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## **The development of trust over time in the Tunisian Automotive Sector**

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## **The development of trust over time in the Tunisian Automotive Sector**

### **Abstract**

This paper examines how trust develops over time in business relationships between a number of Tunisian SMEs operating in the automotive sector. Trust has long been considered as a core element of relationship quality, which in turn has a moderating role in affecting the negotiation process between the actors.

Our paper is based on a qualitative study of ten relationships in the Tunisian automotive industry. We take a monadic view, having interviewed local spare-parts resellers about their relationships with their wholesalers. Given the relatively simplistic structure of the automotive spare-parts industry, the mutual integration of needs between wholesalers and the resellers is relatively easily understood. The decision to undertake the research in Tunisia is twofold. On the one hand, there is a paucity of research based in the Maghreb countries, and hence a need to understand how business operates in this region. On the other hand, the Tunisian market structure is relatively simple, with most spare-parts being imported because of the low level of local production.

Our results show that there is a mutual but not symmetric or balanced influence of trust on the behavior of the partners involved. The influence of the different parties is dependent on the power architecture, the history of the relationship and the network position of the actors. We find that different kinds of trust play different roles over the dynamics of the relationship. Perceived trust is more important at the emergent stage of a relationship, and experienced trust becomes more important in the established relationships. The perceived trust creates the possibility of building trust, and when mutual trust exists between the parties, it motivates them to maintain the relationship.

## **The development of trust over time in the Tunisian Automotive Sector**

### **Introduction**

A business relationship is an interactive buyer-seller exchange built up over numerous interactions. It always has two dimensions: economic and social. Short-term exchange episodes (information, product, financial and social) create the long-term consequences of the relationship (Håkansson 1982). Until the exchange episodes produce the economic dimension, the social dimension of the relationship is made up of a combination of power, trust, cooperation and conflict (Bonoma and Johnston 1978, Håkansson 1982). These social dimensions of a dyadic business relationship are the mutual outcomes of the involved partners' capabilities and relational investments on the one hand, and of the environmental conditions on the other (Håkansson et al. 2009).

The two parties also share some values and have mutual interests (Bonoma and Johnston 1978, Håkansson et al. 2009). In the companies' relationships, the interaction between inter-dependent companies involves simultaneously elements of cooperation, conflict, integration and separation (Ford et al. 2002). This interactive nature of the business is what fundamentally influences the management of business relationships.

Relationship quality is fundamental in business relationship management. In planning the operationalization of their supply or client relationships, managers need to identify the determinants of what influences this quality. Naudé and Buttle (2000) identified the multidimensional nature of relationship quality. Among the five attributes of relationship quality, two were identified as being of particular importance: trust and mutual integration of needs. They emphasized that the determinants of relationship quality are contingent upon wider contextual factors and urged researchers to better understand how different independent

variables might influence the relationship quality. They hypothesize that the age of the relationship, or the relationship itself may determine quality.

In this paper, we try to bridge the gap between the knowledge about contingent nature of relationship quality by studying one of the core attributes of relationship quality, namely the trust. The research question of this article is: *What is the role of trust in business relationships?*

The Tunisian automotive spare-parts business network has been chosen as the field of research for two reasons. First, automotive spare parts as products, are diverse but readily definable and fairly simple. Consequently, the business relationships between the actors involved are relatively similar and the mutual integration of needs is quite clear at least if the studied actors are the different intermediaries (wholesalers, resellers) of this product are quite clear.

Tunisia was also chosen due to the paucity of research emanating from developing countries in general and more precisely from Maghreb countries. However, there is not a high level of local production and nearly all the products are imported, which makes the market structure relatively simple. The local actors are either intermediaries or customers, typical actors in business marketing.

### **Theoretical background: trust and trust building**

Trust is a highly complex phenomenon (Lane, 2002) and several different dimensions of trust can be found in the literature. Trust is certainly a necessary condition for smooth and efficient business between partners, but is also a highly intangible and volatile asset, being difficult to create but also easy to destroy (Usunier, 2002). Taking the multi-disciplinary approach of Rousseau et al. (1998), as our theoretical starting point, we consider trust to be a moderating

variable that can help and facilitate partners' actions and decision-making about the relationship.

Lane (2002) distinguishes between three different types of trust: calculative, cognitive and normative trust. In case of calculative trust, the parties analyze the costs and the benefits that might arise from a business relationship. In cognitive trust, the common cognitions are the basis of trust, with the parties sharing common ways of thinking. In normative trust, the parties share common values and norms.

Sako (1992) studied inter-organizational trust in two different cultures. Analyzing British and Japanese industrial companies, she defined trust as an expectation by an economic actor that its trading partner will behave in a mutually acceptable manner (Sako 1992). She distinguishes three types of trust: contractual, competence and goodwill trust. Contractual trust means the expectation that the other party will carry out its contractual obligations. Competence trust is about the capability of the partner, that he is able to do what he says. Goodwill trust is the expectation of the clear and mutually beneficial commitment of the partners (Sako 1992). Furthermore, she places these types in a hierarchy, arguing that in a business relationship contractual trust is the most basic, and goodwill trust represents the highest level of inter-organizational trust. Goodwill trust tops the hierarchy because it creates the best possibility to predict the other party's behavior. Moreover, it provides the broadest basis for cooperation, and supports a lasting relationship. Sako and Helper (1998) and later Miyamoto and Rexha (2004), both in the field of the automotive industry, empirically measured and proved the existence of these types of inter-organizational trust.

Based on an extensive literature review, Smirnova et al. (2012) argue that expectations and relational norms are important pre-conditions of trust building. The authors propose that "there is a certain initial component of trust-based expectations, moderated by specific relational norms, internalized by partners and their relative importance ... They would have a

direct impact on formation of trust” (Smirnova et al. 2012:5). Expectations, relational norms and trust are all the results of the interaction dynamics (Smirnova et al. 2012) and all of them exist in time and are created by processes.

### *The trust formation process in business relationships and communication*

According to Sahay (2003), from the point of view of the survival of business relationships, it is essential that we get to know the factors that lead to the formation of trust. The basis of the trust-forming factors is how much the partner is able to predict the behavior of the other party in advance. In this process, the sharing of market information and the advance knowledge about the partner play an elementary role. Doney et al. (2007) have concluded that both social interaction and open communication play a role in the formation of trust.

The relationship between communication and trust was examined empirically by various authors, such as Bialaszewski and Giallourakis (1985), Anderson et al (1994), and Dwyer et al (1987). The empirical research has not provided an unambiguous answer to the direction of the relationship between the two variables. While Anderson et al. (1994) came to the conclusion that communication leads to trust, Dwyer et al. (1987) concluded that communication is the result of trust. Anderson and Narus (1990) present the varying relationship between trust and communication as an iterative process, arguing that communication between the companies is the prerequisite for trust, and increasing trust leads to better communication.

Over time, the perceived trust must be supported by experienced trust related to the interaction process and conveyed by the different exchange episodes (Håkansson 1982). This transition from perceived trust to experienced trust (Mayer et al. 1995) could happen in the business relationship evolution process, as described by Ford (1980). The evolution process distinguishes five different but not sequential stages where interactions, communication and

negotiations between partners are continually happening (Ford 1980). Mandjak et al. (2015) emphasize the decisive role of a mutual trust building process during the emergence of a new business relationship.

Trust could be considered as an evolutionary process starting with a situation of distrust (Usunier 2002). Lane (2002) argues that “interpersonal trust in business relations is rarely offered spontaneously but requires an extended period of experience.” The experience here means not only knowledge about the two potential partners, but also information from any third parties through recommendations. The different signals that an organization sends out are identified in the literature (Castaldo et al. 2010) as reputation, brands, and the adoption of quality standards – and these signals may also help a business relationship to emerge.

In case of recommendations, there are three parties, the recommender, the recipient of the recommendation and the recommended party, who are involved in the exchange processes, and that third party has a positive attitude towards the recommended company. The first relevant interaction is communication, during which the recommendation takes place. This exchange is not directly connected to any economic event; it is in conformity with the characteristics of social exchange. In addition, the word of mouth phenomenon also points in this direction; namely that customers in possession of certain characteristics attract customers with similar characteristics (Wiedmann et al. 2007, Buttle 1998, Schmitt et al. 2011).

### *Trust and negotiation in business relationships*

Business negotiation is a special type of communication with direct or indirect goals to achieve the business exchange between two actors. Typically, buyer and seller are the actors involved in a business negotiation. Business negotiation is an interactive process that forms part of the different type of exchange episodes of a business relationship (Håkansson 1982).



As any business negotiation is always an episode within a broader phenomenon of the entire business relationship, it could be misleading to study it alone, and hence studying it out of context. Based on a large international empirical research project, the interaction model (Håkansson 1982) of the IMP Group describes the complexity of dyadic business relationships. Accordingly, Herbst et al. (2011) developed a modified interaction model to systemize business negotiations. This modified model takes the variables of parties, atmosphere and environment from the original model of Håkansson (1982) and adds three negotiation specific variables: the preparation, the process and the outcome of negotiation. After the presentation of our research design in the following section, some empirical evidence will be presented about the role and types of trust in the practices of Tunisian business relationships in the field of automotive spare parts.

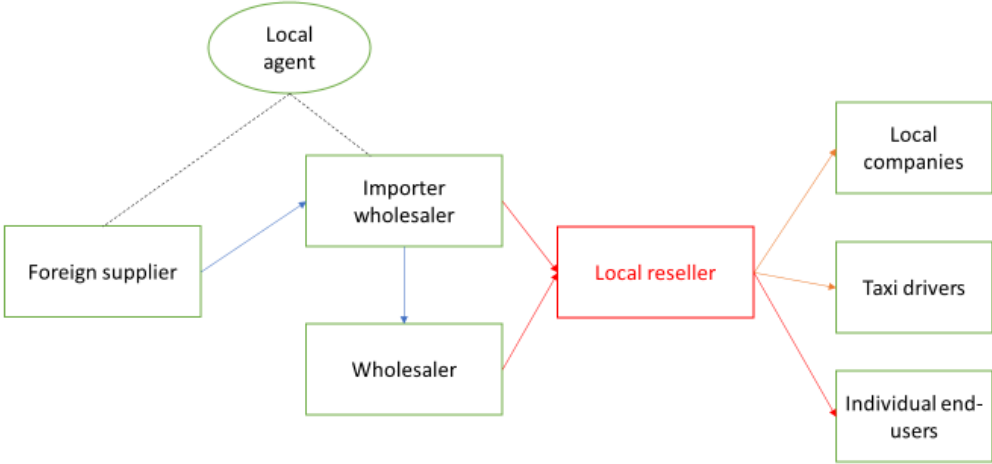
### **Method & data used**

In order to develop further our understanding of how relationship quality develops, we decided to focus on one of the core constituent elements, namely trust. To meet the objective, we conducted a qualitative study in the automotive spare parts distribution network in Tunisia. This qualitative approach was deemed applicable given the scarcity of work in this field. In addition, we took advantage of privileged access to the field as one of the authors has Tunisian links.

As shown in Figure 1 the structure of Tunisian market is relatively simple in that the local resellers have a central role in the Tunisian spare parts network. Given the lack of local manufacturers, the distribution network essentially depends on the foreign suppliers, who historically are typically European spare parts producers. Foreign suppliers have business relationships only with importer wholesalers, and in those relationships agents may have a

trustworthy and supporting role. Importer wholesalers deal with local producers and also with local resellers. The local resellers buy from these two types of wholesalers and sell the spare parts to their clients. Local companies consist of two different types, namely small repair shops and small local enterprises that have their own limited vehicle fleet. These two clients are very similar because the nature of their buying behavior is very similar in that they are technical people. Taxi drivers are different because while they generally have good knowledge about what to buy, decisions are often based on urgent needs. In some cases group purchasing between a numbers of them is undertaken. Importantly, they know each other well and form an important group of opinion leaders concerning the spare part brands and the service level of the resellers. Individual end-users are the car drivers who generally don't have clear knowledge about the spare parts to buy; they have only the technical problem to be resolved, and so typically look to the reseller for advice.

Figure 1 The Tunisian spare parts network



Prior to starting the main data collection, we developed our interview guide by carrying out informant interviews with three resellers that have the same industry profile as their colleagues whom we ultimately interviewed. To achieve our research goal two complementary data collection methods have been used, namely professional interviews (Evrard et al. 1997). In this context, we carried out an inductive study involving 10 automotive resellers who are in charge of their business. They were recruited from the database of local consulting company (ELKA Consulting) and they were selected because they are, on the one hand, key actors in the reseller's network, and on the other hand, according to their reputation, qualified to speak about the purpose of the study and their motivation to participate in the research. Table 1 shows the main characteristics of the interviewed Tunisian spare-parts resellers.

Table 1 The interviewed Tunisian resellers

Reseller	Activity	Brands	Year Started	Background
R1	Automotive parts for tourism vehicles and utilitarian	IVECO –Fiat- Alfa-Romeo, Lancia	1985	Owner and general manager
R2	Automotive parts for tourism vehicles	V-W, Audi, BMW, Audi, Mercedes	1970	Store manager. He is an employee of the company.
R3	Automotive parts for tourism vehicles,	VW, Audi, BMW, Audi, Mercedes	1982	Owner and general manager. Started by his father
R4	Automotive for trucks	Scania and Renault Trucks	1990	Store manager
R5	Automotive parts for tourism Vehicles	Peugeot, Renault, Citroën	1975	Store manager
R6	Automotive parts for tourism Vehicles	Toyota, Nissan, Isuzu, Kia, Mazda	2000	Owner and general manager
R7	Automotive parts for trucks	Iveco, OM, Berliet, Renault-Trucks	2002	Owner and general manager
R8	Automotive parts for tourism Vehicles	Toyota, Nissan, Isuzu, Kia, Mazda	2000	Owner and general manager
R9	Automotive parts for tourism Vehicles	Peugeot, Renault, Citroën	2010	Store manager
R10	Automotive parts for tourism Vehicles	Fiat-Alfa-Romeo, Lancia	1978	Owner and general manager

The main local resellers of the Tunisian market were interviewed. To ensure a degree of heterogeneity in terms of the profile of resellers, we varied the specialties: six resellers that supply automotive parts for European cars as Peugeot, Citroen, Renault, (R5 and R9) Volkswagen, BMW, Mercedes, Audi (R2 and R3) Fiat, Alfa Romeo (R1 and R10), two resellers that supply automotive parts for Asian cars like Toyota, Nissan, Kia, Hyundai (R6 and R8) and two resellers (R4 and R7) that supply automotive parts for trucks as IVECO, Scania and OM. The face-to-face interviews all lasted between 45 and 90 minutes, and were recorded with permission of the interviewees, and then transcribed.

The first half of the interview focused on the resellers' description, understanding how the business relationship was created and how it developed over time. The second half focused on trust, communication, negotiation and decision making in the automotive business market. In this article, we focus only the role of trust in the Tunisian spare-parts network from the perspective of the respondents.

After transcribing the full data set of interviews and making the summary sheets of the interviews (Miles and Huberman 2003), we analyzed them (Spiggle 1994). The data analysis was done by identifying and coding different themes in the interview data. Some themes like commercialized brands or age of the reselling company were defined before the coding process, and others, such as the frequency of negotiations or types of the negotiations, emerged during the coding process itself (Roussel and Vacheux, 2005).

Based on this analysis and following the logic of our research question, the next section presents empirical evidence of the role of trust in Tunisian business relationships in the field of automotive spare parts.

## **Trust in Tunisian automotive business relationships**

First, the environment in which the Tunisian automotive spare parts' actors are embedded is presented. After showing general structure of the Tunisian spare parts' business network the typical role and relationships of the resellers are described. Based on our interviews, the role and types of trust will be presented last.

### *Tunisian spare parts distribution network*

The Tunisian automobile spare parts distribution network is dominated by European manufacturers. They are the primary suppliers, given the composition of the Tunisian vehicle fleet. With agreements between Tunisia and the European Union, they enjoy preferential treatment in terms of duties on imports. Despite this privileged access, in the last few years the presence of Chinese, Turkish, Brazilian, and Indian suppliers have become more visible, even if their products are subject to tariffs. But their prices tend to be lower than those of European suppliers, and these tariffs are nevertheless declining. This creates a competitive environment based almost exclusively on price and market conditions (i.e. the payment level and payment period), in addition to the payment of an annual premium depending on the scope of yearly sold products, required by importers-wholesalers. On the other hand, there are close historic personal relationships among the local agents and the traditional Western producers.

Historically, the Tunisian intermediaries and customers have great confidence in some strong well-known European brands, mostly German but French and Italian as well. However, since the rising tendency of contraband brands and suspicious spare parts, this trust has changed. Tunisian buyers have become more suspicious, mainly of very low price spare parts.

### *Role and relationships of resellers*

As our research is exploratory, we have concentrated on only two of the actors, namely the relationships between the wholesalers and local resellers, from the perspective of the latter. This relative simplicity facilitated discussion and also helped with the data collection. Based on discourse analysis and elements of the participative observation, we present the two archetypal actors of the Tunisian vehicle spare parts distribution network and summarise the different relationships between and among them.

The **wholesalers-importers** have wide-ranging experience and comprehensive knowledge of the international market of European suppliers, and also of Turkey and Asia (China and India). They are in constant contact with their network of resellers, and understand the market and how it is developing. Based on their previous *relational investments* they have a strong network position in the local resellers' system and well established relationships with agents. They have *business relationships* with foreign suppliers, typically via an agent. The business relationships with local resellers are generally managed by the sales manager and the specialized sales force. Generally, sales managers have a great ability to influence purchases from resellers. Sales managers and sales force create the interface between importers and resellers.

While the importer-wholesalers are international players the **wholesalers** have no international relationships. They act only at national level and typically do not have contacts with the agents. Besides their activities and local relationships are very like wholesalers-importers.

The **local resellers'** network plays the role of suppliers of spare parts to end customers as professional automotive repair shops or taxi drivers. They specialize by type of vehicles (cars and vans vs. trucks and buses) and brand (French, German, Italian, Asian, and Swedish). They supply mainly from the wholesalers and/or local producers (car batteries, shock-absorbers,

filters, brake pads). Given the strong competition between wholesalers in the resell market, they can negotiate distribution discounts from 15% to 18% and payment terms up to 180 days.

They have generally good *capabilities* to collect local market information (prices, competitors, promotions, newcomers). They have very strong knowledge of products and all associated references necessary to order them. Local resellers are strong when it comes to giving advice to their customers on the merits of different products.

Local resellers make *relational investments* in two directions. They are strongly connected with the sales management function of the importer. In this case, the relationship revolves around the ordering, trading margins, payment deadlines and profit margins based on the volume of sales. In the other direction, their selling staff have very close contact with repair shops, technicians, auto mechanics and also with taxi drivers.

They have *business relationships* with wholesalers-importers and with repair professionals. In the former they are the buyers, and in the latter the sellers. Local resellers are the focus of our analysis because their contacts with the wholesalers make it possible to study the role of trust in different situations.

*What do Tunisian resellers say about trust?*

*“Trust develops even before the relationship is created: everything depends on its market reputation, word of mouth is important, nothing is hidden.”* When the reseller is looking for a new supplier, i.e. a new wholesaler in the case of absence of previous business relationship, an information process is triggered about the wholesaler to fill the lack of data and experience. Data are collected from different commercial testimonies, and legal and financial guarantees are needed to carry out the first transactions between supplier and reseller. The formal information is provided mainly by banks. The informal information flows

predominantly through word of mouth, following discussions from peers, commercial teams, resellers and/or repair professionals.

Thus, if based on the collected and analyzed information the reseller has trust on the new wholesaler he contacts him. *“At first it's us [the reseller] who are going to suppliers because we are not known. We bring the trade register and patent and we open accounts with them, we leave a guarantee cheque and agree to the terms of payment.”* Commercial terms are very strict in terms of payments and payment deadlines. Generally, resellers must present pledges, guarantees, and must demonstrate their credibility to be able to stock up. *“We must initially pay in cash.”* At this early stage, it would appear that no trust yet between the partners.

However, if you are known in the field and you are known for being powerful, and you have members of your family who are in the marketplace, this can affect the nature of relationships with suppliers. *“When I go to a supplier, I've just tell him that I am the son of so and so and I immediately enjoy great advantages, particularly in terms of payment and payment deadlines. I can buy all of a product range with a value of 150,000 dinars [80,000 euros], for which I will pay only a third with the order and the rest over a long period. There is no problem. All suppliers agree with pleasure because my last name is well known throughout the area. Five of my uncles have also worked in this field for years and have a good reputation. I can impose my presence based on this good reputation”.*

If the first transactions go smoothly, with payments being on time, and an increase in turnover, personal relationships start to form. The experience between the supplier and the reseller is seen as positive. Trust begins to settle and trade conditions become more flexible, this is what amplifies trade between the two parties. *“According to turnover and volume of sales, the wholesaler will gradually trust its resellers, it tests them for two or three operations. When they demonstrate that are competent and professional, and the sales volume increased they grant longer payment deadlines, first 30 days, than 60 days up to 150 days.*



*From that moment resellers get the desired quantities with more flexible commercial conditions.” It is fundamental to set up an environment able to reduce and eliminate the feeling of uncertainty or distrust, by replacing it with trust. “You have to respect payment deadlines, and buy regularly, because trust comes with time and with experience”.*

Based on good experiences a sustainable relationship evolves between the reseller and the wholesaler. It is characterized by a balanced distribution of power among the actors. A quality relationship was described by one of our interviewed resellers as follows: *“The supplier that I am comfortable with is the cheapest and the one who lets me choose the products I want. I stock up with all suppliers who respect their commitments (on time delivery) and reliability of the product. Regular exchanges, particularly as regards as information help develop trade relations based on cooperation”.*

In this case the expectations of the resellers are around the price level, the quality (original equipment products, quality products equivalent to the original equipment and reputed brands), reputation (what is said in the network) and information exchange, which constitute the determinants of creating and maintaining a balanced business relationship based on trust between resellers and their suppliers. *“It is characterized by their ability to honor their involvement”.*

However, the power in the business relationship is not always balanced. Particularly when the wholesaler sells exclusive brands sought after by the market. In these cases, it is the supplier that has an advantage, and all of his conditions are accepted by resellers. *“If he's the only one to provide these brands I do not have choice. I can do nothing in negotiation and I am forced to buy his goods if he is the only one to provide them. I can do nothing but give in”.*

In the Tunisian automotive spare parts market, frequency of negotiation between wholesalers and their resellers occurs at the start of the business relationship and after that once a year. For

some resellers, it could be twice a year. These negotiations are twofold. First, the partners discuss the current situation of their cooperation and prospects. In addition, they re-negotiate the terms of the conditions of sale. In the first case, they have a cooperative behavior, and in the second case it is more competitive. *“Normally at the beginning of the business relationship, then we re-negotiate the terms of sale at a rate of once a year, usually at the beginning of the new year after I have done my accounts, I see what level of sales I realized. If I made a large turnover with him, I can negotiate better terms. If this is not the case, I have no reason to negotiate. The exchange of information is a part of negotiations. If you provide useful information to your supplier you are no longer a simple client for him, but a partner in that the information you give him can be very beneficial for both parties”*.

The frequency of the negotiations seems to vary depending on the specificities of each reseller and the business relationship he has with his supplier. In some respects, it is an annual rate, in others it is conditioned by the amount of stock in store. In this case, it seems that resellers who practice this solution choose their provider based on geographic proximity. They consider that all wholesalers provide the same products, the same conditions. *“Whenever I have more goods in stock, I negotiate with suppliers. I always choose the geographically closest provider, there is one in Charguia and the other one is in Ben Arous.*

Other types of remark concern the consequences of the bargaining episode. A first important consequence for the new trust level is its effects on the next round of negotiations with the same partner. If there is a high level of trust, it will facilitate the next trading round and will result in easier, more convenient commercial conditions. If the level of trust is low, business conditions will certainly become more difficult, less advantageous. *“With suppliers, you must meet deadlines and pay your bills on time, you must be a man of your word. If he finds that you are serious and correct, the supplier will have confidence in you and will not require further guarantees. Certainly, you will pay, even if there is a slight delay. A supplier who*

*trusts you can even take your advice before selling to other dealers. ... We can gain a lot of knowledge and have strong relationships in the industry.” But “whenever there is the slightest rumor in the market among your competitors, if you have financial difficulties or credit problems, or if you do not manage to meet your obligations to the bank, if you do not pay the bills due at the same time if there is a delay of 3, 4 days he comes to ask you what happens.”*

## **Discussion**

Investigating the actors in the Tunisian automotive spare part network, we were interested in the way in which trust developed in business relationships between resellers and wholesalers. One part of our empirical evidence is in line with the related literature and some elements highlight issues that have not been studied to date.

The Tunisian examples clearly support the idea that trust is a complex phenomenon (Lane 2002). Perceived and experienced trust (Mayer et al. 1995) both are present in the behavior of the Tunisian resellers. Perceived trust may transform into experienced trust (Mayer et al. 1995), if the resellers *“demonstrate that they are competent and professional, and the sales volume increased.”* This experienced trust allows them to obtain *“more flexible commercial conditions”*. And further *“if you provide useful information to your supplier and you are no longer a simple client for him, but a partner as much as the information you give him can be very beneficial for both parties.”* This experienced trust (Mayer et al. 1995) is the proof of the importance of the mutuality (Sako 1992) which has become a specific relational norm (Smirnova et al. 2012).

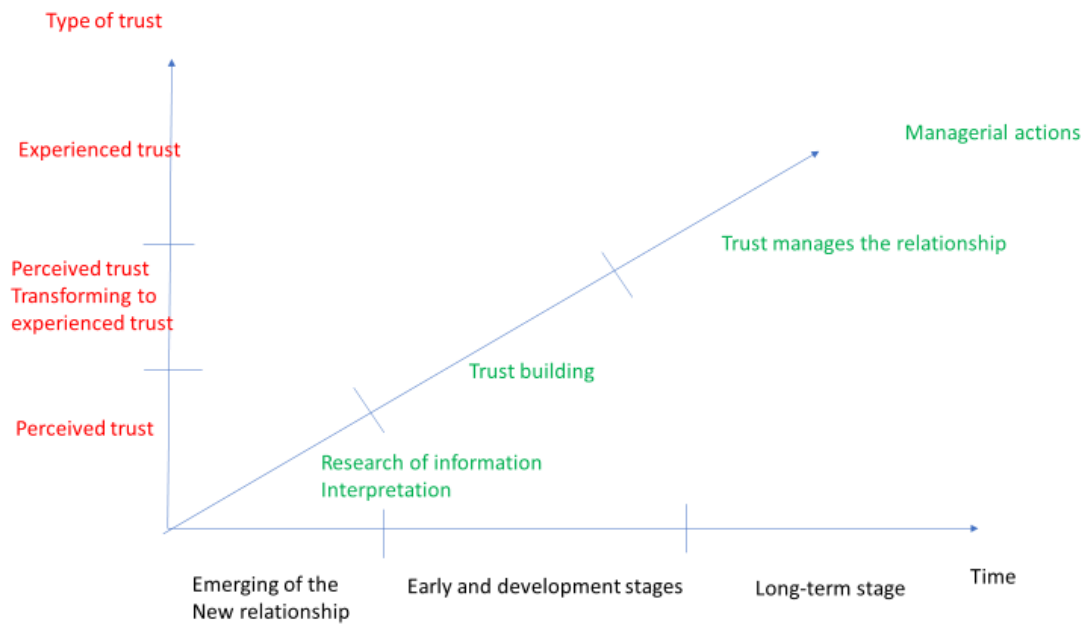
However, the role of these two types of trust seems to be different. Perceived trust is important in the pre-relationship stage (Ford 1980) and during the emergence of a new relationship (Mandjak et al. 2015). Conversely, experienced trust became more important in

established business relationships. Or, applying the business relationship evolution model, experienced trust is important in the long-term stage (Ford 1980). As Mayer et al. (1995) stated, we have found that over the time the perceived trust may change to experienced trust.

Trust emerges from a situation of distrust (Usunier 2002) as one reseller said *“we bring the trade register and patent and we open accounts with them, we leave a guarantee cheque”* and it develops by *“regular exchanges”*. In the Tunisian reality trust building is an iterative process (Anderson and Narus 1990). Trust develops in dyadic business relationships but it is always a volatile asset (Usunier 2002) as *“the slightest rumor in the market”* is enough to destroy the trust. The *“word of mouth is important, nothing is hidden”* in the network.

Our Tunisian empirical evidences show that trust certainly has a role in business negotiations as well. Commercial conditions become easier and less constrained if there is trust between the partners involved. Trust can make the new relationship easier if it is inherited, as one of our interviewed reseller stated *“I've just tell him that I am the son of so and so and I immediately enjoy great advantages, particularly in terms of payment and payment deadlines”*. The negotiation process itself is influenced positively if there is trust between the partners. Most interestingly, the satisfaction with the negotiation outcome influences positively the level of trust in the next negotiation episode with the same partner.

Figure 2 The development of trust over time



As shown in Figure 2, our results point to the notion that proactive managerial actions can lead trust levels in a business relationship to evolve over time. As the relationship develops, trust changes its characteristics and becomes experienced trust instead of perceived trust. But what has not been understood to date is the transition phase as this change occurs, a fruitful area for further research.

On the time line, there are the different stages in the evolution of a business relationship. Early, developing and long-term stages are based on Ford's (1980) relationship evolution model. The emerging phase is based on the work of Mandjak et al. (2015), and we see the emerging phase as being placed between their pre-relationship and early stages of the business evolution model.

The interesting issue is that in the evolution of the relationship, with the transition from transformation to experienced trust, we can hypothesize that the requisite managerial tasks also change. Managerial actions begin with the collection of information about the possible future partner, information that is sourced from across the wider network (Mandjak et al. 2015, Gulati and Gargiulo 1999, Gulati 1999). As the transition start to take place, managerial

action has to be focused on building the experienced trust. This will be based on trying to incrementally build on successive interactions. We argue that this is the phase of highest risk and also the one that takes most managerial time and effort. Then, as this mutually accepted level of experienced trust increases, the trust starts to “automatically maintain” the relationship, demanding less work from the managers, on condition that the operations inside the relationship do not break the achieved and accepted trust level.

## **Conclusions**

In this paper, we have looked for answers to our research question about the developing role of trust in business relationships. Applying the IMP interaction research as our theoretical basis we have studied the business relationship management practices of the local resellers of the Tunisian of automotive spare parts market.

Our empirical findings show the different role of trust in business negotiations. First, trust has a moderating role (Rousseau et al. 1998) in business relationships, where the level of trust influences the behavior of the parties involved. This influence is mutual but not necessarily symmetric or balanced. This type of influence is dependent on both the relative power balance and the history of the relationship. But it is also affected by the network position of the actors. This effect is expressed in a positive way by goodwill, recommendations, and word of mouth, and in a negative way by rumors. In fact, trust forms part of the social dimension of business relationships.

Trust has a moderating role in all the phases of the business negotiation. This affects the commercial conditions during the negotiation process either easier or harder, depending on the level of trust between the parties. Furthermore, the satisfaction with the negotiation outcome may positively influence trust, which in turn influences the preparation and the

atmosphere of the next negotiation. However trust also could be destroyed, and in this case its moderating effect becomes negative.

An interesting finding relates to the possible relationship between the levels of trust and the nature of the task of managing the buyer-seller interactions. Before and during the emergence process of a new relationship (Mandjak et al. 2015) the management of perceived trust is important through the management of the actor's network position. After this phase, during the early and development stages (Ford 1980) the task of the management is the mutual building of trust. Finally, when the relationship is established, the main management issue is to maintain the experienced trust by ensuring mutually expected and acceptable behavior (Sako 1992). In other words, we may say that the perceived trust creates the possibility of building trust, and when the mutual trust exists, it motivates the parties to maintain the relationship. First, managers need to create perception trust. Thereafter, once trust is built up, it is the trust that manages the relationship.

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