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DIGITALIZATION AS A DRIVER OF CUSTOMER SERVICE PERFORMANCE: A CONCEPTUAL FRAMEWORK FOR CHINA'S AUTOMOTIVE LOGISTICS INDUSTRY

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Abstract:

The accelerating pace of digital transformation has redefined how firms deliver value in logistics and service-oriented industries. This conceptual paper develops a framework that explains how digitalization functions as a strategic capability influencing customer service performance (CSP) within China's automotive logistics sector. Grounded in the Resource-Based View (RBV), the paper conceptualizes digitalization as a valuable and inimitable resource that enhances organizational visibility, responsiveness, and reliability—key determinants of superior service outcomes. By integrating insights from logistics, information systems, and service management literature, the study positions digitalization as a direct enabler of customer satisfaction and loyalty, moving beyond traditional efficiency-based interpretations. The conceptual framework proposes that higher levels of digitalization lead to improved CSP through real-time data analytics, predictive service capabilities, and enhanced customer engagement. The discussion advances theoretical understanding of digital transformation as a source of service-based competitive advantage while providing practical guidance for managers seeking to leverage digital tools for service excellence. Policy implications are also outlined in relation to China's Smart Logistics 2030 initiative. The paper concludes by suggesting future empirical research to validate the proposed framework and explore contextual moderators such as organizational agility and digital maturity.

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Automotive Logistics, Customer Service Performance, China, Digitalization, Digital Transformation;

Introduction

The rapid digital transformation of China's automotive logistics industry represents one of the most profound structural shifts in modern supply chain management. With the integration of technologies such as artificial intelligence (AI), the Internet of Things (IoT), blockchain, and big data analytics, digitalization has become a key enabler of operational excellence and service competitiveness (Dwivedi et al., 2021). As the world's largest automotive market, China has experienced accelerated adoption of digital solutions to manage the growing complexity of vehicle production and distribution. The automotive logistics sector alone generated approximately USD 43.39 billion in 2024 and is projected to reach USD 72.15 billion by 2030, with a compound annual growth rate of 8.8% (Statista, 2024). This expansion has been particularly evident in regional manufacturing hubs such as Changchun in Jilin Province, where major automakers and third-party logistics providers (3PLs) are central to the national automotive supply chain.

Digitalization offers a paradigm shift from traditional, transaction-based logistics toward real-time, data-driven service ecosystems. Through digital tools, firms can automate routine processes, improve transparency, and respond swiftly to customer needs. In logistics operations, these technologies enable tracking accuracy, predictive analytics for route optimization, and enhanced customer communication. Consequently, digitalization is increasingly recognized as a strategic driver of Customer Service Performance (CSP)—the ability of firms to deliver timely, reliable, and satisfactory services that exceed customer expectations (Mentzer et al., 2001; Parasuraman et al., 1988).

Despite the growing emphasis on digital transformation, many logistics firms in China continue to face significant challenges in realizing measurable service improvements. Although digital platforms and data systems have been adopted widely, inconsistencies persist in delivery reliability, responsiveness, and customer satisfaction (PwC China, 2023; World Bank Logistics Performance Index, 2023). Empirical studies indicate that less than 40 percent of Chinese logistics companies fully integrate advanced digital tools such as real-time tracking and AI-based decision support (BCG, 2023). This uneven adoption limits the ability of firms to convert technological investment into superior service outcomes.

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Existing research provides valuable insights into the effects of digitalization on overall firm or supply-chain performance (Liu & Chiu, 2021), yet few conceptual frameworks explicitly articulate how digitalization enhances customer service performance, particularly within the logistics service domain. Most studies either treat digitalization as a background operational variable or analyze its impact through intermediary constructs such as supply-chain integration or organizational agility, thereby overlooking the direct service-performance perspective. Moreover, contextual evidence from the Chinese automotive logistics sector remains scarce. The coexistence of legacy manual systems and advanced digital infrastructures, coupled with fragmented 3PL networks, creates a unique environment where digital transformation outcomes are uncertain (Lei & Ming, 2023; Dubey et al., 2023).

This conceptual gap underscores the need to theorize how digitalization—beyond mere technological adoption—acts as a strategic capability that enhances CSP. By focusing on customer-oriented outcomes rather than operational metrics, the present study responds to calls for conceptual work linking digital transformation directly to service excellence in logistics (Okyere et al., 2023; Kamble et al., 2023).

The primary objective of this conceptual paper is to develop a theoretical framework explaining how digitalization influences customer service performance in the Chinese automotive logistics industry. Drawing on the Resource-Based View (RBV) and Dynamic Capabilities Theory, the paper conceptualizes digitalization as a strategic organizational capability that enables firms to sense customer needs, integrate information flows, and deliver high-quality, responsive services.

Literature Review

Digitalization

Digitalization refers to the integration of digital technologies into different aspects of organizational operations with the aim of improving efficiency, fostering innovation, and enhancing customer responsiveness. It encompasses the use of technologies such as artificial intelligence, the Internet of Things, blockchain, big data analytics, and cloud computing to streamline processes, support better decision making, and deliver value added services (Nižetić et al., 2020). Over time, digitalization has evolved from early applications such as barcode systems in the 1970s to the current Industry 4.0 context, fundamentally transforming industries by connecting physical and digital systems and enabling real time connectivity and automation.

In the logistics context, digitalization transforms traditional linear systems into integrated digital ecosystems characterized by data transparency, automation, and smart decision support. Digital technologies allow firms to monitor shipment progress, optimize routes, forecast demand, and communicate with customers instantly (Fatorachian & Kazemi, 2020; Dubey et al., 2019). These capabilities improve not only operational efficiency but also service accuracy and responsiveness, two critical drivers of customer satisfaction in logistics operations.

Digitalization in logistics is driven by the integration of several core technologies that collectively enhance operational visibility, decision quality, and customer service outcomes. The Internet of Things (IoT) enables real-time tracking and continuous visibility of goods throughout the logistics process, which improves delivery reliability and enhances transparency for both service providers and customers. Artificial intelligence (AI) further

strengthens logistics operations by supporting predictive analytics and automated decision-making, allowing firms to anticipate service bottlenecks, optimize resource allocation, and respond proactively to disruptions. Blockchain technology contributes to service reliability by strengthening data integrity and trust through secure, transparent, and tamper-resistant transaction records across supply chain partners. In addition, big data analytics enhances forecasting accuracy and deepens customer insight by processing large volumes of operational and customer-related data, thereby enabling more informed planning and personalized service delivery (Kamble et al., 2020; Queiroz et al., 2020).

In China's automotive logistics industry, digitalization is particularly critical due to the rapid expansion of electric vehicles (EVs), complex supply chains, and heightened global competition. Technologies such as AI-driven dispatching, digital twins, and automated warehousing have enabled firms like Tesla's Shanghai Gigafactory and BYD to reduce delivery cycles and improve service precision (Reuters, 2023). However, despite these advancements, many Chinese logistics firms still struggle with fragmented data systems and inconsistent technology adoption, limiting the full realization of digitalization's potential (PwC China, 2023; BCG, 2023).

Ultimately, digitalization serves not only as an operational enabler but as a strategic capability that reshapes how logistics firms' sense, respond to, and fulfil customer needs. In this conceptual paper, digitalization is viewed through the Resource-Based View (RBV) and Dynamic Capabilities Theory, positioning it as a source of competitive advantage that allows firms to transform information into customer value through improved service performance.

Customer Service Performance (CSP)

Customer Service Performance (CSP) is defined as the effectiveness of an organization in meeting or exceeding customer expectations through reliable, timely, and responsive service delivery. It encompasses both operational metrics (e.g., on-time delivery, order accuracy, service flexibility) and perceptual dimensions (e.g., customer satisfaction and trust) (Nair & Choudhary, 2016). In logistics, CSP reflects the extent to which firms successfully convert internal efficiency into external service excellence (Mentzer et al., 2001).

The SERVQUAL model identifies five key dimensions of service performance, namely reliability, responsiveness, assurance, empathy, and tangibles, which together shape customers' perceptions of service quality (Nair & Choudhary, 2016). In the context of automotive logistics, customer service performance extends beyond these general dimensions to include delivery speed, transparency of communication, responsiveness after service provision, and the accuracy of shipment tracking systems (Chen et al., 2023). Effective customer service therefore plays a critical role not only in maintaining customer satisfaction but also in fostering long term loyalty and encouraging repeat business (Sule & Amuni, 2013; Azzabi & Lahrichi, 2023).

From a strategic standpoint, customer service performance contributes directly to organizational competitiveness by strengthening customer retention, enhancing corporate reputation, and supporting profitability. Prior studies indicate that superior service performance enables firms to build stronger customer relationships while differentiating themselves in highly competitive and saturated markets (Burity, 2021; Rane et al., 2024). In China's automotive logistics sector, where service reliability, operational visibility, and delivery speed

are particularly critical, customer service performance is increasingly regarded as a key strategic differentiator that influences market leadership and long-term success.

Furthermore, advancements in digital tools such as customer relationship management (CRM) systems, AI chatbots, and self-service tracking platforms have transformed the nature of CSP. Digitalized customer interfaces allow firms to engage customers in real time, anticipate service needs, and personalize interactions. This shift from reactive to proactive service delivery reflects a broader transformation of logistics into a customer-centric, technology-enabled function.

Linking Digitalization to Customer Service Performance

Digitalization has a direct and positive relationship with customer service performance, primarily by improving service accuracy, responsiveness, and customer engagement. Through technologies such as IoT, AI, and blockchain, logistics firms gain real-time visibility and predictive capabilities that allow them to manage orders, deliveries, and customer interactions more effectively (Büyüközkan & Göçer, 2018; S. T. Deepu & Ravi, 2021).

First, digitalization enhances responsiveness. Automated tracking and AI-assisted communication systems enable firms to respond quickly to customer inquiries and disruptions, reducing uncertainty and improving satisfaction. For example, predictive analytics helps logistics managers preempt delivery delays, allowing proactive communication with clients (Ivanov et al., 2019).

Second, digitalization improves reliability and accuracy. Digital tools minimize manual errors in order processing, enhance scheduling precision, and ensure consistency across service channels (Lei & Ming, 2023). This directly influences customers' perceptions of reliability, one of the strongest predictors of satisfaction and loyalty (Parasuraman et al., 1988).

Third, digitalization strengthens customer engagement and transparency. Real-time information sharing through customer portals and mobile applications empowers customers to track deliveries, access status updates, and communicate instantly with service representatives (Soori et al., 2023). Such transparency not only improves trust but also promotes repeat business.

In China's automotive logistics sector, digitalization has therefore emerged as a transformative driver of service quality. Firms that adopt digital tools are able to achieve shorter lead times, higher order fulfilment rates, and improved customer communication, all of which are critical metrics of customer service performance. In contrast, firms that lag behind in digital adoption continue to experience inconsistent service outcomes and reduced competitiveness.

From a theoretical standpoint, this linkage can be understood through the Resource-Based View (RBV), which posits that digitalization represents a valuable, rare, and inimitable resource that enhances firm capabilities, and the Dynamic Capabilities Theory, which emphasizes a firm's ability to adapt digital competencies to meet changing customer demands (Teece, 2018). Hence, digitalization serves as a capability-based enabler of customer service excellence—allowing logistics firms to transform technological potential into tangible customer value.

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Theoretical Foundation

The conceptual relationship between digitalization and customer service performance (CSP) in the Chinese automotive logistics industry can be comprehensively explained through the Resource-Based View (RBV). This theory provides a robust foundation for understanding how firms develop and utilize strategic resources, such as digital technologies and data-driven capabilities—to achieve superior service outcomes and sustained competitive advantage.

According to the RBV, organizations gain competitive advantage by acquiring and effectively deploying valuable, rare, inimitable, and non-substitutable (VRIN) resources (Barney, 1991). In the digital era, technological resources such as AI-driven analytics, IoT infrastructure, blockchain-based platforms, and integrated information systems constitute strategic assets that enable firms to sense, interpret, and respond to customer needs with unprecedented precision. When these digital resources are embedded within logistics operations, they transform into *capabilities* that enhance operational visibility, responsiveness, and service reliability, all of which are the core components of customer service performance (Dwivedi et al., 2021).

In the context of China's automotive logistics industry, digitalization aligns closely with the principles of the Resource Based View. The sector's complexity, which is characterized by large scale production, extensive supplier networks, and rapid market cycles, requires distinctive capabilities that competitors cannot easily replicate. Digitalization enables logistics firms to integrate real time data across the supply chain, thereby supporting more accurate order tracking, proactive issue resolution, and personalized customer communication. These capabilities enhance customer satisfaction, trust, and loyalty, all of which are central to customer service performance (Kache & Seuring, 2017; Soori et al., 2023).

The RBV also emphasizes the transformation of tangible assets into intangible value. While digital technologies are often accessible to many firms, *how* these technologies are configured, integrated, and leveraged distinguishes leaders from laggards. In high-velocity environments such as automotive logistics, firms that develop data analytics capability, digital agility, and process integration can achieve service performance outcomes that are both superior and sustainable (Dubey et al., 2019). Thus, digitalization is not merely an operational upgrade—it represents a *strategic resource orchestration process* through which firms continuously reconfigure digital assets to deliver greater service value to customers.

Empirical and conceptual evidence supports this theoretical link. Studies in the logistics and service management literature consistently identify digitalization as a key driver of customer centric performance by enhancing operational visibility, service reliability, and organizational responsiveness (Büyüközkan & Göçer, 2018; Lei & Ming, 2023). These outcomes correspond closely with the core dimensions of customer service performance, namely timeliness, accuracy, and customer satisfaction, which are emphasized in the SERVQUAL framework (Parasuraman et al., 1988; Nair & Choudhary, 2016). From a Resource Based View perspective, digitalization therefore functions as a value creating capability that enables firms to convert technological inputs into superior customer outcomes and sustained competitive differentiation.

In summary, the RBV provides a coherent theoretical rationale for the proposed conceptual linkage between digitalization and customer service performance. By framing digitalization as a strategic capability rather than a mere technological investment, this perspective explains

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how logistics firms in emerging markets such as China can translate digital transformation into measurable service excellence and long-term competitiveness.

Conceptual Framework Proposition Development

The conceptual framework illustrated in Figure 1 presents the direct relationship between Digitalization and Customer Service Performance (CSP) in the context of the Chinese automotive logistics industry. It depicts a unidirectional influence where digitalization serves as the key driver of enhanced customer service outcomes through improved efficiency, transparency, and responsiveness.

Conceptual Framework

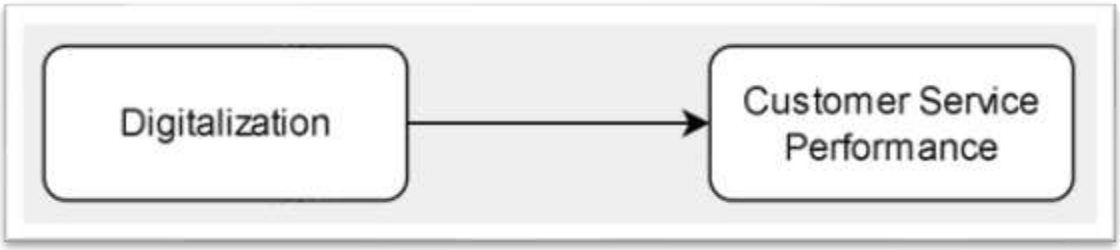

Figure 1. Conceptual Framework Linking Digitalization and Customer Service Performance

Digitalization represents the integration of advanced technologies such as artificial intelligence (AI), Internet of Things (IoT), blockchain, and big data analytics into logistics operations, enabling firms to streamline workflows, automate decision-making, and strengthen customer interaction channels (Dubey et al., 2019). Within the Resource-Based View (RBV), these digital tools and infrastructures are considered strategic resources that enhance the organization's ability to deliver superior customer service outcomes (Barney, 1991; Dwivedi et al., 2021).

As firms in China's automotive logistics sector adopt digital technologies, they are able to achieve greater visibility, predictive accuracy, and service reliability, which collectively elevate customer satisfaction and loyalty (Kache & Seuring, 2017). This capability is especially critical in logistics operations where customers expect real-time updates, precise delivery schedules, and transparent communication. Hence, digitalization acts not merely as an operational upgrade but as a strategic capability that transforms internal efficiency into customer value.

Customer Service Performance (CSP) reflects a firm's ability to meet and exceed customer expectations through reliability, responsiveness, and service quality (Mentzer et al., 2001). Digital technologies improve these dimensions by automating information flows, reducing human error, and enabling personalized service delivery. For example, AI-driven dispatch systems and digital tracking platforms provide customers with accurate, real-time updates, thereby strengthening trust and satisfaction (Soori et al., 2023).

The conceptual framework therefore positions digitalization as a primary enabler of service excellence in the logistics sector. The direct pathway illustrated in Figure 1 underscores the proposition that higher levels of digitalization lead to superior customer service performance in terms of accuracy, responsiveness, and customer satisfaction.

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Proposition Development

The integration of digital technologies into logistics operations provides firms with strategic advantages that directly enhance customer experiences, a relationship that is supported by both theoretical and empirical perspectives. Digitalization improves operational visibility and real time decision making, enabling logistics firms to respond proactively to customer demands and operational disruptions, as technologies such as Internet of Things sensors and big data analytics generate continuous data streams that enhance monitoring accuracy and delivery predictability, leading to faster problem resolution and higher service satisfaction (Lei & Ming, 2023). At the same time, digitalization strengthens service reliability and consistency by reducing manual intervention and minimizing errors in order processing and scheduling, which supports timely and damage free deliveries that are central indicators of customer service quality (Parasuraman et al., 1988; Chen et al., 2023). In addition, digital technologies foster greater customer engagement and transparency through digital interfaces that enable real time communication, shipment tracking, and more personalized interactions, thereby reducing uncertainty and strengthening trust and long-term customer loyalty. From a Resource Based View perspective, digitalization represents a rare and valuable organizational resource that enhances a firm's ability to sense, integrate, and respond to customer needs more effectively than competitors, allowing logistics firms to transform technological investments into superior customer experiences and achieve both operational and strategic differentiation (Teece, 2018). Accordingly, the following proposition is established: Digitalization positively influences customer service performance in the Chinese automotive logistics industry.

This proposition encapsulates the theoretical and practical foundation of the conceptual model, asserting that digitalization serves as a strategic driver of enhanced service reliability, responsiveness, and customer satisfaction.

Discussion and Implications

Theoretical Implication

This conceptual paper contributes to the theoretical understanding of how digitalization functions as a strategic capability that enhances customer service performance (CSP) within the Chinese automotive logistics industry. Grounded in the Resource-Based View (RBV), the framework positions digitalization not as a peripheral technology, but as a valuable, rare, and inimitable resource that shapes service outcomes and organizational competitiveness (Barney, 1991).

By articulating the direct relationship between digitalization and CSP, this study advances the RBV literature in two important ways. First, it reframes digitalization from being purely an operational enabler to being a strategic differentiator that directly influences customer outcomes. Many previous studies have examined digitalization's impact on firm performance or supply chain efficiency, but few have focused on the service dimension, which is critical in logistics operations (Dubey et al., 2019; Dwivedi et al., 2021). Second, this conceptualization highlights how digital capabilities facilitate customer-centric value creation through reliability, responsiveness, and transparency—core components of service performance (Parasuraman et al., 1988).

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The framework thus extends the RBV by emphasizing service-based capabilities as mechanisms through which digital resources generate competitive advantage. In doing so, it also bridges a theoretical gap between digital transformation research and logistics service quality literature, offering a unified view of how technology-driven competencies contribute to customer satisfaction and loyalty. This perspective enriches ongoing discussions in logistics management, information systems, and operations research about the strategic value of digital capabilities in emerging markets.

Managerial Implications

From a managerial standpoint, this conceptual model provides actionable insights for logistics firms seeking to improve service outcomes through digital transformation. Digitalization enables managers to achieve greater visibility, agility, and accuracy across logistics processes, all of which translate into enhanced customer experiences.

Managers should view digitalization as a strategic investment rather than a technological upgrade. This requires developing digital capabilities that are deeply embedded in organizational routines—such as real-time data analysis, predictive maintenance, and automated service communication. For instance, AI-powered systems can forecast delivery delays and proactively inform customers, while IoT-based tracking tools enhance shipment transparency (Soori et al., 2023). These capabilities increase both responsiveness and reliability, the two pillars of CSP.

Moreover, managers should prioritize integration between customer-facing and back-end systems, ensuring that digital initiatives support end-to-end service visibility. Investing in digital literacy and training for employees is equally vital, as human competence determines the effectiveness of technological adoption. Logistics firms that align their digital resources with customer service goals are more likely to achieve operational excellence and sustainable customer loyalty.

Policy Implications

At the policy level, this conceptual framework aligns with China's national priorities under the Smart Logistics 2030 initiative and the Digital Economy Development Plan. Policymakers can draw from this framework to design supportive environments for digital capability building, especially among small and medium-sized logistics firms that struggle with resource constraints.

Government incentives such as digital transformation grants, public–private technology hubs, and data-sharing platforms can accelerate adoption across the logistics ecosystem. Establishing interoperability standards for digital platforms would further enhance information exchange, improving transparency and service coordination nationwide. Such efforts directly support the broader goal of strengthening China's global competitiveness in the automotive and logistics sectors through digital innovation and service quality excellence.

Academic and Research Implications

For academic scholars, this framework provides a conceptual foundation that can be empirically validated in future research. Quantitative studies using methods such as Partial

Least Squares Structural Equation Modeling (PLS-SEM) or multi-group analysis could test the strength and direction of the proposed relationship between digitalization and CSP across industries and firm sizes. Future studies may also incorporate mediators such as operational efficiency, digital agility, or customer engagement to deepen the theoretical understanding of the mechanisms through which digitalization enhances service outcomes.

Cross-country comparative studies could also explore whether this linkage holds across different cultural and institutional contexts. Such empirical validation would not only confirm the conceptual logic proposed here but also extend its applicability beyond the Chinese automotive logistics sector.

Limitations and Future Research Directions

Although this conceptual paper provides an integrative perspective on how digitalization enhances customer service performance (CSP) in the Chinese automotive logistics sector, several limitations remain that open promising avenues for further inquiry.

To begin with, this study is conceptual in nature and does not include empirical evidence to test the proposed relationship. Future research could validate the framework empirically through survey-based or mixed-methods approaches. Quantitative techniques such as Partial Least Squares Structural Equation Modeling (PLS-SEM) may be particularly suitable for assessing the strength and significance of the digitalization–CSP linkage. Empirical validation would establish the robustness of the proposed framework and clarify how digitalization translates into measurable service outcomes.

Moreover, while digitalization is conceptualized here as a single construct, it may actually encompass several interrelated dimensions—such as technological infrastructure, process integration, data analytics capability, and digital culture. Future research should disaggregate these elements to determine which specific aspects contribute most significantly to improved customer service performance. Such decomposition would enhance theoretical precision and practical applicability.

In addition, the present framework is contextualized within the automotive logistics industry in China, a sector characterized by its high technological dynamism and government-driven innovation agenda. Contextual factors—such as firm size, ownership structure, and regional digital maturity—could influence the digitalization–CSP relationship. Comparative analyses across different industries or international contexts would provide a broader understanding of whether the conceptual model holds in varying economic and institutional environments.

Furthermore, this conceptualization does not explicitly account for the potential role of mediating or moderating variables that may shape the linkage between digitalization and customer service outcomes. Constructs such as service innovation, organizational agility, digital trust, or employee competence could enrich the framework and reveal indirect pathways through which digitalization enhances CSP.

Lastly, future research could adopt longitudinal or multi-case study designs to explore how digitalization capabilities evolve over time and how their maturity affects long-term customer satisfaction. Examining temporal dynamics would add a valuable dimension to understanding the sustainability of digital advantages in logistics service performance.

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By addressing these considerations, subsequent research can refine and empirically substantiate the conceptual framework proposed in this study, offering deeper insights into the mechanisms through which digital transformation drives service excellence in logistics industries.

Conclusion

This conceptual paper develops and substantiates a framework explaining how digitalization acts as a strategic capability that enhances customer service performance in the Chinese automotive logistics industry. Grounded in the Resource-Based View (RBV), the model positions digitalization as a valuable and inimitable resource that enables firms to transform technological assets into superior service quality through improved reliability, responsiveness, and transparency.

The discussion underscores that digitalization is not merely an operational improvement but a strategic enabler of customer value and long-term competitiveness. In a rapidly digitalizing economy like China's, logistics firms that successfully embed digital capabilities into their service processes can achieve stronger customer relationships, higher satisfaction levels, and sustainable market differentiation.

The conceptual insights presented here provide a foundation for future empirical research and practical strategy development. By linking digitalization directly to customer service outcomes, this study advances theory in logistics and service management and supports policymakers and practitioners seeking to accelerate digital transformation for enhanced service excellence.

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