Business Relationship Development in Saudi Arabia:

Preliminary Findings on the Role of the Et-Moone Concept

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Abstract *This paper presents an empirical study on business-to-business relationship development in Saudi Arabia. The study explores the impact of the Saudi Arabian national culture on business relationship development. Despite the amount of attention paid to the process of relationship development based on data from Western cultures, the influence of the national culture on the development process in Eastern cultures has not been explored. Using semi-structured interviews, a processual model of business relationship development is presented. More significantly, the paper identified the Et-Moone concept as a unique and powerful concept in business relationships in Saudi Arabia. Managerial implications, recommendations for future research and conclusion are offered.*

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Introduction

Over the last two decades, our original understanding of relationship marketing has been based on the business and cultural norms and values of western countries (Tynan *et al.* 2001), which may fail in different business and cultural environments (Palmer, 1995). In addition, our understanding has been influenced by different thoughts from several disciplines, by empirical evidence from different sectors and by contributions by researchers from different cultural backgrounds. As a result, a number of underpinning theories and concepts represent our understanding of relationship marketing in general, and relationship development in particular. In this regard, buyer and seller relationship development has been well supported by models that identified and defined relational constructs that influence the success or failure of a relationship (e.g. Anderson and Narus, 1984; Anderson and Weitz, 1989; Morgan and Hunt, 1994; Wilson, 1995). Yet, almost exclusively, these models are of western origin, full of theory and less empirical.

The question of whether relationship marketing is culturally bound (Simmons and Munch, 1996) has been disputed. Findings such as Wackman *et al.* (1986/1987), Rodriguez and Wilson (2002), and Batona and Perry (2003) suggest that national culture has an influence on the nature and the development of relationship marketing. On the other hand, findings from Kanter and Corn (1994) and Pressey and Selassie (2003) suggest that the influence of national culture on relationship marketing is

'overstated' and 'overrelated'. These contradicting results create the need for more empirical studies from eastern culture.

The Saudi Arabian culture is described as one of the ancient cultures (Gronroos, 1994) where relationship is, as ever, essential to commercial exchanges. Recent evidence indicates that the Saudi market has already moved from sellers' conditions to buyers' conditions (Leonidou, 1996), thus reinforcing the importance of relationships in the exchange. Yet literature on the nature of relationships and their development from Saudi Arabia is largely absent. To fulfil this gap, empirical research was conducted among managing directors from top Saudi firms using semi-structured interviews. Informants provided useful depth on the role of interpersonal and organisational relationships in the development process.

The objectives of this study are: 1) to explore the process of relationship development in Saudi Arabia; 2) develop a processual model of business relationship development in Saudi Arabia based on buyer-seller interaction; 3) discuss the role of the Et-Moone concept within the business development process; 4) provide managerial implications. The paper proceeds with a discussion on relationship development and the reasons underpinning its evolution. Then it discusses the cultural context for empirical research and research design. Next it reviews and discusses the findings and presents a model driven from the data. This model is then compared with other models in the literature. Finally, managerial implications, future research and a conclusion are offered.

The Development Theory

The conceptual process models of relationship development (e.g. Ford, 1980; Dwyer *et al.* 1987; Borys and Jemison, 1989; Wilson, 1995; Parvatiyar and Sheth, 2000) have adopted a life-cycle theory which assumes relationship development goes through stage-by-stage deterministic and irreversible growth over time (Van de Ven, 1992). All these models are fundamentally describing the same development process and all are based on the same notion of life-cycle theory which has received much criticism for its unidimensional direction, discrete stages and inflexible time frame (Hedaa, 1993; Bell, 1995; Halinen, 1997; Stanton, 2002). Thus, these models represent a simplistic view of a rather complex dynamic of relationship development. It is accepted that relationship development "can move forward and backward or even stay in the same state for an undetermined period in the development process" (Rao and Perry, 2002, p. 604). Thus, precise prediction that captures the true nature of the movement of relationship over time is difficult. However, and despite this difficulty, researchers will have to unveil the implicit rules that influence individuals' relational behaviour that brings about the movement on the sequential stages of relationship development (Weitz and Jap, 1995), set relationship norm (Heide and John, 1992), influence the perceived value of relationship (Levitt, 1983), influence the nature of relational constructs, and influence the time element of the movement from one stage to the next. While social exchange theory has been extensively used in previous conceptualisation of interpersonal relationship, it must be combined with the commercial aspects of relationships (Weitz and Jap, 1995).

Relationship Development

Despite the amount of attention paid to the process of relationship development, it is still an ambiguous process without sufficient empirical support. Business-to-business relationships progress through various stages of growth (Ford, 1982; Frazer, 1983; Dwyer *et al.*, 1987; Borys & Jemson, 1989; Wilson, 1995; Ford *et al.* 1998). Although there is no agreement on the stages of relationship development, these studies suggest five stages of development. The *pre-relationship stage* starts when one partner has heard of or gains knowledge about another. It also relates to any activities (e.g. changes in the marketplace) that lead to firms recognising the need for a new partner (Wilson, 1995). Once the need for a partner arises, the search for the appropriate partner begins. The selection of a partner is critical and once it is done the relationship can move to the next stage. The *early interaction stage* involves conducting a trial to test the new partner. Most of the interaction occurring during this stage focuses on improving partners' learning about the relationship in an effort to reduce relationship uncertainty (Dwyer *et al.* 1987). The *growth stage* involves intensive interaction and adaptation between partners. The adaptation process develops over time and involves a number of small steps that lead to making clear decisions concerning investment (Ford, 1982; Dwyer *et al.* 1987). The *maintenance stage* is characterised by partners' mutual importance to each other, where they make an implicit or explicit pledge to continue their relationship (Dwyer *et al.* 1987). Partners establish personal bonds and display a high level of commitment to the relationship (Ford *et al.* 1998). The *relationship termination stage* is where partners end the relationship; this can occur at any stage.

In broader terms, relationship development has been described as the process of establishing, developing and maintaining relationships (Ford, 1980; Berry, 1983; Gronroos, 1994; Morgan and Hunt, 1994). Dwyer *et al.* (1987) were the first to recognise the dissolution/ending of relationships. Our understanding of relationship development then advanced by Wilson's (1995) conceptualisation of the relationship development process in terms of the functionality of each stage: partner selection, defining purpose, setting relationship boundaries, creating relationship value and relationship maintenance. More critically, Wilson's (1995) model describes the role of relational constructs, such as trust, commitment and cooperation, in each stage. However, recent studies (e.g. Batonda and Perry, 2003) on relationship development start to question whether or not relationships actually end. Batonda and Perry (2003) argued that the cycle of relationship development has no end since relationships can be activated by the same parties. In recent years, studies on relationship development appear to focus solely on one single stage within the development process. For example, maintenance of relationship (Harris *et al.*, 2003); close scrutiny of relationship dissolution (e.g. Halinen and Tahtinen, 2002; Pressey and Mathews, 2003).

Relational construct development is associated with relationship development processes such as trust (Anderson and Weitz, 1989; Anderson and Narus, 1990; Ganesan, 1994; Morgan and Hunt, 1994), commitment (Dwyer *et al.* 1987; Gundlach and Murphy, 1993; Moorman *et al.* 1992; Morgan and Hunt, 1994) and cooperation (Anderson and Narus, 1990; Morgan and Hunt, 1994; Holm *et al.* 1996). Close personal relationship was found to influence the development of trust (Ganesan, 1994) and commitment (Mummalaneni and Wilson, 1991). There is argument about where

trust and commitment are most critical in the relationship development process. Gronroos (1994) and McQuiston (1997) view trust to be most critical at both the establishment and maintenance stages of a relationship, whereas Wilson (1995) sees trust to be most critical at the establishment of the relationship only. Commitment is well recognised to be most critical in the relationship maintenance (Wilson, 1995; Geyskens *et al.* 1996).

Research Design

The business-to-business relationships context in Saudi Arabia is, to large degree, represented by firms that are traditionally owned, and in most cases managed, by a single family. Thus social exchange theory within the Saudi context, which exclusively deals with interpersonal relationships, may be more influential than the commercial context in parties' interaction. However, the dynamic of relationships is such that the interaction between buyer and seller is underpinned by interaction between the organisational bodies themselves. While both interpersonal and professional interactions play an essential role in facilitating the formation and maintenance of relationships, understanding this dynamic is of interest.

With the above in mind, an exploratory qualitative research was designed. In-depth interviews were employed because they allow for rich insights and meanings to be obtained (Fontana and Frey, 2000) and because "the influences of the local context are not stripped away, but are taken into account" (Miles and Huberman, 1994, p. 10). Thus in-depth interviews have the ability to enable the Saudi managing directors to give detailed discussion of the complex and dynamic development of relationships (Easterby-Smith *et al.* 1991). The interviews were informal and more like "a

conversation with a purpose" (Burgess, 1984, p. 102). The interviews contained open-ended questions to allow informants to express their views in their own words. A broad guide of each interview was produced to ensure that issues of interest were revealed. This guide was flexible to allow participants to bring out issues of their own and the researcher to seize the right opportunities to capitalise on worthy issues of inquiry (Holstein and Gubrium, 2004).

Due to the exploratory nature of this research, the sampling of managers was selected to reflect the nature of relationships in the manufacturing industry in Saudi Arabia. To achieve this, private and public manufacturing companies were selected. Eighteen interviews were conducted with managing directors of the top Saudi manufacturing firms. Given the fact that research culture in Saudi Arabia is developing, an organic sampling was employed (Mason, 2002) on two phases. The first phase was based on the advice offered by an influential member of the Saudi business community. In the Saudi culture such overt personal sponsorship and personal introduction are essential to gain access, and reduce the negotiation period over access to a manageable interval. On average, each interview lasted for about 1.2 hrs. This way access was possible to seven informants. Four informants are the managing directors of family-owned companies and two of them are members of the owning family. The other three informants are the managing directors of public companies (multiple ownerships). Table 1 contains full details of phase one of the interviews.

Table 1	Summary of the Interviews in Phase One			
	Position	**Activities**	**Company Status**	**Company Size**
Interview No. 1	8 Years	Containers manufacturing	Family-owned	Large
Interview No. 2	6 Years	Plastics manufacturing	Family-owned	Large
Interview No. 3	5 Years	Multiple sectors	Family-owned/ managed	Large
Interview No. 4	1 Year	Food manufacturing	Public	Large
Interview No. 5	7 Years	Import and trading in manufacturing goods	Public	Large
Interview No. 6	4 Years	Food manufacturing	Public	Large
Interview No. 7	10 Years	Service provider to manufacturing firms (projects management)	Family-owned/ managed	Medium

Due to an insufficient number of interviews, phase two was planned where access was negotiated directly with the informants. Although 11 interviews were conducted, the average time for each interview was 40 minutes. Clearly the absence of personal introduction has affected the time average in this phase of interviews. However, the insight gained in phase one helped to get 'right to the point'. Informants were drawn from seven family-owned companies (five of them were managed directly by the family) and four from public companies. Table 2 shows information on the selected sample in phase two.

Table 2   Summary of the Interviews in Phase Two

	Position	Activities	Company Status	Company Size
Interview No. 1	4 Years	Furniture manufacturing	Family-owned/ managed	Medium
Interview No. 2	3 Years	Plastics manufacturing	Public	Large
Interview No. 3	5 Years	Steel manufacturing	Family-owned/ managed	Large
Interview No. 4	5 Years	Food manufacturing	Family-owned	Large
Interview No. 5	2 Years	Petrochemical manufacturing	Public	Large
Interview No. 6	3 Years	Plastic manufacturing	Public	Large
Interview No. 7	7 Years	Food manufacturing	Family-owned/ managed	Medium
Interview No. 8	1 Year	Food manufacturing	Family-owned/ managed	Medium
Interview No. 9	3 Years	Food manufacturing	Public	Large
Interview No. 10	5 Years	Building materials manufacturing	Family-owned/ managed	Large
Interview No. 11	2 Years	Food/Drink manufacturing	Family-owned	Large

Data Analysis

Interviews were analysed using open coding where line-by-line analysis was conducted (Sandelowski, 1995). Categories emerged as a result of data deconstruction in a grounded theory fashion (Strauss and Corbin, 1990). The actual open coding started by identifying key phrases and potential themes by pulling data together where linkages and connections between the emerged categories is made in a theoretical model (Sandelowski, 1995; Ryan and Bernard, 2000). Coding was conducted and discussed with a grounded theory researcher in the UK. Data and results were also presented to three Arabic academics in order to ensure the accuracy of the research. Once the academics were satisfied with the procedures followed, four of the informants were asked for comments on the framework developed. Thus the findings of this study are credible where academics and practitioners validated procedures

undertaken by the researcher. Nonetheless, findings of this study are only generalisable within the qualitative domain in the manufacturing industry in Saudi Arabia.

Findings

The exploratory interviews reveal a unique perspective on the nature of relationship marketing in Saudi Arabia. The interviews generated rich data making it difficult to select from similar and meaningful quotations. In order to show the development stages, each stage is discussed separately, together with the relevant findings. The buyer-seller relationship enters five stages. Significantly, this study identified the Et-Moone concept, which has never been explored. The processual model of business relationship development in Saudi Arabia, which is based on the degree of interaction between parties, is outlined in Figure 1 below.

Pre-Relationship/Awareness/Partner Selection Stage

The data show that a 'third party's' recommendations regarding a potential new supplier is an influential factor. The third party can be a friend, an existing supplier of a different type of supplies or a competitor.

> "When someone recommends a supplier to me, I ask who is he? Who is his
>
> family? What do they know about him? How is he known with his customers?"
>
> *(MD1)*

> "I take advice seriously. When he recommends me anything, I believe it is true.
>
> He is very experienced and did good things for me in the past". *(UR11)*

Saudi managers look for information related to the 'social reputation' of the potential new supplier, which helps in the initial trust. Key elements of this are family reputation, social behaviour, similarity, liking, etc. While some of these elements are quite easy to find (e.g. family reputation and social behaviour), other elements such as similarity and liking need some sort of direct interaction between managers.

> "Yes, yes, yes because you expect that the person from a respected family will be very trustworthy and frank with you. He will try his best to respect the reputation of his family". *(HMD3)*

Another type of information is related to 'performance expectation' of the potential new supplier. While family reputation acts as protection, performance reputation acts as reassurance of fulfilling the main need of creating a new relationship with a new supplier.

> "Initially reputation of the supplier is the most important factor in dealing with any supplier. I may like to deal with a 'shining' name but it isn't necessarily the only factor". *(MD5)*

Early/Initial Interaction Stage

Saudi culture is characterised by high uncertainty and power distance (Hofestede, 1991; Bjerke and Al-Meer, 1993), which influence the focus and nature of their communication. The data suggests that Saudi managers select two suppliers because of fear of the unknown future. This is increased further by the lack of knowledge about the new supplier.

> "We have a policy to have a minimum of two suppliers. Why? Because, may Allah not allow it, the risk is real if a fire in his factory happens or one has gone

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out of business and if you only depend on one then we will have problems".

(MD1)

Managers reduce uncertainty through the increase of personal/social interaction. The characteristics of individuals are important in establishing a relationship and dealing with future changes. Personal values and similarities lead to parties liking interaction with each other (Nicholson *et al.,* 2001; Hawke and Heffernan, 2006), which leads to stronger social bonds that "tend to hold relationships together" (Wilson, 1995, p. 339). The findings show that personal traits are very important, particularly at an early stage where uncertainty and distance exist. Thus, perceived similarity of values, and frequency of contact, enhance personal ties and benefit the relationship.

"The socialisation of the supplier tells you if the supplier is serious about you and it tells you a lot about himself, what kind of man is he?" *(MD2)*

"Frequent visit, calls, meetings and dinners make you have a better relationship with your business partner". *(UR6)*

As a result of the lack of personal trust at this stage, contracts are drawn up to provide protection and to establish safe ground for the initial commercial interaction. The data support the argument by Seshadri and Mishra (2004) that contracts are complementary to a relationship and they provide governance structures for relationships.

"Contracts are important but if the contract becomes the centre of our exchange then it will be difficult for the relationship to be flexible enough and may cost us

a lot but personal relationship, 'personal contract', smoothes everything".

(HMD3)

Middle Zone/Growth Stage

Competence emerges from a partner's expectations regarding his/her partner's future action/behaviours to fulfil promises (Zaheer *et al.,* 1998). These expectations/ predictions are based on accumulative knowledge gained through parties' interaction (Harris and Dibben, 1999) or based on a party's reputation in other relationships (Johnson and Grayson, 2005). The findings suggest that there are two ways in establishing competence. The first way occurs when partners 'perform as expected' or as promised by them during the early interaction stage. Thus, partners use the actual performance to assess competence.

> "Supplier's performance and professionalism in doing his business tells me if he is trustworthy and merits my staying with him or not". *(UR4)*

The second way occurs when partners do 'favours' in the exchange which are not expected and yet are very effective in increasing partners' perception of competence. This way also acts as an indicator of the other party's competence in meeting their promises.

> "You win people's loyalty by doing them favours and these small favours can lead/take you to big business deals". *(UR11)*
>
> "I appreciate when he helps me with problems here or there, especially when he has no obligation to do so. This shows he is flexible, capable and a person you can rely on". *(MD1)*

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Performing a buyer's expectation allows the buyer to be more committed to the relationship.

> "A good supplier is one that, when you ask him to help you in an urgent situation, he 'puts his finger on his nose' (sign of willingness to help) and says you don't worry". *(UR7)*

Maintenance Stage

It has been emphasised that mutual trust, benefits, and commitment lead to a long-lasting relationship (Dwyer *et al.* 1987; Morgan and Hunt 1994; Smith and Barclay, 1997; Svensson, 2005). Recent literature indicates that mutuality needs to be reciprocated in kind by parties (Gao *et al.* 2005). In the case of Saudi managers, business benefits combined with personal appreciation are the main determinants of a strong relationship.

> "A strong relationship becomes strong because of the personality and performance of each side over time". *(MD2)*

> "The long-term future of my relationship with my supplier is driven by our respect for each other and maintaining the standard of our performance". *(P1)*

The data suggest that some Saudi managers during this stage develop a strong bond over a period of time of interaction. Factors such as family reputation, personality traits, personal appreciation, competence, trust, mutual benefits, and business and personal commitments collectively form this strong bond. Thus managers show their satisfaction, trust and commitment to each other using the term *'Et-Moone'*. The concept of Et-Moone was originally used between Saudis at the social level.

However, our data show frequent use of this concept by managers to describe their relationships with one another.

> "Et-Moone is part of our way to appreciate good friends and in business I have good friends". *(UR9)*

> "Et-Moone is part of our life, we appreciate each other and trusting your friend is important". *(UR1)*

> "I Et-Moone on my supplier and he does, he is a man with high integrity and he can have anything he wants unquestionably". *(UR3)*

> "I'm most committed to those who I Et-Moone on them, who have been with me for a long time and have been consistent with me". *(MD1)*

Et-Moone results in greater flexibility between partners and on rare occasions it could allow a partner to make a short gain in the market using his/her partner' position.

> "Et-Moone means appreciating the quality of your friend and trusting his judgement about personal and important matters to you". *(UR5)*

> "I will be flexible and tolerant with the one who I trust. The one who will not deliver for a good reason and the one who I Et-Moone on him and he Et-Moones on me" *(MD4)*

Et-Moone relationships are very few in any manager's life. This may be because of the high level of investment required to gain the 'liking' of another manager.

"Not anyone I trust can Et-Moone on me. I trust many people but only close friends who can Et-Moone on me". *(UR9)*

"I would have three or four businesses with whom I Et-Moone on them". *(MD1)*

However, the data also suggest that managers are far too cautious to use Et-Moone in their relationships. The reasons vary: some managers regard it to be 'not professional'; others think it causes possible disruption of the system. These managers prefer to only use Et-Moone in relationships that involve no business interaction.

"Et-Moone is difficult; you know it is business even if the man is very close to you. I don't have Et-Moone in my relationships, it is not professional". *(UR4)*

"Et-Moone is not in my business dictionary though I think I have beautiful relationships in this business which I truly value". *(MD5)*

One respondent implies that Et-Moone can be used as nothing more than a term expressing feeling of appreciation of the business partner.

"You may to say Et-Moone to the business partner with whom you've been trading for many years but whether you mean it or not is up to you. At the end of the day you can say Et-Moone to let your business partner know that you appreciate him and that his relationship with you is valuable to you". *(UR6)*

Furthermore, some of those respondents who do not believe in using Et-Moone in a business relationship have described their relationships as similar to the concept of Et-Moone without using the term itself.

> "I look after the relationship with him because he is a man with values, keeps his word and I trust him on my own business, I allow him to make decisions that he likes". *(P1)*

> "When I see my business partner is genuinely committed to me, I get more committed and I do whatever possible to make him know it". *(UR6)*

Dissolution Stage/Black-hole

Relationships can end at any stage (Halinen and Tahtinen, 2002; Batona and Perry, 2003). In the previous stages, relationship dissolution was possible in each development stage for various reasons. Despite these reasons, which can occur in any relationship, the data show an important factor that can lead Saudi managers to end their relationships. Saudi managers described themselves as emotional people where emotion drives some of their decisions regarding their relationships.

> "People are made up of feelings and emotions and they are not machines".
> *(MD6)*

> "We are emotional people". *(UR5)*

Moreover, because managers try to develop more personalised relationships with each other, the emotional attachment to the relationships is strong. Thus, failing to meet expectations can be received heatedly, which leads to quick collapses of the

relationship. Once the dissolution process has started, partners will start blaming each other.

"My friends don't betray me, they are honest and good people". *(UR9)*

"I always get very emotional very quickly, especially when a supplier didn't deliver as I expected and this good for the work even if it too loud". *(MD6)*

While the level of emotional attachment will vary from one development stage to another, relationships at the Et-Moone level will have the strongest emotional attachment. Thus, failure of an Et-Moone relationship would be very emotional to both parties. Although Et-Moone relationships are rarely ended, the data did not show any evidence of an Et-Moone relationship ending. However, the findings suggest that relationships on the brink of dissolution always have one life-saving line referred to as 'Wastah'. Wastah means a middleman who is highly appreciated by both partners. The Wastah will make serious efforts to prevent the relationship from terminating. If the middleman fails in his/her mission, then the relationship will be terminated. The success if the Wastah will not fully repair their feeling about the events that led to this situation and therefore the Et-Moone relationship is unlikely to start again.
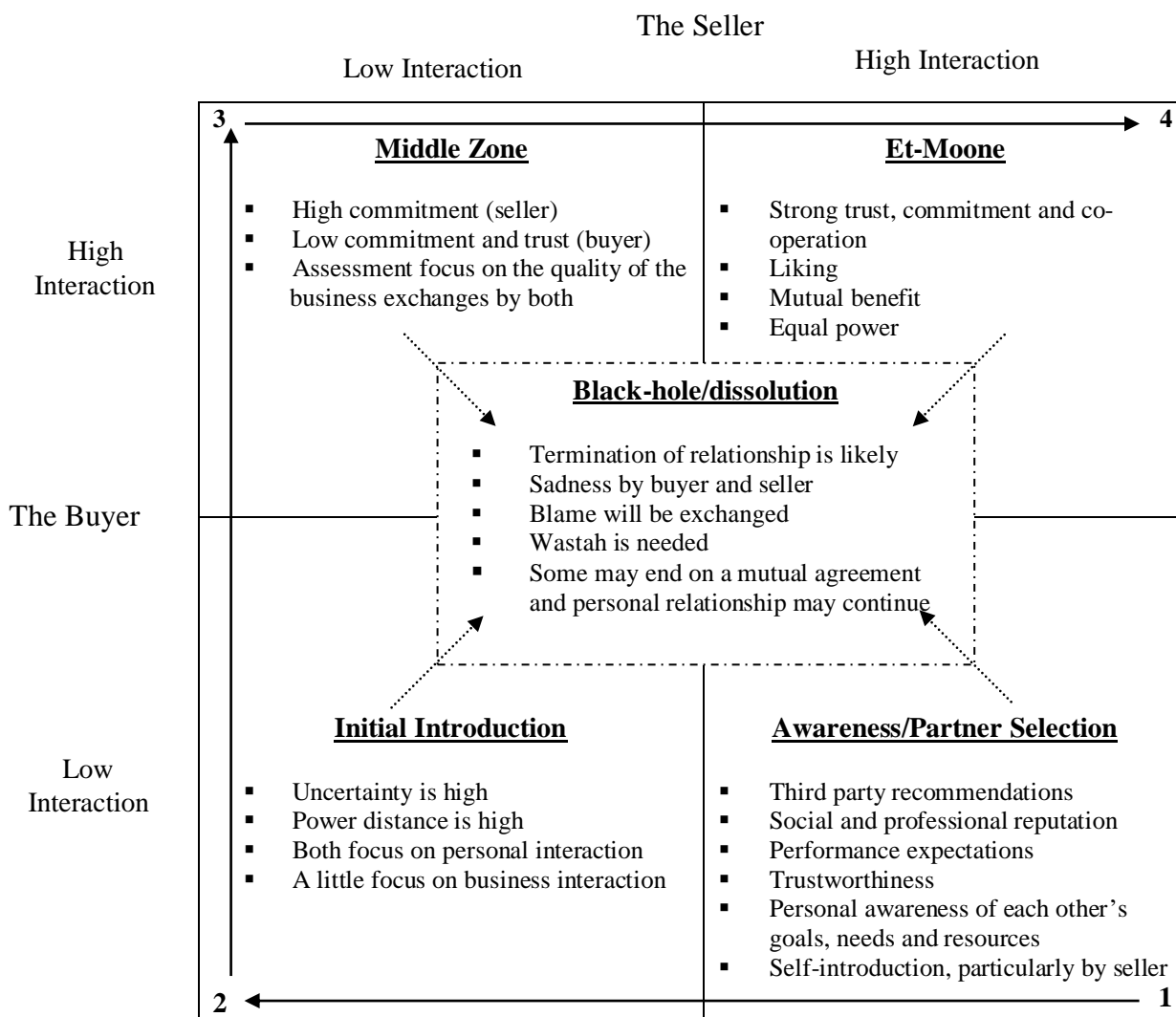
"One of our suppliers decided to leave us because we were late to pay him. He waited for us and we promised him to pay by a certain date but we couldn't make it, so he stopped dealing with us. This also happened with two other suppliers but after we promised them again they continued to deal with us. The first supplier refused to deal with us ever again, he marked us as unreliable. This becomes a challenge to me, not because we need him but I don't want a bad reputation to go out to the market about us. So we intensified our effort

and used 'Wastah' and eventually we persuaded him to resume dealing with us only last month". *(P1)*

"'Wastah' is useful when you reach a closed road. A respected person can change people's attitude". *(UR1)*

Some relationships may be terminated by mutual agreement between partners when there are no economic reasons to continue their business exchange.

Figure 1   The Processual model of business relationship development in Saudi Arabia

The Seller

Low Interaction	High Interaction

3 ——————————————————————————————→ **4**

Middle Zone

- High commitment (seller)
- Low commitment and trust (buyer)
- Assessment focus on the quality of the business exchanges by both

Et-Moone

- Strong trust, commitment and co-operation
- Liking
- Mutual benefit
- Equal power

High Interaction

Black-hole/dissolution

- Termination of relationship is likely
- Sadness by buyer and seller
- Blame will be exchanged
- Wastah is needed
- Some may end on a mutual agreement and personal relationship may continue

The Buyer

Initial Introduction

- Uncertainty is high
- Power distance is high
- Both focus on personal interaction
- A little focus on business interaction

Awareness/Partner Selection

- Third party recommendations
- Social and professional reputation
- Performance expectations
- Trustworthiness
- Personal awareness of each other's goals, needs and resources
- Self-introduction, particularly by seller

Low Interaction

2 ←—————————————————————————————— **1**

Discussion

In general, the processual model follows universal development stages that have been discussed by Dwyer *et al.* (1987) and Wilson (1995). This model does not describe relationship development as going through inevitable (Ford, 1980; Halinen, 1997; Ford *et al.* 1998) or irreversible processes (Rao and Perry 2002). This allows the model to describe multiple possible directions of relationship development depending on internal and external influences.

Awareness/partner selection has been discussed by Dwyer *et al.* (1987) and Wilson, (1995). Other models that acknowledged this stage called it pre-relationship (Gummesson, 1979; Ford, 1980; 1982; Wackman *et al.* 19886/1987; Halinen, 1997; Ford *et al.* 1998). In the Saudi context, social reputation is an attraction and a key reason for selecting a partner, whereas in Dwyer *et al.* (1987) and Wilson (1995) social reputation appears to have no influence during the awareness/partner selection stage. This may only be apparent in the Saudi culture due to its collectivist nature. Within the Saudi context, social reputation affects trust between partners before actual interaction begins, whereas Wilson (1995) discussed trust after the occurrence of initial interaction. The initial/early introduction stage corresponds with Frazier (1983), Frazier *et al.* (1988) and Halinen's (1997) initial stage, with Ford's (1980; 1982) early stage, and with Dwyer *et al.* (1987) and Ford *et al.*'s (1998) exploration phase. The middle zone stage is widely shared by all models of relationship development in the literature.

Et-Moone Concept

Prior to this research, the Et-Moone concept was only thought to exist in social relationships. Within the interviews the concept was found to have a strong presence in business relationships. When the relationship between buyer and seller reaches the highest possible level of mutual interdependency, trust, commitment and co-operation, the buyer and seller mutually describe their relationship as Et-Moone. The term "Et-Moone" means whatever I have is yours; you can do or have whatever you like without my permission. It describes the relationship as very positive and borderless, with no formalities or restrictions. Highly successful relationships will be regarded in this category. However, it is very difficult to reach this stage as it involves a very long period of interaction. Parties would have been through long interaction in the past that diminish differences and disagreements, remove their uncertainty about each other and make them highly appreciative of each other personally and professionally.

The key findings regarding the Et-Moone concept suggest that: (1) the development of Et-Moone requires a long period of interaction; (2) trust and interpersonal liking are an important prerequisite for Et-Moone to exist in relationships; (3) the Et-Moone concept primarily exists between managers who own and manage their firms; (4) an Et-Moone relationship allows its partners to have the expectation that they are obliged to make their resources and power available to each other in order to gain advantages in the market without permission from each other; however, the actual use of this needs further investigation; (5) an Et-Moone relationship gives its partners top priority for each other's attention; (6) not all managers like to have an Et-Moone relationship in business.

Managerial Implications, Future Research and Conclusion

The Et-Moone concept emerged from this study as a critical component of successful relationship development, which is unique to the Saudi culture. This research identified similar stages of relationship development compared with other studies from the western world. However, within these stages of development, there are different forces that bring about the movement from one stage to another which are influenced by the national culture of Saudi Arabia. As a result, non-Saudi managers need to be aware of following five points. Firstly, establishing a personal relationship with Saudi managers is always useful in providing a sense of security or a psychological state of mind during which one would feel reassured about future decisions. Secondly, personal liking is a powerful human motivation for developing and maintaining relationships. Managers should make serious efforts to develop the necessary personal attachments, which critically reinforce economic bonds in the relationship. This can be done by doing 'favours' or making small positive surprises in the relationships, which help to improve the Saudi managers' commitment. However, excessive occurrence of doing these 'favours' or 'surprises' may transform its intended value into a business norm, which may undermine its purpose of increasing commitment. Fourthly, 'third party information' is helpful in selecting a business partner. However, the cultural distance that exists between Saudi managers and non-Saudi managers influences the clarity of such information, which in turn influences the effectiveness of the information communicated through the 'third party' in forming early trust. Therefore, non-Saudi managers should try to seek a face-to-face meeting. Finally, foreign managers would find it difficult to develop their relationships with Saudis into an Et-Moone stage. Although our understanding of

developing Et-Moone relationships with foreigners still needs further research, the lack of key social ingredients (lack of sharing similar cultural values) in non-Saudi managers makes one doubt the feasibility of developing such powerful relationships.

Although this research has generally focused on understanding relationship development, the Et-Moone concept needs further investigation. Specifically: could an Et-Moone relationship result in different relational forms such as a merger, strategic alliance or joint venture between buyer and seller? Historically, businesses in Saudi Arabia are owned by families where Et-Moone relationships are known to exist. However in recent years more companies are moving from the traditional single family-owned business to multiple ownerships. Has this change influenced the use and the nature of the Et-Moone concept? The Saudis share similar cultural values with other Arabic Gulf States. One would ask whether the Et-Moone concept exists in across-border relationships between Saudi managers and managers from the Gulf States?

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