

Should We Trust Grand Bazaar Carpet Sellers (and vice versa)?

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Editors' Note: Roberge and Lewicki use Lewicki's previously published model of trust and distrust to analyze transactions in the Grand Bazaar of Istanbul, and conclude that the merchants are often acting quite differently, and with different motivations, than Western customers assume. They use this insight to develop the "TRUst-rELationship" (TRUE) model, a more convenient way of defining four different kinds of relationships, each of which is based on each party's prediction of the trustworthiness of the other.

Introduction

Istanbul's Grand Bazaar is a mythic place for negotiation. Starting as a "caravan sérail" in 1453 under the reign of Mehmet II, it now hosts more than 2000 boutiques selling various textiles, handbags, carpets, jewelry, lamps, Turkish delight (a Turkish candy), etc. As we discovered it, the Grand Bazaar is a perfect place for negotiation adventure learning exercises, highlighting the role of trust and relationship building in negotiation. As many customers did for hundreds of years before us, we asked ourselves this crucial question during negotiations: should we trust Grand Bazaar carpet sellers? And they were probably asking themselves the same question about us. Should Grand Bazaar carpet sellers trust us as customers?

With this chapter, we hope to provide some answers to this ancient question. In the first part, we will share a real-life-inspired

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Grand Bazaar negotiation scenario, highlighting trust building and relationship building between customers and merchants. In the second part, we will propose a theoretical model, “TRUst-rELationship” (TRUE), to understand how trust and relationship interacts in this negotiation dynamic. According to the TRUE model, as relationships develop between negotiating parties, trust levels change, and as trust levels change, relationships further develop. We believe this relationship-trust dynamic has a significant impact on negotiation processes and outcomes. Inspired by the “Aladdin and the New Lamp” décor of the Grand Bazaar, we hope the TRUE model can be seen as a “New Lamp” shining light on and helping us to answer an ancient question.

Part One: The Grand Bazaar Carpet Sale Scenario

This carpet sale negotiation is based on a true story lived during an adventure learning experience in Istanbul’s Grand Bazaar. First we will detail an “insider-customer” view of the negotiation factual context as we experienced it. Second, we will take an outsider observer’s (negotiation professor’s) perspective, and highlight the trust and relationship dilemmas faced by the customer and the merchant during negotiations. In this paper’s first part, we hope to highlight bazaar dynamics to “stage” the TRUE model perspective on trust and relationship.

The Negotiation Context

The meeting step

James, a negotiation professor, is interested in buying a Turkish carpet at Istanbul’s Grand Bazaar. He enters *Mamid’s Treasury*, a small carpet store located in one central alley of the Bazaar. Azra, the smiling seller, welcomes the professor and invites him to sit down comfortably. Azra calls his assistant Birman, who appears from the back room. Azra asks James what he is interested in. James answers that he is interested in buying a carpet. Azra asks James if he already has a Turkish carpet. James answers no and says he would like to be well counseled before buying. Smiling, Azra tells the professor he is in the right place.

The selling demonstration step

Azra starts the selling demonstration. He asks his assistant Birman to unroll first one carpet, then a second and a third, all different in colors and details. He asks James which one he prefers. The professor points at one in particular. In a firm and determined way, Azra asks his assistant to unroll three other selected carpets among the

few hundred in the store. Then Azra gives explanations about the carpets, starting with the one on top, and enters in a conversation with James.

- Azra: *This silk carpet was made 150 years ago. It is hand made and comes from the Antalaya region. Pure silk (with an enthusiastic tone of voice and a straight look at James).*
- James: *How can I be sure it is 150 years old? (with a dubious tone).*
- Azra: *Because I know (with a reassuring smile).*
- James: *How can I be sure you know? (re-emphasizing his dubious tone).*
- Azra: *Because we are in the business for four generations.*
- James: *How much is it?*
- Azra: *\$6000 U.S. (with a firm convinced attitude).*
- James: *It is very expensive! (surprised).*
- Azra: *It is top quality fabric. Pure silk. Handmade. 150 years old. Real Turkish carpet can last forever! (with conviction).*
- James: *I like the shiny red one below the two others.*
- Azra: *This red one is ten years old. Handmade. From Ankara region. It is shinier than the oldest one because it is newer.*
- James: *How much is this one?*
- Azra: *\$800. Very good quality.*
- James: *Well, I like this one. Give me your best price. You are the first shop I visit today. I do not want to shop around all day so I need your best price now.*
- Azra: *This is a good price and you are my first customer today. You bring me good luck.*

While James is talking to Azra, Birman the assistant at the back of the store subtly calls someone on his cell phone. Two minutes later, Omar, a tall man in his early forties wearing a nice jacket, enters the small store and introduces himself to James in perfect English. Azra immediately steps aside and leaves Omar full discretion to pursue the discussion with James.

The persuasion step

- Omar: *James, so you like this one?*
- James: *Yes, that is my favorite so far. What is your best price? You are the first store I visit today and I will only visit*

- one more store after yours. I want to compare prices and I will buy a carpet where I get the best deal.*
- Omar: *It may be tough to compare. Let me propose you some thing else. I offer you to come to our bigger shop, two minutes from here. We have a lot more carpets there and we will make you the best deal we can. Come with me.*
- James: *Your time is precious. My time is precious. So give me your best price on this one and I will compare.*
- Omar: *James, where are you from?*
- James: *From the states.*
- Omar: *New York, California?*
- James: *California. San Francisco.*
- Omar: *I like California. I have friends there. San Francisco is a wonderful city. James, I see you have potential. I trust you. Here is my proposition. Bring the carpet you like to your home in San Francisco. You pay nothing now. Ask an expert in San Francisco to evaluate the price of the carpet and you will pay me what the expert estimates it is worth. What do you think about this proposition? Is it fair?*
- James: *Well, it seems fair. That is an interesting proposition. Let me think about it. (James then takes written notes of the proposition.)*
- Omar: *You seem very analytical. What do you do for a living?*
- James: *I am a professor.*
- Omar: *It shows, you are serious and intelligent. Come with me at our biggest store, we will offer you tea, lokums (a candy more commonly also known as Turkish Delight), and you will be comfortable to choose the right carpet for you.*
- James: *I do not want to waste your time and my time, and besides I need to ask my wife before I purchase such a pricey carpet. That is why I ask you for your best price.*
- Omar: *You can take the carpet with you to your hotel and if your wife does not like it, no problem, bring it back to the store and we will find the right one.*
- James: *I really need your best price on this carpet.*

The Negotiation Dilemma

- Omar: *I made a step forward with my offer. Now you need to make your step as well.*
- James: *Why not give me your best price?*

After a moment of silence, Omar looks James in the eye and asks him: "Do you have trust issues?" From that moment on, Omar makes the discussion a matter of trust and relationship. Omar changes the rhetoric from a substantive conversation about the rug and its price to the relationship itself. James is surprised and says nothing.

Omar: *I made a step forward. You did not. You have trust issues, James. You should change....You would have a happier life...(with a judgmental tone and attitude).*

From then on, the "newly built relationship" between Omar and James was at stake. Trust became a central issue of the negotiation. Clearly, relationship and trust between customer and seller are part of the negotiations and have an impact on process and outcome.

How any negotiator responds honestly to the question "Do you have trust issues?" is an important issue that has not really been addressed in negotiation writings. In this context, an honest and courageous James should say: "Yes I do, I do not trust you." In fact, James seems to have very reasonable trust problems. He is not an expert in rugs and does not know how to fairly assess the quality of the carpet and the fairness of the price. Cultural differences also seem to create misunderstandings that inhibit trust development. In James's commercial culture, sellers do not swap salespersons in mid-sale, serve tea, take you to another store, let you go home with goods without paying, etc. James may have stereotypes about merchants in other cultures and the way they sell rugs. In addition, James may experience negative emotions, like fear of being "taken" and looking foolish, generating defensiveness. Is the seller in cahoots with someone else? What and who will he find in that other store? Will James be able to walk away if he does not like the deal, or will the seller push the sale and try to trap him into making an agreement?

In order to reach an agreement, James should ask Omar to help him overcome the distrust, and vice versa. Otherwise, the seller's presumed friendliness gestures, performed to create positive feelings and identification with the buyer, will be perceived as inauthentic and as a strategic move to push for the sale at a price which is perceived to be overrated. Similarly, the buyer's repeated questions about the rug's quality and price can be perceived by the seller as excessive distrust, which will prevent the creation of a trustworthy relationship between them. The buyer asks for reliability in a "cost-benefit" assessment, as the seller expects reliability by knowing the buyer better and assesses his "reciprocal similarity" or reciprocity.

Buyer and seller would each like to trust the other, but each has a different set of trust problems that they cannot directly assess or discuss.

There are many things going on in this conversation. Not only is there a trust problem, but the parties switch “languages” or “frames” in the middle of the conversation. In negotiation, parties talk at least three “languages.” One is the language of information, where each exchanges information about the substantive issues. A second is the language of persuasion and negotiation, attempting to use strategy and tactics to gain a competitive advantage. And the third is the language of relationship in which parties openly discuss how their process is affecting their ability to communicate with the other, trust the other, make progress toward an agreement, and affect the negotiation in the future.

The relationship conversation is often the most critical, but also the most difficult to have. Moreover, when one party changes the “language” of the conversation abruptly to this level, it can be very disarming – as our buyer discovers when Omar begins to talk about the “trust problem.” Can parties actively take charge of a negotiation by mastering the interchange among these different conversations? This needs more reflection. In this paper, we will focus on these trust and relationship interactions.

Finally, analyzing this Grand Bazaar scenario raises many questions. Should the negotiation professor buy, or “bring home” the carpet? Should he trust the carpet seller (and vice versa)? Should the negotiation professor learn to be more comfortable with the seller (and should the carpet seller learn to be more responsive to the buyer – and what would it take for the parties to get to either state)? How did trust and their relationship interact and evolve over time? Why is trust and the parties’ relationship so relevant in negotiation – even in a single transaction like a rug purchase? What was the impact of trust and relationship building on the negotiation process and outcome here?

The TRUE model we propose provides a framework to understand the evolution and interaction of trust and relationship during a negotiation. In the second part of this paper, we will now look at how the TRUE model, as a “new lamp,” could help us better understand Grand Bazaar negotiation dynamics.

Part Two: A Trust-Relationship (TRUE) Model to Understand the Grand Bazaar Dynamics

Should we trust Grand Bazaar carpet sellers (and should they trust us)? Why? How? Our objective in this second part is to provide some answers. Negotiating in the Grand Bazaar generated a reflection on

trust and relationship building in negotiations. Lessons learned led us to create the “TRUst-rElationship” (TRUE) theoretical model (see Figure One). This model’s main origins can be found in the work of Roy J. Lewicki (2000, 2006) on trust in relationships, and William A. Donohue (2001) on the topic of communication and relationship. The TRUE model is strongly inspired from their work, and can be seen as a unique adaptation relevant to understanding the Grand Bazaar’s dynamics.¹

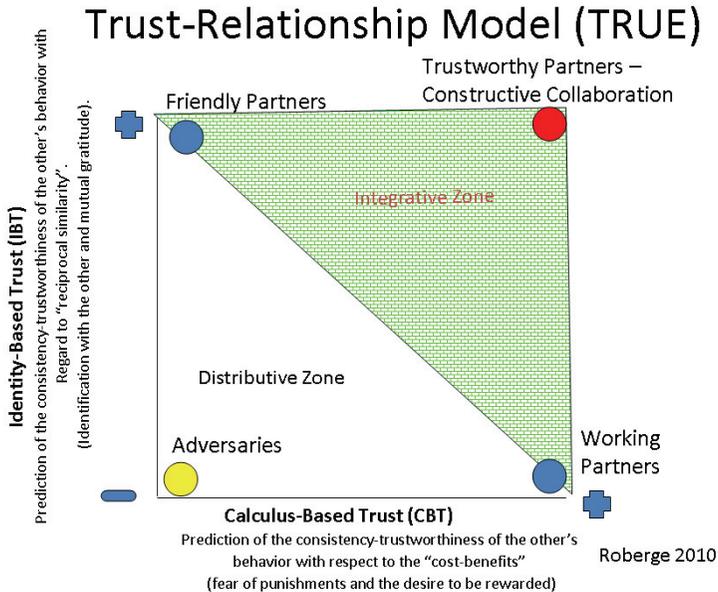


Figure 1. “Trust-Relationship” model (TRUE) with its four relationship types, based on their combined degrees of calculus-based trust (CBT)/identity-based trust (IBT) and their connection to the integrative/distributive negotiation zones.

In a nutshell, the “TRUst-rElationship” (TRUE) model helps to identify how one party perceives his relationship with the other party, based on that party’s prediction of the trustworthiness of the other’s behavior. The TRUE model addresses four types of relationships, developing during the course of a negotiation between two parties: adversaries, friendly partners, working partners and trustworthy partners. Each type of relationship is a relational state determined by the degree of “calculus-based trust” (CBT) and “identity-based trust” (IBT) each party predicts from the other party’s behavior. These two types of trust are described extensively in Lewicki (2000, 2006) (see also Figure 1). Adversaries and trustworthy partners’ relationship types (the lower left and upper right corners) are non-paradoxical relational states because parties have

corresponding low CBT and IBT or high CBT and IBT states together. Friendly partners and working partners are paradoxical relational states because either type of trust (e.g., CBT) is high while the other type of trust is low (e.g., IBT), creating ambiguous communication between parties and making it difficult for one party to predict the other's behavior. This perception or prediction of the other's behavior can change over time according to interactions during the negotiation. Accordingly, relationship types are dynamic, and can move from one to another in paradoxical or non-paradoxical relational states.

The TRUE model we propose has multiple uses. First, we believe it can help us understand bargaining dynamics in the bazaar, and is transferable to other negotiation contexts. Second, the TRUE model can be used as a feedback tool for exercises that replicate the dynamics of the bazaar (i.e., yard sales or used car negotiations), or other similar negotiation contexts involving significant trust and relationship interactions. The Grand Bazaar factual scenario detailed in part one of this paper could even be formatted as such an exercise. Finally, the model can also be a theoretical framework for exploratory empirical research.

The TRUE model's fundamental principles will be explained in the form of answers to four questions:

- 1) What is our definition of trust and relationship?
- 2) How do trust and relationship interact?
- 3) What is the impact of trust and relationship in negotiation?
- 4) How do we build trust in negotiation?

What is Our Definition of Trust and Relationship?

One commonly accepted definition in the research literature on trust is that "trust is a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another" (Lewicki 2006, quoting Rousseau et al. 1998: 335). Confident positive expectations have been defined as virtuous intentions attributed to another party on the basis of "an individual's belief in, and willingness to act on the basis of, the words, actions, and decisions of another" (Lewicki 2006: 440, citing McAllister 1995; Lewicki, McAllister, and Bies 1998). Lewicki emphasizes that "[t]he need for trust arises from our interdependence with others" and notes that "[a]s our interests with others are intertwined, we also must recognize that there is an element of *risk* involved insofar as we often encounter situations in which we cannot compel the cooperation we seek" (Lewicki 2006: 192).

Because of that risk, inherent as a consequence of our interdependence with others, we believe one party will trust another party

based on the prediction party one makes of the consistency and trustworthiness of the other's behavior. Predictions can be made on the basis of two kinds of criteria. First are "cost-benefit" criteria (fear of punishment and the desire to be rewarded) leading to CBT. As noted by Lewicki and Wiethoff (2000),

[t]his kind of trust is an ongoing, market-oriented, economic calculation whose value is determined by the outcomes resulting from creating and sustaining the relationship relative to the costs of maintaining or severing it....It is grounded in impersonal transactions, and the overall anticipated benefits to be derived from the relationship are assumed to outweigh any anticipated costs" (88; 92).

Second, predictions can also be made in regard to criteria of perceived similarity and commonality (identification with the other's desires, values and definition of self) leading to IBT. According to Lewicki and Wiethoff (2000: 93),

[t]his type of trust exists because the parties can effectively understand and appreciate one another's wants. This mutual understanding is developed to the point that each person can effectively act for the other....It is grounded in perceived compatibility of values, common goals, and positive emotional attachment to the other.

Indeed, "[a]s the parties get to know each other and identification develops, the parties come to understand what they must do to sustain the other's trust" (Lewicki 2006: 194).

The second conceptual grounding for this model can be found in the work of Donohue (2001). Donohue states that "autonomy and affiliation are the two fundamental dimensions underlying interpersonal relationships" (2001: 28). Relationships are defined as the simultaneous combination of autonomy and affiliation between parties. Autonomy is defined as the desire to maintain social autonomy when people interact with others while affiliation is defined as the desire to be accepted and connected to others (Brown and Levinson 1978; Donohue 2001).

As Donohue (2001: 28-29) suggests, we think autonomy and affiliation function simultaneously in interpersonal communication and they can come into conflict with each other. This conflict gives a paradoxical nature to relationships as parties negotiate their interdependence (being tied to the other), dealing simultaneously with their desire to be unimpeded by others and yet be affiliated with

others. The paradox has been studied by many communication researchers (Bateson et al. 1956; Watzlawick, Beavin, and Jackson 1967; Bavelas et al. 1990; Donohue 2001). Rawlins (1989, 1992) and Leslie A. Baxter (1990) explored the concept of paradox in understanding interpersonal relationships (Donohue 2001: 29). They conceive of relationships as dynamic, temporary resolutions of the competing tensions between simultaneous autonomy and affiliation as parties negotiate their interdependence (Donohue 2001: 29-30). The TRUE model conceptualizes the paradoxical nature of relationships into four relationship types.

How Do Trust and Relationship Interact?

Trust has been described as the “glue” that holds relationships together and enables individuals to perform more efficiently and effectively (Lewicki 2006: 191). We assume trust between parties has an impact on their relationship, and vice versa (Lewicki and Wiethoff 2000). As relationship develops, trust changes, and as trust changes, relationship develops. We believe people tend to approach others with some initial positive level of trust (McKnight, Cummings, and Chervaney 1998). “Many people approach a new relationship with an unknown other party with remarkably high levels of trust” (Lewicki 2006: 197). But relationships are also developmental, as parties share experiences, and multifaceted, as parties interact in different contexts (Lewicki and Wiethoff 2000).

As proposed in Figure 1, relationships between parties can be categorized according to the degree of CBT and IBT. This categorization addresses the paradoxical nature of relationships we discussed earlier where autonomy and affiliation interact simultaneously. Thus, friendly partners live in a competitive paradox. While they feel understood by the other party, they do not believe the benefits of working together will outweigh the costs. But working partners live in a cooperative paradox. While the parties believe that it is worth working together, they do not feel understood by the other party. Paradoxical relationship types involve equivocal ambiguous communication between parties and reinforce the difficulty of predictions.

A relationship type is a relational state (Donohue 2001). Each party lives in a certain mental state; sometimes parties will “live” in the same state and other times they will live in different states. Relational states evolve over time and can change according to the interaction between parties. We conceive friendly partners and working partners as paradoxical states in the sense that one party trusts the other party in a specific way, but at the same time does not trust him in another way. We see adversaries and trustworthy partners as non-paradoxical states in the sense that one party either does not trust

the other at all, or fully trusts the other. There are, of course, also degrees in between each pair of states. In brief, we assume trust between parties determines the relational state they are in as categorized here, some of which are paradoxical and others non-paradoxical (see Figure 2). These paradoxes have an impact on negotiation dynamics, as discussed in the next section.

	Low Calculus-based trust	High Calculus-based trust
	Negative cost-benefit predictions	Positive cost-benefit predictions
High Identity-based trust	Friendly partners	Trustworthy partners
Positive reciprocal similitude predictions	Paradoxical relational state	Non-paradoxical relational state
Low Identity-based trust	Adversaries	Working partners
Negative reciprocal similitude predictions	Non-paradoxical relational state	Paradoxical relational state

Figure 2. The four relationship types, as paradoxical or non-paradoxical relational state, based on their degree of combined calculus-based trust and identity-based trust.

What is the Impact of Trust and Relationship in Negotiation?

The TRUE model assumes that relationship types influence the negotiation approaches parties are more likely to adopt (see Figure 1). Literature on negotiation generally classifies negotiation processes as two different types: distributive (competitive) vs. integrative (collaborative) (Walton and McKersie 1965; Lewicki, Barry, and Saunders 2010). Relationships developed by parties can significantly affect their negotiation process (Greenhalgh 1987; Donohue 2001). The negotiator’s dilemma is the tension between competing and collaborating desires experienced by every negotiator (Lax and Sebenius 1986). Collaborating is risky if one party cannot predict the other’s behavior, as the game theory field has illustrated (Axelrod 1984). Yet it should not be surprising that paradoxical relationship types exist when parties struggle with desires to compete and collaborate at the same time.

Non-paradoxical relationship types (adversaries, trustworthy partners) can lead parties toward unambiguous distributive or integrative negotiation processes. The party that shares an adversary relational state with another is more likely to negotiate in a distributive way because CBT and IBT trust are both low. Parties will see

each other as “adversaries,” leading to competitive bargaining and focusing on the maximization of individual gains at the expense of the other. As noted by Donohue (2001: 33), “communication in this relational condition includes factual information sharing, attempts at bolstering one’s own position and credibility, and messages about termination and withdrawal.”

Conversely, if parties share the “trustworthy partners” relationship type, their CBT and IBT are high and they should be more willing to negotiate in an integrative way. Quality information sharing, potentially leading to generating creative solutions, is likely to happen when parties have greater expectations of trust (Lewicki 2006). Moreover,

[g]reater information sharing tends to enhance effectiveness in achieving a good negotiation outcome (and less information sharing tends to diminish effectiveness in achieving a good outcome), although this effectiveness may not necessarily be the result of greater trust (Lewicki 2006: 198).

Trustworthy partners feel confident in their prediction of the other’s behavior, based on their relationship cost-benefit ratio and in regard to their reciprocal similitude. They believe it worth risking the collaboration. Thus, according to Donohue (2001: 32), “when parties retain this relational condition for some time, they are expected to focus on exchanging information, proposals, and concessions while also avoiding the use of threats and other types of attacks.” And, notes Lewicki (2006: 198), “[t]rust increases the likelihood that negotiation will proceed on a favorable course over the life of a negotiation.”

Paradoxical relationship types (friendly partners and working partners) can lead either to distributive negotiation or integrative negotiation processes, depending on the context. “This paradoxical state can either hinder or improve the parties’ ability to negotiate, depending on how they choose to resolve the relational paradox” (Donohue 2001: 34). Equivocal or confused communication may result from paradoxical relationship types, and it becomes difficult for a party to predict the other’s behaviors. In these situations, one party’s prediction of the other’s consistent behaviors may not be clear or accurate enough to risk collaboration. Because CBT or IBT is low, they may distrust the other and act in a distributive way.

For example, members of the same working team may believe each one is able and willing to perform the task properly, leading to integrative negotiation when ordering or building goods or services. High CBT exists among these workers because each one trusts the

other's abilities and capacities, and the overall anticipated benefits to be derived from the relationship are assumed to outweigh possible anticipated costs. At the same time, these workers may negotiate in a distributive way when decisions have to be made on how to share the profits, because they do not share the same sense of fairness or honesty; e.g., one believes in equality for everyone and the other believes in proportionally sharing based on who dedicated the most time to the construction of the goods. A low IBT exists among the workers. Their relationship type could then be defined as "working partners" (high CBT and low IBT). They live in a cooperative paradox, because they feel it worth sustaining the relationship relative to the costs of severing it, while they do not perceive or share compatibility in values, goals, or positive emotional attachment to the other. Equivocal communication may be used, meaning "I do not think you and I have a lot in common, but I am willing to work with you." At the same time, the nature of the negotiation tasks (distributive vs. integrative) can have an impact on how parties shape trust (Lewicki 2006). "In a more distributive context, trustors tend to focus on the risks they face, while those in a position to receive and then reciprocate the others' trust focus on the benefits that the trustors have provided them" (Lewicki 2006: 198).

How Do We Build Trust in Negotiation?²

While some authors may challenge this assumption, "bazaar" negotiations are generally considered distributive by nature. However, even in distributive negotiations, trust-building techniques can be used to improve both CBT and IBT levels and influence relationship development. We will explain how this can happen.

As Lewicki (2006) succinctly summarized,

[t]rust building is a bilateral process that requires *mutual* commitment and effort, especially when attempting to deescalate conflict. While one party can initiate actions that may move the trust-development process forward, the strongest trust must be mutually developed and at a pace acceptable to both parties" (199).

Given the distributive, market orientation of bazaar negotiations, we can generally expect parties to primarily focus on CBT for trust building (Lewicki 2006). Let us not forget that IBT could also play an important role in sustaining a long-term relationship and to overcome the inevitable conflict that will occur over time. "Strong [CBT] is critical to any stable relationship, but IBT (based on perceived common goals and purposes, common values, and common identity)

is likely to strengthen the overall trust between the parties and enhance the ability of the relationship to withstand conflict that may be relationship fracturing” (Lewicki and Wiethoff 2000: 102).

Lewicki (2006: 199-200) suggests actions to increase CBT and IBT. Here we provide a summary as a framework reference and invite you to read the original for details. To increase CBT, Lewicki proposes the following actions:

- 1) perform competently your duties and obligations;
- 2) create and meet the other party’s expectations in a consistent and predictable way;
- 3) point out and reaffirm the benefits of creating mutual trust;
- 4) establish credibility with honesty and accurate, open and transparent communication;
- 5) show concern, respect and sensitivity for others;
- 6) share and delegate power and control over the process; and
- 7) develop a good reputation in creating the belief that you are trusting and act trustworthily.

To increase IBT, Lewicki (2006: 199-200) suggests that we work to:

- 1) develop similar interests;
- 2) identify similar goals and objectives;
- 3) act and respond similarly to the other in the same situation;
- 4) identify true common principles and values without compromising; and
- 5) “actively discuss your commonalities, and develop plans to enhance and strengthen them.”

In addition, we find it relevant to highlight some similarities between ancient Phoenician merchants (2300 B.C. – 65 B.C.), known to be skillful negotiators, and contemporary bazaar shop owners. As Habib Chamoun-Nicolas and Randy Doyle Hazlett (2008) highlighted, Phoenicians used “tradeables” to develop trustworthy relationships in the particular context of market oriented negotiations. By tradeables, they mean either: 1) a set of ideas or actions that help leverage a deal without being part of the deal, or 2) “products and services that satisfy customer needs outside our own product line that are not in competition with our offerings” (Chamoun and Hazlett 2008: 1; see also Chamoun, Folberg, and Hazlett, *Bazaar Dynamics*, in this volume).

By using “tradeables,” Phoenicians were able to create long-term relationships with their clients (Chamoun and Hazlett 2007). Phoenicians developed tradeables by following some or all of the following nine steps:

- 1) understand before being understood;
- 2) know the other party’s rituals;

- 3) prepare before responding (e.g., visit the store prior to serious shopping);
- 4) take time to plan your strategy;
- 5) propose solutions;
- 6) make an accord;
- 7) verify the agreement;
- 8) execute the agreement;
- 9) confirm the agreement is complete and look for future discussions (Chamoun and Hazlett 2008: 115-163).

In analyzing Bazaar shop owners' negotiations with customers, we come to the conclusion that the trust building techniques they recommend appear to be very similar to the Phoenicians' "nine step culture of trade." Bazaar merchants, as the Phoenicians long before them, develop relationships with customers using a mix of CBT and IBT techniques, as we will illustrate using the nine step process:

Step 1: A Bazaar owner will first listen to the customer to find out their needs and interests.

Step 2: He or she carefully analyzes the customer to understand where they are coming from ("know the rituals"), carefully trying to listen to nonverbal as well as verbal cues. (These first two steps seem to correspond to Lewicki's proposed IBT actions 1, 2 and 3, where parties look for common ground and synchronicity.)

Step 3: He or she will get the customer inside the store, by all persuasive means, and particularly by showing expertise and product knowledge, thus building credibility.

Step 4: While this is going on, the Bazaar shop owner is preparing a strategy, smiling, offering tea or other beverages, and other sampling of products.

Step 5: Only then, after the customer is thoroughly comfortable, is a customized proposal developed.

Steps 6 and 7: An agreement is reached, but the merchant tries to verify what is included and if the customer needs anything else, potentially increasing the size of the negotiating pie. (CBT building actions 1 to 5, as mentioned earlier, seem to fit steps 3 to 7, where parties establish credibility, consistency, and predictability, and address expectations.)

Steps 8 and 9. Then the "Fait Accompli" is established and the merchant confirms that you have what you need and makes sure you are happy with the sale. The two last steps seem to be a mix of IBT action 5 and CBT actions 6 and 7, oriented to additional and/or future negotiations. Since the Phoenicians and maybe before, this seems to be a very old way of developing trust.

In summary, bazaar owners' trust-building techniques seem to focus on the development of IBT to create a "bond of partners" at the beginning of the negotiation. Then CBT actions are used to create a "mutually agreeable deal" between trustworthy, credible partners. After the deal, a "bond of trustworthy satisfied partners" is created, leading to a good mutual reputation for future rounds of negotiation later on.

Conclusion

Should we trust Grand Bazaar carpet sellers, or not? Should they trust us? The answer is complex. To answer that question, the TRUE model suggests identifying the relationship types that parties are experiencing. Predictions of the other's behavioral consistency, based on "cost-benefit" and "reciprocal similarity" criteria and corresponding levels of combined CBT and IBT, will determine the relationship type experienced. Paradoxical relationship types, namely friendly partners and working partners, will lead us to "cautious trust." Negotiations with Grand Bazaar carpet sellers in an integrative way will be limited, since collaborating moves, such as open information sharing, will appear to be risky. Non-paradoxical relationship types will lead us either to genuinely trust the other as trustworthy partners, or not at all, as adversaries. Again, negotiations with Grand Bazaar carpet sellers will be influenced by the relationship types experienced, leading to potentially integrative negotiation or purely distributive negotiation. Relationship types change over time as actions are taken to improve CBT and IBT. In proposing the TRUE model, we hope to create a "new lamp," lighting the crucial role of trust and relationship in negotiations practiced since "mille et une nuits" (A Thousand And One Nights).

Notes

¹ The actual paper adopts sometimes different premises than previous Lewicki and Donohue works. One difference from Lewicki's conception of trust is that here we split up the two dimensions of trust, "identity-based" and "calculus-based" trust, as co-existing and simultaneous instead of sequential, as this fits with the real-life negotiation experience between our Turkish sellers and American buyer. The co-existence of these two forms of trust may be more consistent with the co-existence of "calculative" and "relational" forms of trust as described by Rousseau et al. (1998).

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