4.8 Manifestations of networking dimension of Xingcheng Renju Group in the value proposition clarity stage

Dimension	Manifestations
The networking dimension of Xingcheng Renju Group in the value proposition clarity stage	Urban planning and policy alignment
	Supply chain partnerships
	Sales channel expansion
	Brand collaboration and promotion
	Partner engagement
	Integration of social resources
	Information sharing and communication

(1) Urban planning and policy alignment:

Xingcheng Renju Group actively engages in urban planning and policy alignment. The company continues to collaborate with government departments to comprehend urban development plans and policy trends. By synchronizing with urban planning, the company is better positioned to seize development opportunities and contribute to urban progress. Interviewee A02-4 stated:

While benefiting projects and enterprises, active “feeding back” to regional and urban development improves regional quality standards and renews the city’s appearance. “Win-win” is the best model.

(2) Supply chain partnerships:

As a real estate development firm, Xingcheng Renju Group turns its focus toward enhanced supply chain integration once its value proposition becomes clear. The company cultivates robust partnerships with material suppliers, construction teams, and more, aiming to ensure the efficient operation of real estate project supply chains, reduce costs, and maximize output. As referred by interviewees A01-2, A05-2 and A05-3:

The real estate supply chain is characterized by transitivity, long development cycles, and parallelism. (A01-2)

The real estate supply chain centers around real estate development enterprises. This chain-like structure is interrelated throughout the entire construction process. (A01-2)

The real estate supply chain involves upstream land developers, material suppliers,

designers, contractors, and financial institutions, and downstream property management companies, sales agencies, and home buyers. (A05-3)

(3) Sales channel expansion:

In terms of the networking dimension, Xingcheng Renju Group embarks on the expansion of sales channels to broaden the scope of product sales and extend its market influence. Interviewees A02-5, D01-5 and D05-5 mentioned that the company may establish cooperative relations with real estate brokerage firms, sales agents, the like to attract a more diverse array of potential homebuyers via varied sales channels:

Cross-border cooperation is an innovative sales method that can expand market coverage through collaboration with other brands or enterprises. (A02-5)

Expanding new sales channels is essential for enterprises to increase market share and sales. (D01-5)

In the process of expanding sales channels, focus on innovation. (D05-5)

(4) Brand collaboration and promotion:

During this stage, Xingcheng Renju Group collaborates with other reputable brands to jointly promote real estate projects, thereby bolstering the market competitiveness of its products. Cooperative methods include brand licensing and joint promotional activities, among others. Interviewees explained:

When cooperating with other brands, determine the cooperation goals first. (A03-4)

The goals of cooperation should be specific and clear, such as increasing sales or brand awareness. (A04-4)

(5) Partner engagement:

At this stage, Xingcheng Renju Group actively fosters relationships with various partners, spanning government entities, architectural design firms, construction teams, financial institutions, and more. These partners assume pivotal roles in the real estate development process and can provide invaluable resources such as land, financial support, professional design, and construction services. Interviewee A01-4 highlighted the importance of partner engagement:

Adhere to four identities: partner strategic identity, cultural identity, plan identity, and standard identity. "Because only by identifying can everyone reach a high degree of agreement in many aspects."

(6) Integration of social resources:

As part of clarifying its value proposition, Xingcheng Renju Group proactively integrates social resources, encompassing talents, community assets, public amenities, and more.

Simultaneously, the company collaborates with universities to attract exceptional talent and cultivates favorable relations with communities to enhance project recognition, as confirmed by several interviewees:

The most crucial value of resource integration is “win-win”. In the integration process, all participants eventually become winners, requiring “platform thinking”. (A01-6)

Resource integration implies complementary advantages of resources, and the value of reasonable allocation is greater than resource superposition. (C03-3)

Resource integration is about optimizing resource allocation, advancing and retreating, giving and taking, to obtain the overall optimal. (C05-3)

Resource integration should be based on win-win cooperation and mutual benefit. (D03-6)

The integration of social resources can optimize the supply chain management of enterprises and improve production and sales efficiency. (E03-6)

(7) Information sharing and communication:

To better interconnect various participants within the ecosystem, Xingcheng Renju Group concentrates on bolstering information sharing and communication. The company maintains close ties with partners, customers, and community residents to stay attuned to market needs and feedback, enabling more targeted decision-making:

The value of information resources is mainly reflected through sharing. (Interviewee A05-6)

In the information age, information sharing promotes communication and cooperation between all parties, allowing them to share and utilize information, realizing its value. (B02-6)

The more information shared, the higher its value. (B05-6)

In the stage of clarifying the value proposition, Xingcheng Renju Group's value proposition of “unity, collaboration, and collective progress” shines through. It forges strong networking with government entities, suppliers, customers, and other stakeholders. Specifically, its association with the government is predominantly evident in the group's proactive undertaking of affordable housing and public welfare and public construction projects, effectively leveraging its role in urban development. Collaboration with suppliers primarily facilitates the acquisition of top-tier construction materials and services, ultimately enhancing product quality. The bond with customers is chiefly seen in meeting residential needs and experiences via brand positioning and distinctive competitive strategies. Interaction with social organizations primarily involves the group's active involvement in philanthropic initiatives and societal engagement. The multifaceted understanding in these areas ensures the group's multifaceted development from a variety of perspectives. Close government

networking provides vital insights for the market direction of the company. Supplier collaborations improve project quality and competitiveness. Customer relations help gauge market demand and feedback, providing the basis for product positioning and market strategy. Through associations with governments, social organizations, suppliers, customers, and other stakeholders, Xingcheng Renju Group attains a substantial degree of win-win cooperation.

4.2.2.4. Stakeholders' dimension: Collaboration, efficiency, and pragmatism

The stakeholders' dimension encompasses top management teams, middle managers, employee teams, partners, customers and home buyers, government and regulatory authorities, communities, and the general public (Table 4.9).

Table 4.9 Manifestations of stakeholder dimension of Xingcheng Renju Group in the value proposition clarity stage

Dimension	Manifestations
The stakeholder dimension of Xingcheng Renju Group in the value proposition clarity stage	Top management team
	Middle managers
	Employee team
	Partners
	Customers and home buyers
	Government and regulatory authorities
	Community and the public

(1) Top management team:

The senior management team of Xingcheng Renju Group assumes again a pivotal role at this stage in which they are the decision-makers responsible for crafting corporate development strategies and value propositions. Their leadership guides the overall development direction of the company and ensures it gains a competitive edge in the real estate market. Interviewees referred:

The top management team is the core group determining organizational development and affecting organizational performance. (A04-4)

Top management positions should be performed by a team; it is particularly important. (C02-1)

Middle and senior management teams are the decision-makers and strategic implementers of the organization. (C02-1)

(2) Middle managers:

Middle managers are instrumental within Xingcheng Renju Group's ecosystem at this stage. They are tasked with coordinating various departments, facilitating the smooth progression of projects, executing high-level decisions, and guaranteeing the implementation of corporate strategies at all levels as interviewees A03-5, A05-1, C03-5 and B02-1

mentioned.

The middle management team plays a crucial role in the enterprise, responsible for executing high-level decisions. They must manage and guide subordinates in daily work to ensure team operation and achieve organizational goals. (A03-5)

The most important type of person in team building is the team's middle managers. (A05-1)

Middle managers are the inheritors of corporate culture and team spirit, pioneers of team development, and distributors of collective benefits. (B02-1)

For middle managers, the organizational perspective is important. (C03-5)

(3) Employee team:

The employees are the primary doers and creators. In this stage, Xingcheng Renju Group's employee team underwent reinforcement and expansion with employees directly engaged in all facets of real estate development, sales, customer service, and more, serving as a vital force in achieving corporate objectives. Interviewees A03-2, B01-4 and D01-6 shared their thoughts:

Setting clear goals and work plans is an important step in improving employee cohesion. (A03-2)

To maintain strong team cohesion, every member should feel capable enough to contribute to team goals. (B01-4)

Respect employees' self-worth and organically unify team values and employees' personal values. (D01-6)

(4) Partners:

During the phase of clarifying the value proposition, Xingcheng Renju Group has fostered more robust collaborative relationships with various partners. These partners encompass government entities, architectural design firms, financial institutions, sales agents, among others, and they play essential roles within the real estate ecosystem and their value was recognized by interviewee A04-4.

We have partnerships with local governments and construction companies that help drive urban planning and construction projects.

(5) Customers and home buyers:

Customers and home buyers of Xingcheng Renju Group are critical stakeholders in the operations of the company. Their requirements and feedback directly shape the product positioning and sales strategy of the company. In this stage, the company placed even a greater emphasis on communicating and interacting with customers to meet market demands:

Xingcheng Renju Group has always pursued “from the inside out”, thinking about how end-users will live and work in the space. It then considers what supporting facilities, green landscapes, services, etc., should be provided. (Interviewee A03-6)

The ultimate goal of the project is to realize value, that is, to achieve customer purchase. Therefore, finding customers is crucial. (Interviewee D02-1)

(6) Government and regulatory authorities:

In the real estate sector, government and regulatory authorities are indispensable stakeholders. Xingcheng Renju Group must collaborate with the government to secure vital support and permissions, including land resources and planning approvals. Several interviewees mentioned that, simultaneously, the company must adhere to relevant laws and policies to ensure compliance in its corporate operations:

Real estate loans have always been a focus of supervision. (Interviewee C03-4)

The team of the company is gradually growing, and key decisions and partners play a key role in the development of the company. For example, we have developed strong working relationships with local governments, crucial to driving sustainable urban planning projects. (Interviewee C04-5)

The government’s supervision of the real estate industry is like tuning a piano. (Interviewee C04-6)

The preliminary approval procedures and approval items for real estate projects have been continuously reduced, accelerating the intensity and speed of project advancement to a certain extent but causing difficulties in early control and supervision. (Interviewee D04-3)

(7) Community and the public:

The development and project construction undertaken by Xingcheng Renju Group intersect with community and public interests. The company necessitates effective communication and coordination with local residents, community organizations, and others to address potential issues, enhance community cohesion, and ensure the sustainable development of projects. Interviewee D01-4 stated that:

Balancing the interests of real estate companies and residents requires joint efforts by the government, real estate companies, and residents.

In this stage, Xingcheng Renju Group enriched and adjusted its network of stakeholders. It now integrates its management and employees within the group, along with external stakeholders such as governments, suppliers, customers, and other stakeholders, embodying the concept of a “collaborative, efficient, and pragmatic” value proposition. The group’s management and employees significantly contribute to strategy formulation, project

promotion, and overall development, cooperating seamlessly and synergizing efforts. The government, as a partner of Xingcheng Renju Group, provides policy support and project opportunities to jointly advance urban development. Suppliers offer construction materials and services to ensure project quality and progress. Customers are essential stakeholders whose needs and feedback are paramount for the group's development. The synergy across these stakeholder dimensions has enabled Xingcheng Renju Group to establish a robust ecosystem structure at the value proposition clarification stage. Each stakeholder plays a distinct role in the real estate development process, collectively fostering the growth and advancement of the company, thus laying a solid foundation for future stages. During this phase, Xingcheng Renju Group has notably bolstered its comprehensive capabilities, continually expanding its market size and influence through brand positioning and differentiated competitive strategies.

In summary, Xingcheng Renju Group has successfully cultivated a healthy ecosystem through the four dimensions of activities, positioning, networking, and stakeholders in the value proposition clarification stage. These dimensions coalesce to reflect the value proposition of Xingcheng Renju Group at this stage, gradually exemplifying the attributes of "prioritizing both quantity and quality while accelerating innovation". The group is actively engaged in the construction of affordable housing, commercial real estate endeavors, and agency construction operations, establishing a distinct brand image in the market. Maintaining strong ties with governments, suppliers, customers, and other stakeholders has resulted in mutually beneficial collaborations. The management, employees, and external stakeholders have collectively propelled the development of Xingcheng Renju Group, positioning it as a standout entity in the Chengdu, real estate industry and laying the ground for the current stage of the value proposition.

4.2.3 Value proposition three-dimensional stage (2016 - Present): Pursuing excellence and achieving perfection

Entering the third stage, Xingcheng Renju Group has accelerated its pace of development, expanded its market share, and matured its industrial formats. Below, the four dimensions in the ecosystem already reviewed in the previous stages of earlier value propositions will be considered.

4.2.3.1 Business activity dimensions: Specialization in quality, mastery in style, and excellence in heart

The activity dimensions in this stage encompass the “cluster” development of commercial housing, the construction of high-quality apartments for talents and international communities, the expansion of a diversified “real estate+” system, the establishment of an “integrated” model for smart properties, the acceleration of “going global” expansion, and a strong focus on social responsibility and sustainable development (Table 4.10).

Table 4.10 Manifestations of business activity dimension of Xingcheng Renju Group in the value proposition three-dimensional stage

Dimension	Manifestations
The activity dimension of Xingcheng Renju Group in the value proposition three-dimensional stage	<p>“Cluster” development of commercial housing: “Cluster” development of commercial housing</p> <p>Building high-quality apartments for talents and international communities</p> <p>Expanding the pan-real estate “diversified” system</p> <p>Building an “integrated” model for smart property</p> <p>Accelerating the “Going Global” expansion</p> <p>Focusing on social responsibility and sustainable development</p>

(1) “Cluster” development of commercial housing:

To enhance competitiveness and capitalize on economies of scale, Xingcheng Renju Group has significantly boosted its land acquisition efforts, concentrating on developing multiple commercial housing projects. By optimizing resource utilization, reducing costs, and addressing the diverse needs of different consumer segments, Xingcheng Renju has further expanded its market share as noted by interviewees B01-5, B01-6 and D01-5.

Our company maintains unified product standards and does not compromise product quality based on the city’s layout. (B01-5)

In the face of market fluctuations, maintaining product excellence remains a crucial strategy. (B01-6)

The shift from residential to commercial real estate is driven by the prospect of securing long-term stable cash flow. (D01-5)

(2) Building high-quality apartments for talents and international communities:

During this stage, Xingcheng Renju Group emphasizes the creation of high-quality apartments for talents and international communities. By offering a comfortable, convenient, and intelligent living environment, it aims at attracting high-level talent, fostering their gathering and contributing to the attraction of talent to the city. This, in turn, enhances the appeal of the enterprise and the city itself. Interviewees A02-2, A02-5 and B01-3 concur:

Xingcheng Renju Group’s philosophy revolves around the pursuit of excellence. A

positive corporate brand depends on the quality of its products to accumulate a good reputation and wide influence. (A02-2)

While the demand for real estate persists, there is a shift toward enhancing the quality of living. (A02-5)

The evolution of our market positioning from affordable housing to high-quality and sustainable solutions is closely tied to changes in our value proposition. (B01-3)

(3) Expanding the pan-real estate “diversified” system:

At this stage, Xingcheng Renju Group is proactively advancing the “real estate+” strategy. It deeply integrates the real estate business with various related fields, thereby enriching its value proposition in a three-dimensional manner. The “real estate+” expansion involves combining real estate projects with commercial, educational, and medical real estate, fostering diversified business development across multiple sectors. In this context, Xingcheng Renju Group has ventured into diverse business formats such as hotels, healthcare, and above-ground properties for subways. This diverse business layout provides comprehensive services for urban development. In the opinion of several interviewees, namely A02-6 and A04-5, the expansion of these business formats not only contributes to the revenue streams but also strengthens its influence in the urban development ecosystem:

Over time, our business expanded to encompass urban planning and real estate development, leading to a shift in our value proposition from affordable housing to active participation in urban development and sustainable solutions. (A02-6)

The launch of residential projects reflects Xingcheng Human Settlements Group’s mission to become a comprehensive urban service provider. It aligns with the group’s development strategy, planning for the future of the city and systematically enhancing urban energy levels. (A04-5)

(4) Building an “integrated” model for smart property:

Xingcheng Renju Group is actively developing the smart home business track. It integrates high-quality resources across the industry chain, establishing a one-stop smart home decoration service platform. Through the application of smart technology, it seeks to enhance residents’ quality of life, advance urban governance modernization, and promote the construction of smart cities:

Our commitment to staying at the forefront of product design and service stems from the belief that a good building must serve everyone who uses it. Both practicality and advancement are deemed essential. (Interviewee A03-3)

(5) Accelerating the “Going Global” expansion:

Xingcheng Renju Group has proactively broadened its market presence, successfully entering other Chinese cities such as Xi'an and Guangzhou and international markets like Belarus. Through this expansion, the group not only increases its market share but also showcases the strength and reputation of Chinese enterprises on the global stage as mentioned by interviewees A01-4 and A04-5.

Cross-border investment is not just a choice for market expansion; it is a crucial path for sustainable development in the real estate industry. (A01-4)

An increasing number of real estate companies are directing their attention to overseas markets, actively participating in overseas investments to explore broader development opportunities. (A04-5)

(6) Focusing on social responsibility and sustainable development:

During this stage, Xingcheng Renju Group actively engages in public welfare activities and social initiatives to contribute to the sustainable development of the city. By giving back to society, the company has cultivated a positive corporate social image, strengthening its networking and recognition within the community as interviewee A04-6 recognizes.

The future of an enterprise is determined by long-termism, not short-term benefits. Establishing a safe haven is crucial, emphasizing the core element of sustainable development for the long-term prosperity of the Group

In the three-dimensional stage of value proposition, the one embraced by Xingcheng Renju Group is most notably embodied by “specialization in quality, mastery in style, and excellence in heart”. The company has initiated the “real estate+” business, expanding its scope, hastening its entry into the urban complex sector, and forming a diverse comprehensive service system. Xingcheng Renju Group actively engages in “cluster” development of commercial housing, achieving economies of scale, and offering diversified real estate products. Additionally, the company constructs high-quality apartments for talents and international communities, providing a superior living environment for high-level talent. Furthermore, Xingcheng Renju Group expands its pan-real estate “diversified” system, engaging in various business sectors like hotels, healthcare, and above-ground properties for subways, addressing different industry needs. Simultaneously, it concentrates on building an “integrated” model for smart properties, propelling the development of smart cities and delivering smart home services to enhance urban governance modernization. By enriching and expanding these aspects, Xingcheng Renju Group attains a multifaceted brand value proposition. This further underscores its core competitiveness, distinct selling points, and market positioning, thereby advancing its overall strength.

4.2.3.2 Positioning dimension: Challenging conventions and setting trends

In terms of ecosystem structure, the accomplishments in this dimension during this stage are primarily manifested through shifts from single construction to complex development, from standard communities to international communities, from domestic markets to international markets, and from localized involvement to systematic planning (Table 4.11).

Table 4.11 Manifestations of positioning dimension of Xingcheng Renju Group in the value proposition three-dimensional stage

Dimension	Manifestations
The positioning dimension of Xingcheng Renju Group in the value proposition three-dimensional stage	From single construction to complex development
	From standard communities to international communities
	From domestic market to international market
	From local participation to systematic planning

(1) From single construction to complex development:

Xingcheng Renju Group actively advances urban complex development during this phase. By integrating resources across various business domains, including commerce, residential, culture, education, and healthcare, the Group creates comprehensive projects that amalgamate shopping, entertainment, residence, and various other functions. This approach empowers Xingcheng Renju Group to secure a pivotal position in urban development and become a core contributor to urban complexes as recognized by interviewee A01-3.

The “city” concept symbolizes the grandeur of the project, supporting a fully integrated lifestyle that respects local culture and offers a robust support system and diverse lifestyle options. As Xingcheng Renju expands beyond Sichuan, our perspectives on cities and projects change, emphasizing the evolution in our judgments about cities and projects during real estate development.

(2) From standard communities to international communities:

In this stage, Xingcheng Renju Group prioritizes the construction of high-quality apartments for talents and international communities. Through the provision of high-standard living environments and services, it attracts high-level talent, thereby securing a significant position within the urban development ecosystem. Xingcheng Renju Group evolves into a driving force for talent attraction, urban innovation, and overall urban development. In the opinion of interviewee D02-2 “A quality community should exude warmth, harmony, and a welcoming atmosphere”.

(3) From domestic market to international market:

By penetrating international markets, Xingcheng Renju Group not only extends its

influence and competitiveness in the global real estate market but also elevates its standing within the global ecosystem as mentioned by interviewees A01-6, A03-6 and B01-6.

The globalization trend in the real estate market is unstoppable, an inevitable outcome of globalization. (A01-6)

Under the current trend of global economic integration, the real estate market is replete with international opportunities. (A03-6)

The international real estate market presents both opportunities and challenges. (B01-6)

(4) From local participation to systematic planning:

As interviewee A02-4 mentioned:

We emphasize an end-to-end approach, managing everything from site selection, conception and design, construction, to sale or self-owned operation and asset management.

In addition, during its early days of listing, Xingcheng Renju Group primarily viewed social responsibility from the lens of its own sustainability and growth. As the capabilities of the Group strengthened, it began to closely align high-quality enterprise development with the advancement of economic and social progress. The Group actively promoted various societal facets such as welfare, livelihoods, and environmental concerns. This included robust participation in initiatives like the fight against the COVID-19 pandemic, rural revitalization, green development, earthquake relief, as well as support for students and the military.

In the three-dimensional value proposition stage, Xingcheng Renju Group has successfully expanded in the domestic market like Xi'an and Guangzhou and entered overseas markets, such as Belarus, by expediting its "going global" strategy. This move has not only enabled the Group's development in local markets but has also expanded its reach in the international market. Through strategic expansion into different locations, Xingcheng Renju Group has further elevated its brand recognition and market share. Through diversified positioning within these positioning dimensions, the Group not only secures a pivotal role within the urban development ecosystem but also asserts its influence in the international arena. The positioning and function of the Group have become more clearly defined, with its value proposition of "challenging conventions and setting trends" prominently exemplified. This has deepened its engagement in the sustainable and innovative development of the city.

4.2.3.3 Networking dimension: integration empowers, synergy enhances value

When viewed from an ecosystem structure perspective, the prominent achievements of

Xingcheng Renju Group in the networking dimension encompass multi-party cooperation and expansion of the industrial chain, integration of the urban development ecological chain, cross-border collaboration, international market expansion, the fusion of social responsibility and sustainable development, as well as networking with state-owned platform enterprises and urban development (Table 4.12).

Table 4.12 Manifestations of networking dimension of Xingcheng Renju Group in the value proposition three-dimensional stage

Dimension	Manifestations
The networking dimension of Xingcheng Renju Group in the value proposition three-dimensional stage	Multi-party cooperation and industrial chain expansion Integration of the urban development ecological chain Cross-border collaboration and international market expansion The nexus between social responsibility and sustainable development Networking with state-owned platform enterprises and urban development

(1) Multi-party cooperation and industrial chain expansion:

In this stage, Xingcheng Renju Group actively collaborates with various stakeholders, including government departments, urban planning agencies, architectural designers, technology firms, and social organizations. Through joint project ventures with partners from diverse fields, Xingcheng Renju Group has broadened the industrial chain, harmonized an array of resources and capabilities into its developmental pursuits, harnessed complementary strengths, and, as a result, enhanced overall competitiveness, as referred by interviewee A02-4).

The dividends of extensive development in real estate are waning, prompting a shift toward “transformation” and greater emphasis on long-term development capabilities.

(2) Integration of the urban development ecological chain:

In the three-dimensional value proposition stage, Xingcheng Renju Group has expanded its operations across multiple sectors, creating an urban development ecological chain. For instance, real estate development is intricately woven with commercial real estate, education, healthcare, culture, and more, giving rise to urban complexes. The smart home business integrates into urban governance, advancing the smart transformation in the city. Interviewee A02-4 acknowledges that this ecological chain integration enables Xingcheng Renju Group to play a more substantial role in urban development and elevate the comprehensiveness of urban advancement:

In addition to extending our own business, Xingcheng Renju is exploring investment opportunities in real estate and community ecological chains. As the real estate industry undergoes comprehensive transformation, service-oriented companies in its ecological chain

actively seek new tracks. The development of the real estate market has both positive and negative impacts on the urban ecological environment.

(3) Cross-border collaboration and international market expansion:

During this stage, Xingcheng Renju Group vigorously engages in cross-border collaboration by fusing real estate development with diverse business formats such as hotels, healthcare, subway superstructure properties, and others. This results in the formation of a diversified pan-real estate system. Concurrently, the Group successfully penetrates the international market, broadens its overseas business operations, and collaborates with foreign enterprises and governments. This cross-border collaboration and international market expansion reinforce Xingcheng Renju Group's global connectivity and influence as mentioned by interviewees A04-6, B02-3 and B02-4:

Brand renewal necessitates stories, and cross-border cooperation is an effective way to cultivate narratives. (A04-6)

While cross-border ventures are not uncommon in real estate, breaking through such boundaries is a distinctive feat. (B02-3)

Cooperating with companies in other industries to launch cross-border products or services meets the diverse needs of consumers. (B02-4)

(4) The nexus between social responsibility and sustainable development:

In this stage, Xingcheng Renju Group underscores the practice of social responsibility and sustainable development. The Group actively participates in philanthropic endeavors and social activities, propelling the sustainable development of the city. By forging robust networking with all segments of society, Xingcheng Renju Group garners wider recognition and support, fostering a synergy of collective construction and sharing. Interviewees A03-4 and A04-6 agree that this process bolsters the social image and reputation of the company:

Sustainable development is integral to the Group's long-term prosperity, integrated into both the strategy and operations. (A03-4)

Implementing green and low-carbon practices in every project and product is crucial for achieving high-scoring results, emphasizing a low-key approach and perseverance. (A04-6)

(5) Networking with state-owned platform enterprises and urban development:

As a state-owned platform enterprise, Xingcheng Renju Group plays a pivotal role in urban construction, housing for talents, affordable housing, and rental housing within Chengdu, China. In this stage of its value proposition, the Group continues to forge close ties with the government, urban planning agencies, and other enterprises to collaboratively advance the development and construction of the city, contributing to its sustainable progress:

Urban development and real estate are interdependent and complementary. (Interviewee E01-4)

The integration of real estate and technology has become a key driving force for future urban development. (Interviewee E01-5)

In the three-dimensional value proposition stage, the value proposition of Xingcheng Renju Group is encapsulated in the motto “integration empowers and synergy enhances value”. By promoting the “real estate +” business and constructing a diversified pan-real estate system, the Group has fostered multiple internal and external networking and has integrated high-quality resources up and down the industry chain to establish a one-stop smart home decoration service platform, while also extending networking to diverse business formats such as hotels and healthcare. Moreover, Xingcheng Renju Group actively contributes to society by participating in philanthropic endeavors and social activities, nurturing strong bonds with the community and reinforcing its corporate social image. It has also expedited networking and expansion, broadening its market scope and brand influence within China by accelerating its market presence in cities such as Xi’an, Guangzhou, Shanghai, and even ventured into international markets like Minsk, Belarus. Strengthened cooperation with renowned domestic and international hotel brands has resulted in the development of multiple high-end hotel projects in Chengdu, China. Through these networking and collaborations, Xingcheng Renju Group continually expands its market share and influence, enhancing its brand image and competitiveness. In this three-dimensional value proposition stage, Xingcheng Renju Group has intricately woven itself with multiple resources through expansion and collaboration in the aforementioned networking dimension. This has given rise to a diversified and cooperative development ecosystem, empowering Xingcheng Renju Group to play a more pivotal and active role in the urban development ecosystem, fostering resource sharing and complementary strengths, and laying a robust foundation for the sustainable development of the company.

4.2.3.4 Stakeholders’ dimension: Unification and collaboration for a shared future

In this stage, Xingcheng Renju Group’s network of stakeholders has developed into a multi-dimensional and three-dimensional framework. The internal team comprises the executive team and employee base, while external partners include government departments, architectural designers and planning institutions, and technology companies, social organizations, and public welfare institutions. Additionally, stakeholders consist of residents

and consumers, investors and shareholders, and media and the general public (Table 4.13).

Table 4.13 Manifestations of stakeholder dimension of Xingcheng Renju Group in the value proposition three-dimensional stage

Dimension	Manifestations	
The stakeholder dimension of Xingcheng Renju Group in the value proposition three-dimensional stage	Internal	Senior management team
	Team	Employee team
	External	Government departments
	Partners	Architectural designers, planning agencies, and technology companies
		Social organizations and public welfare institutions
	Stakeholders	Residents and consumers Investors and shareholders Media and the general public

Internal Team:

(1) Senior management team: At this stage, the senior management team of Xingcheng Renju Group serves as decision-makers and leaders who formulate the strategic development direction of the company, steer diversified business expansion and market growth, and are committed to enhancing the overall competitiveness and brand reputation of the company:

Driving business growth is a crucial responsibility for real estate executives. (Interviewee C05-5)

In a real estate company, senior executives play a pivotal role. (Interviewee F01-6)

(2) Employee team: Xingcheng Renju Group's employee team is the backbone responsible for implementing and executing the company strategy. They actively participate in various business areas' operations, oversee project development, marketing, smart home services, and more, making significant contributions to the development of the company. Regarding the value of the employee team, interviewees C04-2, C04-6, D04-3 and D05-3 commented:

Employees in the real estate industry are a vital force supporting its development. (C04-2)

The capabilities of real estate enterprise employees directly impact the operation and management efficiency of development and construction units. Communication skills are crucial indicators of professionalism. (C04-6)

Establishing a positive image for real estate sales personnel effectively enhances the trust of homebuyers, winning more customers and market share. (D04-3)

Empowering employees and continuously enhancing their value is essential for talent retention in the current real estate industry. (D05-3)

External Partners:

(3) Government departments: As a state-owned platform enterprise, Xingcheng Renju

Group maintains close collaboration with government departments. The government wields significant influence on the development of enterprises concerning land supply, urban planning, and real estate policies. Several interviewees, namely C01-6, C03-5 and C05-4 acknowledged that Xingcheng Renju Group actively communicates and coordinates with the government to jointly drive city development and construction:

When collaborating with government platforms, financial risks are relatively controllable.
(C01-6)

Close relations with the government are a major characteristic of real estate companies.
(C03-5)

Government and real estate developers are not antagonistic parties; instead, it is a relationship that requires mutual cooperation and support. (C05-4)

(4) Architectural designers, planning agencies, and technology companies: Xingcheng Renju Group collaborates closely with architectural designers and planning agencies in advancing “cluster-type” development of commercial housing and constructing high-quality apartments for talents and international communities. Together, they engage in project planning and design discussions to ensure project feasibility and quality. In their endeavor to construct an “integrated” model of smart properties, Xingcheng Renju Group partners with technology companies to integrate smart technology resources, deliver smart home services, and promote urban governance modernization. In the opinion of several interviewees:

The architectural design of commercial housing must be seamlessly integrated with real estate marketing strategy. (A05-4)

Optimizing architectural design is a key element in achieving a competitive advantage in the real estate market. (D03-4)

The traditional architectural design model falls short of meeting people’s needs for beauty, comfort, environmental protection, and intelligence. Therefore, real estate developers and architectural designers seek innovative design concepts and solutions. (D03-5)

Design has become an integral part of the overall planning and marketing of real estate.
(D04-4)

(5) Social organizations and public welfare institutions: As mentioned before, as stated by interviewees A04-5 and A05-4, Xingcheng Renju Group places a strong emphasis on social responsibility and sustainable development, actively participating in philanthropic initiatives and social activities. Their cooperation with social organizations and public welfare institutions fosters joint efforts to drive sustainable city development and give back to society:

As our business expands, sustainability and social responsibility become key focuses,

aligning with our new value proposition. (A04-5)

Our partners, mainly large developers or leading companies in other industries, contribute significant resources. We have established a partnership council to form a platform that leverages these resources for mutual benefit. This platform serves as a crucial growth pole for Xingcheng Renju's future endeavors. (A05-4)

Stakeholders:

(6) Residents and consumers: Xingcheng Renju Group's operations are intimately linked with the housing needs and quality of life for residents and consumers. Through the promotion of the "real estate +" business and the provision of diversified real estate products, Xingcheng Renju Group meets the varying needs of different residents and consumers, delivering high-quality housing and services, which was particularly mentioned by interviewees D02-6 and E02-5.

The new generation, having not experienced material scarcity, embraces a life attitude of "Do not settle". They possess wide information sources, strong search capabilities, rich real estate knowledge, and rigorous logical thinking. Real value points are essential for success. (D02-6)

Our focus is on creating a full life-cycle service experience for customers, encompassing "worry-free viewing, peace-of-mind signing, peace-of-mind waiting, peace-of-mind closing, happy move-in, and heart-warming living". (E02-5)

(7) Investors and shareholders: As a publicly listed company, Xingcheng Renju Group's performance and development are closely monitored by investors and shareholders. Indeed, "the real estate market involves various participants, including governments, banks, real estate companies, investors, shareholders, homebuyers" as mentioned by interviewee E02-4.

In this three-dimensional value proposition stage, the company has bolstered profitability and market competitiveness through diverse strategies and business expansion, yielding stable returns for investors.

(8) Media and the general public: Xingcheng Renju Group has garnered attention and acclaim from the media and the public through its diversification of business, expansion into international markets, and practices in social responsibility do play a pivotal role in shaping the image and reputation of Xingcheng Renju Group as mentioned by interviewees A04-4 and D01-6:

As industry awe grows, the awareness of innovation, quality, service, and communication concepts becomes indispensable. (A04-4)

Concepts are manifested in designs, services and positionings. Behind these concepts are

the awareness of innovation, quality, service, and communication, which becomes indispensable. (A01-6)

In the three-dimensional value proposition stage, the stakeholders' network of Xingcheng Renju Group has become more systematic, aptly mirroring its value concept of "unity, collaboration, and co-creation of the future". As a state-owned platform enterprise based in Chengdu, China, Xingcheng Renju Group has emerged as a pioneering force in urban development. In the construction of new urban areas, housing for talents, affordable housing, rental housing, and more in Chengdu, China, Xingcheng Renju Group has fully leveraged its strengths. It has successfully aligned its local advantages with market demand, making substantial contributions to the sustainable development of the city. When viewed from a stakeholder's perspective, Xingcheng Renju Group wholeheartedly recognizes the significance of external partners and stakeholders, fostering a multi-party collaborative ecosystem through active cooperation and communication. Each stakeholder cooperates with one another, contributing to the development of Xingcheng Renju Group, thus collectively propelling continuous innovation and growth for the enterprise.

In summary, during the third value proposition stage - the three-dimensional value proposition stage, Xingcheng Renju Group has undertaken multi-dimensional and three-dimensional endeavors. These encompass diversification of activities, leveraging positioning advantages, strengthening networking, and playing a more pivotal role as a stakeholder. This expansion and diversification have underscored its value proposition of "pursuing excellence and achieving perfection".

From a vertical analysis of the three stages, it is clear that Xingcheng Renju Group's value proposition has become more comprehensive, systematic, and three-dimensional.

4.3 Summary

Municipal platform enterprises serve as crucial pillars in supporting regional development and enhancing quality, playing a vital role in urban construction. Their value propositions significantly influence and shape corporate behavior, decision-making, and future development. Through the examination of Xingcheng Renju Group, this study yields the following outcomes concerning the group's overall development history and the evolution of its value proposition.

Firstly, through literature review, contextualized with the zeitgeist and societal backdrop, the developmental history of Xingcheng Renju Group is categorized into the market

development period (2004-2008), comprehensive development period (2009-2015), and the ongoing transformation and upgrading period (2016-present). Correspondingly, the group's value proposition undergoes a developmental trajectory from a vague stage to a clarified stage and eventually to a three-dimensional stage.

Secondly, leveraging the ecosystem structure theory and employing oral history research methods, this thesis scrutinizes the evolution of the value proposition of municipal platform enterprises, typified by Xingcheng Renju Group. The findings indicate that, at the activity dimension level, there is a progression from “integrating resources and developing markets” to “leading in thinking, method first” and finally to “specializing in quality, proficient in style, and superior to heart.” On the positional dimension level, the evolution is from “reducing costs and increasing efficiency, looking for trends” to “seeking refinement, detail, and truth” and eventually to “breaking conventions and leading the trend.” In terms of connecting dimensions, there is a transition from “quality first, credibility first” to “unity, collaboration, and common progress” and ultimately to “integration generates power, collaboratively adding value.” Regarding the stakeholder dimension, the progression is from “cooperation with sincerity and mutual prosperity” to “hand in hand, efficient and pragmatic” and ultimately to “unity and collaboration to create the future.” These four developmental chains propel the value proposition of Xingcheng Renju Group towards greater three-dimensionality and richness – from “integrity and pragmatism, steady and fast progress” to “equal emphasis on quantity and quality, innovation, and speed” and finally to “pursuing excellence and creating perfection”.

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Chapter 5: Research Conclusions

This study employs a qualitative method through the content analysis of oral history collected by means of in-depth interviews to investigate the evolution of the value propositions of one large Chinese municipal platform enterprise. The focus is on analyzing the performance and characteristics of the value proposition of the case company at different stages. Based on the research and analysis, this study extracted the potential driving factors of the value proposition and have outlined three evolutionary stages along which the value proposition of Xingcheng Renju Group has evolved. In this chapter, relevant conclusions are summarized, the practical implications of corporate value proposition construction are highlighted, and the limitations of this thesis along with suggestions for future improvements are identified.

5.1 Driving factors of the value proposition of municipal platform enterprises from the perspective of ecosystem structure

Through the content analysis of oral history collected through interviews with 30 representative employees, the research results show that the four main driving factors that affect the evolution of the value proposition of the municipal platform enterprise studied are “business activity factors, positioning factors, networking factors, and stakeholder factors”. These four driving factors are closely related to the ecosystem structure. They are consistent, interrelated, interdependent, and mutually influence each other, jointly driving the emergence and evolution of the value proposition of Xingcheng Renju Group.

(1) Business activity factors

Joint development, project participation, and business strategic planning have been found to be key factors in activities that determine the evolution of the company’s value proposition.

“Joint development” is mainly reflected in three aspects: “international cooperation”, “cross-border development”, and “upstream and downstream projects” since, as a real estate company, Xingcheng Renju Group has a long industrial chain and involves many industries.

“Project participation” is mainly reflected in two aspects: “frontier project participation” and “public welfare project participation”. Although real estate has commodity attributes and is continuously related to cutting-edge projects, Xingcheng Renju Group, as a municipal

platform enterprise, also shoulders the public welfare responsibility for urban development. Therefore, it needs to take into account both the market and public welfare in terms of “project participation”.

“Business strategic planning” is mainly reflected in two aspects: “main business” and “development direction”. The main business determines the development direction of the enterprise to a certain extent, but it is also different at different development stages. Therefore, “business strategic planning” has a greater impact on the evolution of the corporate value proposition.

(2) Positioning factors

City industries, out-of-city industries, corporate philosophy, and city development are key business activity factors that interviewees considered to be determinants of the positioning of the evolution of the company’s value proposition.

“City industries” and “out-of-city industries” are mainly reflected in two parts: “dominance” and “practical results”. Xingcheng Renju Group has strong urban attributes and mainly serves the Chengdu area. However, with the expansion, some of its businesses have also stretched outside the city. Therefore, “dominance” and “practical results” have a greater impact on the evolution of corporate value propositions.

“Corporate philosophy” reflects the fundamental ideas and operating principles of corporate development and the Group’s corporate philosophy has evolved along the different periods to match this development.

“City development” is mainly reflected in two aspects: “urban development participation level” and “identities of urban development actors”. Municipal platform companies need to be consistent with urban development trends to better align their value proposition with urban need.

(3) Networking factors

Social responsibility, market competition, grasping the trend, department collaboration, and project correlation were mentioned as the key business activity factors in the connection aspects that determine the evolution of the company’s value proposition. Good connections help municipal platform companies better realize their corporate value propositions.

“Social responsibility” is mainly reflected in “degree of social responsibility behavior”, “employee level social responsibility awareness”, and “management social responsibility awareness”. Top-down “social responsibility” was noted to be a driving factor for the evolution of the value proposition.

“Market competition” is mainly reflected in “competition intensity” and has influenced

the evolution of the corporate value proposition to a certain extent.

“Grasp the trend” was divided into “domestic trend grasping” and “international trend grasping” reflecting the importance of predicting industry development trends in both markets.

“Department collaboration” is mainly reflected in “department collaboration” (in the narrow sense) and “problem collaboration” highlighting the fact that the development of an enterprise and the realization of its value proposition are inseparable from collaboration within the enterprise including problem solving.

“Project association” is mainly reflected in “correlation degree between main projects” and “other inter-project association types”. If the main business is not closely related to other businesses, it will easily lead to business fragmentation, which is not conducive to the development of the enterprise. Therefore, “project association” is also a driving factor in the evolution of corporate value propositions.

(4) Stakeholder factors

Employees level, management, media, shareholders and investors, government departments, and consumer values are the key business activity factors in terms of actors that determine the evolution of the value proposition of municipal platform companies. Wise leadership decisions, team collaboration, and external influences are the driving factors for the evolution of corporate value propositions.

“Employee level” is mainly reflected in “employee level values and employee level development concept”. If employees’ values are consistent with the company’s value proposition and employees have growing needs, it will be conducive to the realization of the corporate value proposition. “Management” is mainly reflected in “management opinion driving force, global view, leadership traits, future view and overall view”. The level of management will directly affect the formation of corporate value proposition. “Media” is mainly reflected in “media values, traditional media reporting orientation, new media reporting orientation, traditional media reporting style and new media reporting style”. The media plays a direct role in shaping corporate image, and a good corporate image directly affects the formation of corporate value propositions.

“Shareholders and investors” is mainly reflected in “shareholder or investor cooperation” and “shareholder or investor risk awareness”. The impact of this group on the enterprise is multifaceted. “Government departments” are mainly reflected in “government departments’ concern about equity, people livelihood, reform and innovation, and corporate responsibility”. The government has a huge influence on the formulation and implementation of policies, and serves as a guidance to enterprises. “Consumer values” mainly concerns “values of new

generation consumer groups, traditional consumers values, target consumer values and potential consumer values”. As the age of consumers continues to change, so do their needs.

5.2 The evolution of the value proposition of municipal platform enterprises from the perspective of ecosystem structure

Starting from the four dimensions of the ecosystem structure that have been identified in this research, the evolution process of the value proposition of municipal platform enterprises is analyzed. Through the analysis of the evolution process of the value proposition of Xingcheng Renju Group, the factors that have promoted the creation and evolution of its value proposition along three different periods were identified as follows.

(1) Fuzzy value proposition stage

In the fuzzy value proposition stage, the value proposition of Xingcheng Renju Group focused on “integrity and pragmatism, steady and fast development”. In its initial stage the Group mainly focused on urban infrastructure construction, and its value proposition mainly revolved around serving urban construction. It had not yet formed a clear plan for project positioning, target customer groups, product features, reflecting characteristics of urban planning and government guidance. From the analysis of the four dimensions of the ecosystem structure, it can be seen that:

The “business activity dimension” was mainly concerned with “integrating resources and developing markets”. At this stage it included real estate project planning and development, preliminary market research and customer demand analysis, establishment of internal teams and partners, search for land resources, preliminary market promotion and brand building, standardization of internal corporate management, basic customer service, and after-sales service.

In the “positioning dimension”, the focus was “reducing costs, increasing efficiency, and looking for opportunities”. Concerns such as small enterprise scale, limited geographical coverage, single business scope, unclear market positioning, industry cooperation, and customer relationships had not yet been consolidated.

The “networking dimension” was mainly expressed as “quality first, credibility first”. Faults in the supply chain, faults in sales channels, faults in strategic cooperation, insufficient connections with communities and customers, and insufficient connections between corporate culture and employees are the main manifestations at this stage.

In the “stakeholders’ dimension”, the emphasis was on “cooperation with sincerity and

mutual prosperity”. Founders and core teams, employees, suppliers and partners, customers, government and regulatory agencies, competitors are the topics of this stage.

(2) Value proposition clarity stage

In the period of value proposition clarity stage, the value proposition of the Group is focused on “paying equal attention to quantity and quality, and accelerating innovation”. With the passage of time, Xingcheng Renju Group has gradually expanded into new business areas and formed a diversified business structure. At this stage, the business format is also becoming mature, the business scope is gradually expanding, product positioning and brand positioning are gradually taking shape, cooperation areas are gradually expanding, internal and external team building is accelerating, and the value proposition begins to reflect the characteristics of comprehensive development and diversified services, adapted to the multi-level needs of urban development. From the analysis of the four dimensions of the ecosystem structure, it can be seen that:

In the “business activity dimension”, the main concern is “leading in thought and method first”. Real estate project development, architectural design and planning, marketing and sales, project operations and management, customer service and after-sales, quality control and safety management, resource integration and cooperation, market research, and product innovation are the main contents of this stage.

The “positioning dimension” is manifested as “seeking refinement, seeking detail, and seeking truth”. Direction research and judgment, market positioning, regional layout, project layout, product positioning, brand positioning, partner selection are the main contents of this stage.

In the “networking dimension”, it is mainly expressed as “unity, collaboration, and common progress”. Urban planning and policy docking, supply chain cooperation relationships, sales channel expansion, brand cooperation and promotion, partner docking, social resource integration, information sharing, and communication are the main contents of this stage.

In the “stakeholders’ dimension”, it mainly manifests itself as “working together, being efficient and pragmatic”. Top management teams, middle managers, employee teams, partners, customers and home buyers, government and regulatory authorities, communities, and the public are the main contents of this stage.

(3) Value proposition three-dimensional stage

During the period of value proposition three-dimensional stage, the value proposition of Xingcheng Renju Group is “pursuing excellence and creating perfection”. During this period,

the company has achieved a more comprehensive and multi-level value proposition by deepening cooperation with the government and all aspects of the industrial chain, showing obvious diversified development characteristics and more emphasis is placed on social responsibility and sustainable development. Related businesses have shifted from local participation to system layout, multi-party cooperation has become more obvious, and a three-dimensional team has been formed. From the analysis of the four dimensions of the ecosystem structure, we can see that:

In the “business activity dimension”, the main performance is “specializing in quality, good at style, and better than heart”. “Cluster” development of commercial housing, construction of high-quality talent apartments and international communities, expansion of the “diversified” pan-real estate system, construction of an “integrated” model of smart properties, accelerating the “going out” layout, focusing on social responsibility and sustainable development are the main features of this stage.

In the “positioning dimension”, the main performance is “breaking the rules and leading the trend”. Manifestations of this stage include a move from individual construction to complex development, from ordinary communities to international communities, from the domestic market to the international market, from local participation to system layout.

The “networking dimension” is mainly expressed as “integration generates power and synergy increases value”. Multi-party cooperation and industrial chain expansion, urban development ecological chain integration, cross-border cooperation and international market expansion, social responsibility and sustainable development, and state-owned platform enterprises and urban development are the main contents of this stage.

The “stakeholders’ dimension” is mainly manifested as “unity and collaboration to create the future”. At this stage, the network of Xingcheng Renju Group has formed a multi-dimensional and three-dimensional layout. The internal team includes the executive team and employee team; the external partners include government departments, architectural designers and planning institutions, technology companies, and social organizations. Organizations and public welfare institutions, stakeholders including residents and consumers, investors and shareholders, media, and the general public are the main contents of this stage.

5.3 Practical value and significance of research

China’s municipal platform enterprises play a crucial role in advancing urban economic development and infrastructure construction. In many aspects, they serve as key executors and

promoters of urban development strategies, playing an irreplaceable role in urban infrastructure construction, strategic industry projects, and more. This thesis primarily analyzes the driving factors and evolutionary stages of the value proposition evolution of a specific Chinese municipal platform company from the perspective of ecosystem structure. The research holds practical value and significance in two main aspects.

Firstly, it may introduce the perspective of the ecosystem structure and conducts a multi-faceted analysis, encompassing the four dimensions of (1) business activities, (2) positioning, (3) networking, and (4) stakeholders. Through studying the case of one specific municipal platform enterprise in China, a more authentic reflection on the driving factors and evolutionary history of the value proposition of this kind of enterprises may be formed. The study may serve as a crucial supplement and expands the scope of related research on Chinese municipal platform companies and their value propositions.

Secondly, it may offer a basis for the judicious selection of value propositions by Chinese municipal platform companies. While numerous of these companies exist in China, not all of them experience successful development akin to Xingcheng Renju Group. One significant reason is that many fail to align their strategies with urban and social development trends, resulting in a misalignment of their corporate value propositions with urban development. This thesis aims at providing a clear understanding of the factors influencing the generation and evolution of the value proposition of Xingcheng Renju Group. Consequently, the research outcomes may effectively guide the development of other municipal platform enterprises.

5.4 Limitations of the study

While this study has yielded significant findings in uncovering the evolution process and driving factors of the value proposition of the municipal platform company studied, there are notable limitations:

(1) The reliance on Xingcheng Renju Group as a case study does not allow generalization. Future studies should consider selecting diverse types of municipal platform companies to ensure a more comprehensive understanding.

(2) Research data depend on oral histories and corporate documents, raising concerns about incomplete information or subjective interpretation. Subsequent research endeavors can enhance objectivity and accuracy by incorporating more quantitative data and leveraging diverse channels for information collection.

5.5 Research prospects

In-depth exploration of multi-dimensional factors: Subsequent research can delve further into additional factors influencing the value proposition, such as market demand and changes in the social environment. Through a comprehensive exploration of multi-dimensional factors, a more thorough understanding of the formation mechanism of value propositions of municipal platform enterprises can be achieved.

Cross-industry comparative research: Future studies can opt for multiple municipal platform companies spanning various industries and regions, facilitating an extensive cross-industry comparative analysis. This approach aids in identifying commonalities and differences across industries, providing management advice with broader applicability.

Impact of value propositions on performance: Quantitative analysis in future research can thoroughly examine the actual impact of different value propositions on corporate economic, social, and environmental performance. This analytical approach contributes to the establishment of more precise models, guiding municipal platform companies in optimizing and adjusting their value propositions effectively.

Impact of emerging technologies on municipal platform companies: In light of the advancement of emerging technologies, upcoming research should focus on their influence on the value propositions of municipal platform companies. Researchers can explore the applications of technologies like artificial intelligence and big data fostering sustainable development.

Future research endeavors should not only deepen the understanding of value proposition evolution mechanisms but also prioritize practical considerations since providing specific management recommendations and decision-making support for municipal platform enterprises is essential for addressing real-world challenges.

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Annex

Interview Outline: Evolution and Driving Factors of the Value Proposition of Xingcheng Renju Group

Interview Details:

Interview Time:

Interview Location:

Interview Method:

Respondents:

Dear Respondent:

Hello, and thank you for participating in this interview. I am the author of the doctoral thesis titled “Research on the Evolution of the Value Proposition of Municipal Platform Enterprises from the Perspective of Ecosystem Structure.” The focus of my current study is the evolution and driving factors of the value proposition of Xingcheng Renju Group.

Your honest and objective responses based on actual experiences will greatly contribute to this research. I want to assure you that your interview content and opinions will be used solely as references for my doctoral thesis, and both your personal information and interview details will be kept strictly confidential. Your participation is highly appreciated.

Part One: Basic Personal Information

Name:

Gender:

Age:

Position:

Working Department:

Working Years:

Part Two: Evolution of Xingcheng Renju Group's Value Proposition

1. Founding Background and Initial Development:

What is the founding background and initial development of the company?

2. Initial Business Scope and Value Proposition:

What was the initial business scope of the company, and what was the underlying value proposition?

3. Changes in Main Business and Value Proposition:

How has the main business of the company changed over different periods, and were there adjustments to the value proposition?

4. Team and Partner Establishment:

How were the teams and partners of the company established step by step, and was there an interplay of value propositions?

5. Focus of Operations and Management:

What was the focus of the operations and management of the company in different periods, and how did it relate to the value proposition?

6. Market Positioning Changes:

How has the market positioning of the company changed over different periods, and is there a causal relationship with the value proposition?

Part Three: Driving Factors for the Evolution of Xingcheng Renju Group's Value Proposition

Before discussing the driving factors, let us introduce the concept and components of the ecosystem structural view.

Ecosystem Structural View:

1.Business activities:

Understanding how various ecological processes interact and influence each other.

2.Positioning:

Understanding the spatial distribution of various components and their interactions.

3.Networking:

Understanding the interconnections between different components and the integrity of the ecosystem.

4.Stakeholders:

Understanding the impact of various species, environmental conditions, and human activities on the ecosystem.

Interview Questions:

Driving Factors – Business activities:

What are the driving factors for the evolution of municipal platform companies' value proposition considering activities in the ecosystem structure?

Driving Factors - Positioning:

What are the driving factors for the evolution of municipal platform companies' value proposition considering the spatial distribution in the ecosystem structure?

Driving Factors - Networking:

What are the driving factors for the evolution of the value proposition of municipal platform companies considering connectivity in the ecosystem structure?

Driving Factors - Stakeholders:

What are the driving factors for the evolution of the value proposition of municipal platform companies considering actors in the ecosystem structure?

Additional Factors:

Besides the mentioned dimensions, are there any other driving factors you believe are significant?

Thank you for your valuable insights and participation in this interview!