The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)

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The Role of Cross-cultural B2B Relationship
Marketing: an investigation of Saudi Telecom
Company (STC)

by

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ABSTRACT

With the increasing expansion of companies into the global markets, Relationship
Marketing (RM) has become more significant than ever, drawing to it the interest of
scholars and the attention of practitioners. One aspect of the subject, which this research
addresses, is the need to understand the nature and importance of relationships across
cultures, since such understanding is critical to organizational expansion. The focus of
this research is B2B relationship marketing, with cross-cultural marketing as a major
component of analysis. Building on and extending relevant cross-cultural theories, this
research investigates B2B relationship marketing in a Middle-Eastern telecom company,
Saudi Telecom Company (STC), a company that is well placed for providing fertile
illustrations of the mechanism of B2B relationship marketing. It is, furthermore, a key
company in Saudi Arabia with hundreds of partners worldwide, and its economic
importance to the country is second only to SABIC, the state-owned national oil
company.

Adopting a case study research strategy, the research explores how a growing
organization absorbs cultural awareness into its B2B relationships. Data are garnered by
interviewing 35 STC managers, 29 STC Small Medium Enterprise SME business
partners, and three of STC's Major Enterprise partners, as well as accessing and analysing
secondary data from the company. The findings to date suggest that as the company
grows it needs to develop B2B cross-cultural awareness at local and global level. This
research extends cross-cultural models which have been developed in a business-to-
consumer (B2C) context such as cross-cultural marketing theories proposed by Hall and
Hofstede to understand cross-cultural theory in a B2B context. By exploring the role of
culture in B2B relationships in the telecom industry in the Middle East in general and
Saudi Arabia in particular, in light of a case study conducted on a specific and major
company, STC and its global partners, and by investigating and assessing how it conducts
its B2B relationships, this research aspires to extend the understanding of cultural
awareness in B2B relationship and thereby to make a useful contribution to scholarship.

DECLARATION

I declare that this thesis is my own unaided work. It is being submitted for the degree of Doctor of Philosophy (PhD) at the University of Bedfordshire.

It has not been submitted before for any degree or examination in any other University.

Name of candidate: Waheed Ibrahim Baghdadi   Signature:

Date: June, 2013

Dedication

Thanks be to GOD for everything.

I wish to dedicate this work to my parents, my wife, and my children who have all supported and prayed for me. Thank you for your patience.

My special thanks also go to Professor Farquhar for her professional advice and valuable comments in the production of this thesis.

Many thanks, to all my best friends who have helped me along the way

This research was made possible by the kind initiative of King Abdullah's Foreign Scholarship Program for which I am deeply indebted.

The Researcher

Waheed. I. Baghdadi

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Chapter One: Introduction

1.1.   Introduction

The aim of this chapter is to present an overview of the current research study, including background to the research and research aims and objectives, covered in 1.2 and 1.3. There are five further sections: section 1.4 presents the research rationale; section 1.5 sets out the research methodology; section 1.6 outlines the research contributions; section 1.7 tabulates the structure of this study; and the final section 1.8 sums up the discussion and sets out the conclusions derived from this chapter.

1.2.   Research Overview

It is now an axiom of B2B Relationship Marketing (RM) to take cultural and cross-cultural considerations seriously, and as a research topic it has continued to hold the interest of scholars since the 1980s (Hofstede and Hofstede, 2005). Cross-culture ceased to be confined to departments of cultural studies and general business literature, and emerged as a subject of crucial importance in international marketing and the study of behaviour patterns globally (Elinder, 1962; Levitt, 1983). In analysing their policies and drafting their plans decision makers need to take various aspects of culture into account and to a firm grasp of consumer behaviour and the socio-cultural factors that mould it, assessing both the opportunities as well as the challenges that cultural analysis reveals (Donoho et al. 1999; Torres, 2006). Scholars such as Mesdag (2000); Mooij (2005) and Hofstede (1991) have assigned a major role to cultural values in the shaping of marketing strategies. Indeed Hofstede urges the need to explore whether attitudes towards national culture at the micro-level are consistent with those developed at the macro-level (Hofstede, 1984).

There is, on the whole, a kind of consensus that changes over time, especially those engendered by the globalisation of the markets and businesses have brought the issue of culture to the forefront. Globalisation has increased the cultural and ethical conflicts faced by medium and large companies, and French (2010), for

instance, contends that the ethical dimension is a morally important consideration in cross-cultural research, while cross-cultural management is inextricably linked with ethical concerns. In addition, differences of beliefs and organisational misunderstandings in a multicultural setting are inevitable, posing a challenge for overseas investors (Elashmawi, 2000).

The impact of culture within relationships has become more significant for researchers (Fang and Kriz 2000; Lowe, Purchase, and Veludo, 2003). Some researches consider whether attitudes towards national culture at the micro-level are consistent with those developed at the macro-level (Hofstede, 1984). Caliguiri and Cascio (1998) claim cultural shock in foreign cross-cultural experience is an important aspect of business relationships. Moreover, while some companies have spent trillions of dollars on mergers and acquisitions, transforming industries and affecting the lives of millions, theoretical frameworks for explaining success and failure in financial and strategic terms are still not clear (Stahl, 2008). For example, despite the attempt of highly acquisitive American operators to enter the Middle East, they have largely retreated back into their home market due to insufficient understanding of the culture (Curwen and Whalley, 2008).

Hofstede (1980) postulates this idea early in his work, considering it rash to generalize the applicability of conception and that an approach developed for a given culture is not necessarily fit for another. Sharing this view, Vitell and Ho (1997) conclude that the distinctive characteristics of a country, its cultural identity, which distinguish it from other countries, will face a foreign investor with an array of challenges and difficulties arising from different conceptions of reality than those prevailing in the investor's country of origin. Hence, it becomes indispensable for multinational companies to acquire a close understanding of the cultural milieu of the market they plan to enter. Indeed, the importance of culture to business activity no longer remains a purely theoretical postulation, and empirical research [of the past quarter century] has incorporated Hofstede's cultural value framework, which was examined at the individual level than at the societal level (Farh, Hackett, and Chen, 2008).

More recently, Hofstede's nation-level analysis is relevant at the societal level more than the individual level (Farh, Hackett, and Chen, 2008). Laurent (1986), Jackson (1995), Alpander and Carter (1995), and Evans *et al*., (1995) concur that the implementation of management activities in different cultures requires sufficient understanding of the underlying traditions and values of that culture. Religion is one such tradition, and is indeed the most recognizable part of culture (Hofstede, 2001). Its relevance to relation marketing will become clear in Chapter three which is devoted to culture, but it must be noted here that religion is inextricably woven with culture and wields a potent influence on people's lives across diverse cultures (Tarakeshwar, Stanton and Pargament, 2003).

Interconnected with religion and culture, especially in the Arab context in general and the Saudi context in particular, is its language. For language, even if one does not prescribe to the Sapir-Whorf hypothesis (Hurn and Tomalin, 2013) is unanimously recognized as the medium with which culture is preserved and is the vehicle by which culture carries its conceptions and values (Herskovits, 1969). Another cultural unit is the family, which represents the first form of communal organisation with which the individual comes into contact, and as such plays a fundamental and formative role on both the individual and the society. Kinship, the nucleus of society, begins with the family, and the society is continuously replenished by the family (Singh, 2007). Individually, as well as in combination, all of these factors contribute significantly to market trends and influence the evolution of marketing strategy.

Organisations have not been slow to perceive what the research reviewed above has revealed with regard to the importance of culture to business transactions and relations, and the topic has steadily held the interest of researchers, and more new ones keep contributing fresh insights (Fang and Kriz 2000; Lowe, Purchase, and Veludo, 2003). Notwithstanding this volume of research on the connection between culture and business, there has not emerged sufficient research that directly and clearly addresses the impact of culture on B2B relationships, especially with regard to specifying the constituent elements of the nature of B2B relationships across cultures, and of the few studies that have attempted to do this,

very few have devoted themselves to cross-culture marketing strategies in the Middle East. Burton (2009), for instance, has shown how international companies crave to extend their products and services into developing countries, but on examination, it will be seen that the bulk of the marketing theories that have emerged are confined to the cultural environment or social milieu of a given Western nation state, with scant or no attention to international or cross-cultural contexts (Brencic and Zabkar 2002; Hewett and O´Bearden, 2001; Johnson and Cullen, 2002; Lewis 2006), which naturally bars these studies from being taken into account with respect to developing countries, or at least throws doubt on their value.

Among these developing countries, the Middle East has proved to be a region of special attraction to international investments, which have been flowing in since the British and Americans first went to Saudi Arabia to invest in the oil sector (Hafitah and Ismail, 2007 and Shephard, 1996), and continue to do so, culminating in the arrival of large, American multinationals. Finally, overseas investments have been further magnified by the flow of European and Asian professionals (Hafitah and Ismail, 2007). Western culture, whose dominant, visible features include the use of technology, the prevalence of luxury goods, fashionable clothing and fast-food restaurants, has, as Hafitah and Ismail (2007) correctly note, made itself conspicuously present in Saudi Arabia and its products have inundated the country from several sources. The rapidity of modern travel, commercial and educational exchange has made substantial impact on Saudi culture (Coughlin and Westport, 2006). However, investors face challenges and have to make adjustments, which consume time, effort and money (Aycan, 1997). Yet such an adjustment is very crucial to survive competition in foreign countries, as Curwen and Whalley (2008) indicate, citing the case of many American mobile operators who, failing to understand the cultural challenges in the Middle East, had to retreat to their home market. This point is further illustrated by the majority of literature on expatriation, which makes plain how the relations of individuals from different cultures are riddled with difficulties and frustrated attempts at understanding each other's values and behaviour, often leading to cultural clash (Elashmawi and Harris, 1993; Hafitah and Ismail, 2007). It is, therefore, indispensable

for any investors who intend to expand abroad, particularly in Saudi Arabia, to look before they leap, to understand what it means to work within the Saudi Arabian context; in a word, to recognise and weigh the impact of cross-culture on B2B relationship marketing in Saudi Arabia.

Marketing strategies in the Middle East have been, according to Ford (2003), deficient in taking proper account of the importance of cross-culture interaction, which spells a clear and urgent need for an in-depth study to develop a framework and concept of relationship marketing in the Middle East, especially in Saudi Arabia. Of prominent standing in the thriving and lucrative Saudi market is the national telecommunication industry, which amounts to billions of dollars per year. Saudi Telecom Company (STC) holds 55% of that market and is recognized as the leading telecommunications provider in Saudi Arabia (CITC Online, 2012). It is the second largest source of revenue in the country (CITC Online, 2010), and aims to expand globally (STC Online, 2010; Rasmala Report, 2011). At the close of 2008 subscribers numbered about 43 million and the firm's market capitalization was $28bn (£17.3bn); its worth has increased from just $3bn (£1.9bn) in 2003, to more than $32bn (£19.8bn) (BrandFinance, 2011; Hibberd, 2009). STC, therefore, presents itself as an appropriate case for investigation owing to its expansion from a largely domestic provider to one that aspires to an international provider of telecoms services (STC-My Link, 2012). In doing this, STC is working with a number of international players with whom it is building relationships which by definition are cross-cultural (Baghdadi, 2012b; Baghdadi and Farquhar, 2011; Baghdadi and Farquhar, 2013).

In recent years, STC launched a network of investments in various Gulf countries, and its official policy envisages the expansion of the company to the status of a global telecommunication provider (Rasmala Report, 2011; STC Online, 2010; STC Online, 2012). All these facts make the telecommunications industry and the case of STC worthy of a full-scale study, both to fill a yawning gap in the literature as well as to explore and review the opportunity facing the Saudi telecommunications sector. The imperatives for change and adjustments in

market strategy and strategic approach affect STC as they do for other indigenous telecommunications companies. The commercial gains to be acquired by STC and by the Saudi telecommunications industry can be truly massive.

As has been noted above, the various gaps in the literature relating to cross-cultural business interaction, especially in connection with the Saudi market, and the almost complete lack of a serious study of the telecommunication market in Saudi Arabia, have prompted this study, resulting in the dissertation, which attempts within the confines of its scope to examine the relevancy and applications of the cross-cultural marketing theories proposed by *Hall's Cultural Model* (1989) and *Hofstede's Model* (1980, 1984, 1991, 2001, and 2004) into the current research study. Whereas these models focused originally on B2C, the emphasis in this research falls on its applicability and relevance to B2B setting, with special reference to assessing the influence of culture on B2B relationship marketing (RM) in STC, a key telecommunications company with hundreds of partners in the Middle East.

1.3.   Research Aim and Objectives

The main aim of this study is to explore the impact of Cross-Culture on B2B relationships in an Arabic context. Marketing is a complex activity that involves not only the mechanics of a given commercial transaction, but also a set of social and psychological factors that govern the behaviour, attitudes and expectations of buyer and seller. As such it is a challenging activity for any business even within the environment of a single, uniform culture, untrammelled with the complicating factors of having to deal with complicating, linguistic factors and outside or alien norms and values. When B2B takes place in a setting that involves more than one culture, the implications of this encounter and its impact on the relationship are pronounced and decisive, as this thesis will demonstrate, with reference to the B2B relations of a major Saudi Arabian enterprise, Saudi Telecom Company (STC). The investigation will address the following objectives:

1. To develop a conceptual framework of cross-cultural RM in B2B marketing in the Middle East, so that both scholarship and business can understand how certain underlying factors in B2B relations (tradition, language, religion, and ethics) may affect business activity and transactions and can, therefore, judge and predict what effects or circumstances can arise at a given time or situation.

2. To critically identify the key theories and models that facilitate the understanding of the influence of culture on B2B relationships in a telecoms organisation, which would contribute to the efforts of other researchers and practitioners seeking to reach a better understanding of the issues and problems involved.

3. To empirically explore the influence of culture on B2B relationships, with particular reference to Saudi Telecom organization.
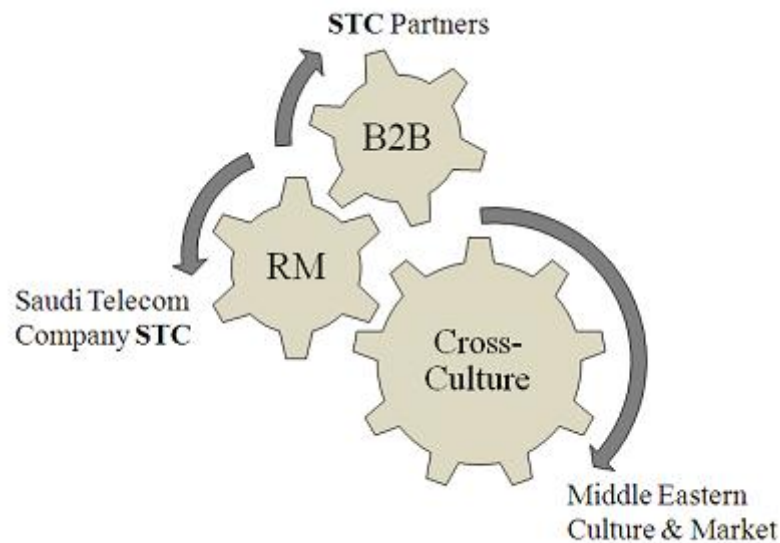
Figure 1. 1: The influence of culture on B2B relationship marketing, with particular reference to STC. Source: the researcher.

1.4.   Research Rationale

This work has as its point of departure the recognition of the overwhelming importance of culture and its omnipresence in all aspects of life. Scholars as well as business executives, policy-makers, marketers, negotiators, all need to reckon

with the cultural dimension in whatever activity they find themselves in or are about to embark on. For culture guides the mind and influences the ways people perceive matters, act politically, make and prioritize decisions, manage their lives and, essentially, determine how they think. Bearing these considerations in mind, this study attempts to thoroughly investigate and understand the process by which the management takes into account cultural differences and the means it takes to adapt to different cultures and meet the challenges posed by hitherto untried socio-cultural contexts, in order to maximise its survival in a new environment and success in a competitive market place. For as Al-Hatmy (2007) argues, the need for effective cross-cultural communication becomes even more substantial in a cross-cultural business-to-business (B2B) environment, and it is crucial for management to be constantly alert to the direct impact of culture on the market place, which will inevitably influence the strategies that marketing decision makers will adopt in terms of B2B as well as B2C relationships, taking into account such important considerations as understanding business partners' expectations and anticipation.   This understanding allows the creation of marketing strategies that aim to initiate and maintain long-lasting and fruitful partnerships in a B2B environment, as has been almost unanimously shown by researchers such as Lamming (1993), Buzzell and Ortmeyer (1995), and McIvor and McHugh (2000), who all concur that organizations need to establish a mutual cultural understanding, in order to facilitate communication and maintain strong partnerships and coordination with its partners. Such an understanding can, indeed, help decision makers in creating a proactive system against any optimal cultural clash in a given country, for as Donoho *et al* (1999) and Torres (2006) stress, the globalisation of the markets and business is increasingly creating ethical conflicts faced by medium and large companies, which might result in undesirable consequences. Similarly, Joshi and Stump (1999), and Christopher and Juttner (2000) maintain that unless organizations develop mutual cultural understanding, they will fail to respond to the increasingly changing business environment, since every country has its own identity, and consequently, its own approaches, dimensions and ways of doing things that will diverge from those established by the customs and traditions of other suppliers' or investors' country

of origin. It is evident that the presence of such steep cultural gaps can result in wasting resources and may lead to seriously unexpected consequences, if business partners do not cultivate sufficient awareness of the issues involved and adopt the right strategies and policies to avert problems.

Moreover, the interplay between cross-cultures and marketing does not only influence the relationships of B2B providers and suppliers, but can also significantly influence the buyers. B2B providers and suppliers have to understand the nature and circumstances of their buyers, because of the unique characteristics of the organisational customer, as has been pointed out by scholars such as Williams et al (1998), who hold that the process of interpersonal orientation or bonding helps in understanding buyer-seller relationships. Similarly Wilson and Moller (1988) consider bonding as an important concept for examining the performance of business relationships between countries. McGoldrick (1990) asserts that positive partnership and mutual trust with key partners enable the organization to meet consumer anticipations and expectations, generate satisfaction and ultimately result in loyalty. In marketing relationship research, the results might not reflect its implementation and customer relationship development nationally or internationally; nor can the findings be generalised (Wang and Bowie, 2009). However, the suggestions for further research in B2B include: a comparative study to explore the extent to which revenue management affects B2B relationship marketing using various case studies of different companies, organisations, industry settings, or governments (Wang and Bowie, 2009). Furthermore, such literatures examine the development and management of relationship marketing between buyer and supplier in a B2B context, and its applicability to the service industry requires further research (Wang and Bowie, 2009).

It can be gleaned from an analytical reading of the foregoing studies that marketing decision makers need to develop their understanding of different cultural backgrounds and the cultural orientation and preferences of their partners. The importance of these issues has been evidently recognised and certain aspects of them have been dealt in the above studies. Nevertheless, they still demand and merit the attention they have not adequately received, and there are serious

research gaps that need to be addressed. Gaps in the extant literature may reside and may be traced to strategies which are consumer-oriented, and this forces each organization to strive for distancing and differentiating itself, rather than building relations with other suppliers (Porter, 1996; Aaker, 1992), a posture which makes it all the more important to understand the influence of culture on multinational companies and B2B relationship marketing (Vitell and Ho, 1997).

1.5. Research Methodology

The methodology chosen to attain the main aim and objectives of this research project is based on a case study. The appropriateness of this approach stems from the standard practice of studying marketing strategy and management, which requires the use of a wide range of methods and involves large corporations, and it has been found that case studies provide multiple methods of collation (Maylor and Blackmon, 2005), and provide rich information on organisations as well as researchable concepts and materials.

The selected case is based on STC. The choice has fallen on this company because its core importance to the economy of Saudi Arabia and its increasing presence in neighbouring countries makes it worthy of study as a key to understanding the telecommunication industry domestically and regionally, with outcomes that might throw light on B2B relations beyond the confines of the Middle East. As mentioned in 1.2 it has a leading position in the region, and ranks 31 in the Top 100 Mobile Brands 2010 worldwide (BrandFinance, 2012). This makes STC eminently suitable for a case study, investigating its progress and expansion from a largely domestic provider to an aspiring international one. A significant merit in this choice is the cross-cultural dimension that can be rewardingly studied in this case, since STC is working with a number of international players with whom it is building connections which are, by definition, cross-cultural relations and can be studied in a very rich context. STC has, indeed, expanded into Bahrain, Kuwait, Turkey, Malaysia, Indonesia, and South Africa, a wide field for observing diverse manifestations and instances of cross-cultural B2B relationships.

Another important consideration for this choice is that, as Yin (2001) has argued, a proper case study research involves different sources of evidence such as interviews, observation, physical artefacts and archival records, and the present researcher found himself eminently at an advantage in all these respects, for in addition to being a Saudi with close familiarity with the relevant culture and the Saudi telecom market, he possesses a direct knowledge of STC and has the advantage of obtaining access to all the information that is essential for producing reliable results, having himself worked for STC for more than ten years, which facilitated the acquisition of data relating to STC and its partners as well as corporate governance.

An important source of data in this research comes from semi-structured interviews, which were conducted with STC senior managers and STC partners. In order to explore the different perspectives and opinions, the researcher selected Saudi and non-Saudi respondents, geographically chosen from cities in the three main regions of Saudi Arabia: Riyadh, Jeddah and Damam. The research focuses on these cities because the vast majority of private businesses and public institutions are located here. Some of the STC partners have their head office in other cities including Makkah (Mecca), Dubai, Cairo, and London, which means their responses about cross-cultural marketing are particularly informative. The aim of these interviews was to elicit key cross-cultural information on issues that supported or undermined the building of B2B relationships. The in-depth semi-structured interviews led to an understanding of the influences of the key determinants on business relationship with an insight into how they were influenced by cross-cultural relationships. Following this, Yin's method of data triangulation (Yin, 2009) was used to develop converging lines of inquiry for the research process, which helped to analyse the potential problems of constructing validity and the multiple sources of evidence in STC, the role of cross-culture, as well as B2B Relationship Marketing.

1.6.   Research Contribution

As will be seen from an examination of the literature in the next chapter, there has been little attention and no detailed study in cultural discourse, on the impact of cross-culture on B2B relationships in the Middle East, especially the Arab world. This thesis will attempt to fill this gap, with specific reference to Saudi Arabia, by examines the role of culture in the building of B2B relationships between STC and its partners. The light the research throws on this topic and its findings, it is hoped, will be of value for researchers and investors interested the Middle East and business-cultural studies in general. Scholars as well as practitioners will benefit from its contribution in two ways: they will gain, through concrete examples based on an empirical study, a greater cross-cultural understanding in a B2B in a Middle-Eastern context in, and they will moreover perceive and have a livelier appreciation of the importance of establishing strong ties and long-term business relationships. As RM in the Middle East does not sufficiently address cross-cultural issues, this study developing, as it does, a preliminary framework and cross-cultural B2B marketing, particularly in Saudi Arabia, meets a pressing need, and has revealed the following:

> 1. The significant impact of culture and the interaction of cultures (cross-cultures) on B2B marketing in business, which can be seen at its most vivid in a deeply conservative society where the hold of traditions is strong.

> 2. The impact of culture can make itself made even where financial prosperity has brought a society, such as the Saudi one, into close and vital contact with modern international markets, where the telecommunications industry provides an apposite context for this investigation, as the majority of both clients and employees are Saudis.

> 3. At the theoretical level, this research has revealed that current marketing strategies in the telecommunications industry tend to describe the current situation, but falls short of giving a full-fledged theoretical analysis and

comes to conclusions based on the close analysis of empirical research. It is these gaps that the current project aims to fill by evaluating the relative strengths of Western and Middle East strategic plans by focusing on cross-culture, RM and B2B models.

4. The findings of this study have practical implications and make suggestions that would benefit global companies wishing to expand their market share in the Middle East. It will also be valuable for Middle East companies to enable them to change their status from local to global. At national level, despite the importance and significance of STC to the telecommunications industry in Saudi Arabia, little research, if any, has been conducted to explore and review the opportunity facing this industry. The imperatives for change and adjustments in market strategy and strategic approach affect STC as they do for other indigenous telecommunications companies. Accordingly, this research is both timely and useful for STC and the whole telecommunications industry in Saudi Arabia.

The increased sophistication in cross-cultural marketing research has both practical and business significance as well as theoretical importance. From a theoretical perspective, cross-cultural marketing research provides a platform for researchers to test the robustness and 'generalisability' of marketing theories (Hafitah and Ismail, 2007). According to Burton (2009) there are new challenges for cross-cultural research, as a result of the desire of international companies to extend their products and services into developing countries. However, the current cross-cultural marketing research is insufficient and inappropriate, as well as lacking competitor analysis (Burton, 2009). This research bridges these gaps by using a qualitative case study approach to explore the influence of cross-culture on B2B relationship marketing.

1.7.   The Structure of the Study

For convenience and ease of reference, the following chart shows the structure and the organisation of the study.
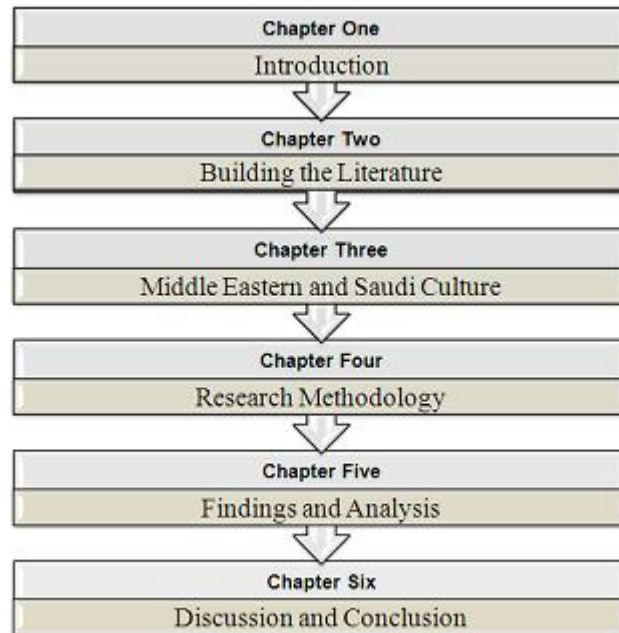
Figure 1. 2: Thesis structure and organisation. Source: the researcher.

As Figure 1.2 shows, this thesis consists of the following six chapters:

Chapter One: presents an overall overview of the current research study, including its background, aims and objectives, rationale, research methods as well as research contributions.

Chapter Two: surveys and analyses the extant literature on the subject, with a focus on research related to cross-cultural studies, both to determine the point of departure for the present thesis and to see how previous research can be built on in investigating B2B marketing relationships in the Saudi telecommunications industry, with special reference to STC, the largest telecommunications firm in Saudi Arabia with ambitions for global expansion.

Chapter Three: introduces the scene of the field work where the data was collected and the empirical investigation took place, providing such background information about the Middle East in general and Saudi Arabia in particular as is necessary to show the relevance to this thesis of such cultural dimensions as religion, social structure, communication styles and patterns. Arab life style, social norms and behaviour are considered in their relation to how they affect consumer behaviour and the influence they wield on the business environment, decision making, and business relationships, with special reference to the telecommunications industry within Saudi Arabia and the Middle East.

Chapter Four: presents the research methodology and design of this study, describing the ontological and epistemological assumptions underlying the research, as well as discussing the processes through which primary data were collected and analysed. It concludes with an analytical assessment of the reliability and viability of the data as a basis for this study.

Chapter Five: presents the empirical findings of this research, and gives a detailed description of the selected case, including background information, presentation of the data based on within-case analysis of the impact of culture on B2B relationship marketing, followed by interpretations of data in the light of the interviews and triangulation with other sources of evidence.

Chapter Six: concludes the discussion and sets forth the main findings of this study, highlighting its theoretical and practical contributions and making suggestions for future research.

1.8.   Chapter Summary and Conclusion

This is the first chapter of '*The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)*'. The chapter has demonstrated the importance of grasping cross-cultural concepts in any examination of B2B marketing relations. In order to draw up judicious marketing strategies and take enlightened and appropriate decisions, investors need to have a proper understanding of the cultural background of the countries in which they intend to operate. This research aims to examine the role of culture in the building of B2B marketing relationships between STC and its partners. The investigation adopts a case study research strategy approach to explore how a growing middle-eastern telecommunications company assimilates cultural awareness and makes it an important component of its B2B relationships. The case study approach has been selected as being conducive to a close examination of the B2B relationships and interactions of different non-Saudi telecom companies with the local environment. Adopting this method has enabled this research project to emerge with a picture that can contribute to a better understanding of both marketing strategies in Saudi Arabia and the West. Its results should prove to be of academic as well as practical value, benefiting both researchers in the field and potential investors in the Middle East. This chapter, having presented an overview of the entire thesis, paves the way to the next chapter, which will discuss the most relevant theories relating to cross-cultural studies, marketing relationship and B2B models.

Chapter Two: Building the Literature

2.1. Introduction

The three interrelated aspects of a business transaction or operation in an international milieu are Business-to-Business (B2B) and Relationship Marketing (RM), and it is these, as illustrated in the diagram below, that this chapter will focus on, surveying and discussing how the extant literature explores, develops and assesses theories and practical implications about them. The approach will be on the main syntopical, grouping together the concepts, theories and arguments that emphasise certain issues, thereby giving a unity to the discourse on the subject. The overall picture that emerges from a close reading of the literature on the subject, especially as regards B2B relationships in multicultural contexts is that despite the complexity and variety of definitions assigned to 'culture' as a concept, there is a general consensus on the impact that it has on the human mind, steering as it does the ways people perceive their surrounding, how they act and the extent to which it affects or modifies their political and economic conduct, how they make and prioritize decisions, manage their lives in a word, how they think. One has to go beyond the lexical definitions and meaning of culture as a concept, and observe, catalogue and analyse its difference manifestations as it reveals itself in a social and business context, so as to gain a better awareness of how cross-culture influences the global market.
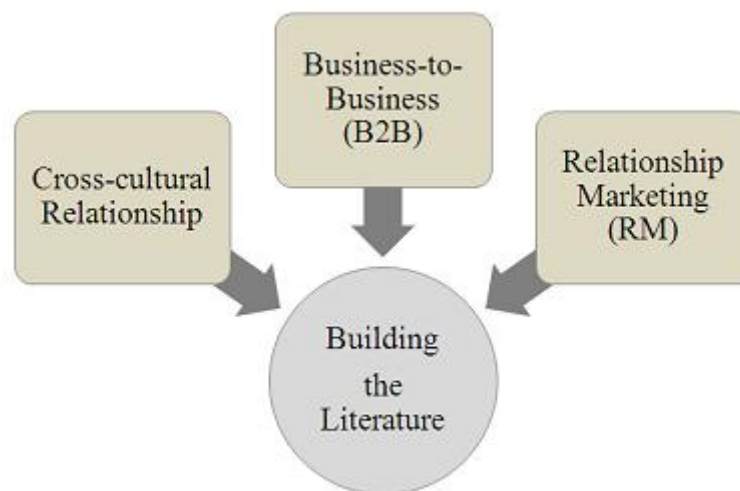
Figure 2. 1: Three Basic Elements of Building the Literature. Source: the researcher.

Translated into expatriation literature, some research concludes that investors faced with challenges and finding themselves compelled to make adjustments to survive competition in foreign countries, come to realize how such adjustments consume time, effort and money (Aycan, 1997). Moreover, some other research shows that a cultural clash is bound to occur when individuals from different cultures encounter difficulties in comprehending each other's conduct and behaviour, which springs from a value system and social norms different to their own (Elashmawi and Harris, 1993; Hafitah and Ismail, 2007). A collision of beliefs and organisational clashes in a multicultural setting are inevitable, posing a challenge for overseas investors within a business context (Elashmawi, 2000), impinging also on various other aspects of living in the host country (Asma, 1996). Caliguiri and Cascio (2000) stress that '*cultural shock*', as an inevitable feature of foreign and cross-cultural experience, is a highly important aspect of business relationships, and the significance of culture as an eminent factor in business relationships has increasingly attracted the notice of various researchers (Fang and Kriz 2000; Lowe, Purchase, and Veludo, 2003). It has promoted, among other approaches, comparative studies such as those investigating whether attitudes towards national culture at the micro-level are consistent with those developed at the macro-level by Hofstede (1984). As will become evident, Geert Hofstede and Edward Hall had an all pervasive effect on the field of cross-cultural studies, and the following section will show how this study was premised on theories they have evolved.

2.1.1. Theoretical Premises

This research takes it point of departure from the seminal work of two major exponents of cross-culture discourse in business context, the American Edward Hall and the Dutch Geert Hofstede. These two scholars have both enriched and enlivened the debate on culture and the role it plays in communication of all kinds, in political negotiations as well as in business interaction, where people of different national outlook, temperament, language, and social conventions have to do business and interact.

Hall, an anthropologist by training, is a groundbreaker in the field of cross-cultural studies, having begun his interest in the field in the late 1930s when he worked with American Indians in reservations housing the Navajo tribes. The insights he garnered in anthropological work were further enriched by his work with the American government and State Department, including work abroad in the Philippines and the Middle East. His teaching experience in American universities (among which Harvard Business School figures prominently) gave him the opportunity to develop and expound his theories on intercultural communication, such as the concept of 'high-context culture' versus 'low-context culture' (Everett, William, and Yoshitaka; 2002).

Geert Hofstede began his career as a mechanical engineer, and in1947, only two years after his enrolment in the College of Engineering; he made a journey to Indonesia as an assistant's ship engineer. The experience of being in a remote culture at the age of 19 left an indelible impression on him, contributing to his early interest in cross-culture, which he later developed during his service in the Dutch army. Later, when he entered the business field, founding, among other things, his own factory and working for IBM, his reflections on cross-cultural relations took a more practical orientation and he discerned their applicability in the business domain. His multidisciplinary interests and training (psychology, sociology and engineering) prepared him for work in organizational management and organizational culture. His chief contribution to the field consists in the analytical evidence he displayed of how the behaviour of societies and organizations is moulded by national and regional cultural groups and the cultural conventions and persuasions they hold. A professor at Maastricht and other Dutch universities as well as a number of universities and management institutes worldwide, he had the opportunity to refine and promulgate his theories, especially that of the five dimensions. Hi work was received with acclaim and had much influence, appearing in the 1980's when interest in cultural conflict was at its acme, and his had a great influence on all subsequent research in cross-cultural studies, its depth and breadth winning him international reputation and renown. His Professorship at the University of Maastricht and other Dutch

universities, as well as his work at IBM, gave him the opportunity to develop concepts and theories that were to have a dominant influence in cultural discourse, so much so that of each.

The influence of Hall and Hofstede on this study stems from the present researcher's interest in the impact that culture can have on the activities and mode of operations in a Saudi Arabian organization. The researcher has found the work of Hall intellectually stimulating but that his theory of high-context-culture and low-context culture, valid though it is, amounts to being platitudinous except to those who are completely oblivious to world cultures. Yet it is important to take it into account, but with Hofstede it is another matter. The researcher, who has met and had discussions with Hofstede, was impressed by his wide knowledge of the business scene, and learned from him that there is a wide gap of knowledge in the field of cultural studies about the Middle East and Saudi Arabia, and that extant literature deals in the main on Europe, the Far East and Latin America.

In addition to his interests in culture at a purely intellectual level, he has a practical turn of mind, translating concepts into procedures, an effect no doubt of his training as an engineer and experience as a businessman. His five dimensions include a dimension particularly important for this study, namely the Power Distance which, according to several authorities, is more conspicuously operative in the Middle East than in other cultural groups (Al-Omari, 2008; Hofstede, 2001; Hofstede, Hofstede, and Minkov, 2005; Minkov, 2011; North and Tripp, 2009). This dimension recommended itself for this study as worthy of investigation and verification. The questionnaire, which was structured to elicit information suggested by the examination of the literature, included a question on power distance, so as to obtain as much data as possible to determine the degree of its presence in the Saudi organisational environment and later to specify where on a scale of dominance Saudi Arabia fits among Middle Eastern countries.

It is worth stating here that the work Hofstede, interesting on its own right, compels the interest of any researcher on account of the influence it has had on research and the literature produced on the subject, so that the work of Hall is

overshadowed by it. The work of Hofstede has been cited over 1000 times in the Social Citations Index from 1987 to 1997, whereas Edward Hall's Beyond Culture (1976, 1989), which is a rival culture theory, has been cited just about 150 times (Singh, 2007; Sivakumar and Nakata, 2001). Bond (1994) regards Hofstede's work as 'a godsend, providing the integration of cultural differences that was so desperately needed' (Allick and McCare, 2004; Singh, 2007).

The topics discussed in this chapter have a direct bearing on what will be discussed in specific detail in the following chapter, namely the role of cross-culture in B2B relationships marketing. In pursuit of this aim, which is central to the entire study, it is the task of this chapter to lay down the theoretical basis of the arguments and analysis set forth in this dissertation, reviewing and discussing the concepts of relationship marketing (RM) as well as the different models of RM. It is in the light of such discussion that it would be possible to determine, among other things, the relevancy and applicability of the cross-cultural marketing theories proposed by Hall's Cultural Model (1989) and Hofstede's Model (1980, 1984, 1991, 2001, and 2004). Originally, these models focused on Business-to-Consumer (B2C) while in this research they will be applied and evaluated in a B2B setting. As such, these models refer to a process in which the management takes into account cultural differences and ability to adapt to the different cultures.

2.2. Cross-Cultural Relationships

Culture can have a direct impact on marketing decision makers, as cultural norms and expectations mould social expectations and orientate the attitudes of individuals as much as communities. The key issue underlying the interest of both scholars and practitioners concerned with cultural situations and cross-cultural encounters is the problem of communication. This, as the Cambridge scholar Lucas (1974) has demonstrated is fraught with difficulties even when sender and recipient share the same cultural and linguistic background, Lucas concludes, that even an intimate conversation between two people cam lead to muddles and misunderstanding. This problem of communication is further

deepened and complicated when two remotely related nations or cultures attempt to meet, and the meeting ends in cultural collusion (Lewis: 2012). Illustrative of the impediments to communications, even when goodwill exists, is the Japanese term *arigata niewaku*, by which the Japanese express their attitude to unwanted and unwelcome help (Hurn and Tomalin: 2013). The phrase literally means "Thank you for your trouble", but its nuances carry a long complaint for help unbidden, unasked for and inflicting on its 'beneficiary' unnecessary damage, but at the same time expressing gratitude in obedience to cultural dictates and social conventions. Social convention as mirrored here in Japanese has its parallel in the Arabic use of '*In Sha'a Allah*', as will be seen in the next chapter. But although this knowledge of linguistic conventions, and western criticisms of them, shows an awareness of the need to understand cultural differences, they can easily, as Edward Said (2003) has magisterially shown, degenerate into stereotyping worse than not knowing about the langue or culture for culture, as this work will show in due course, is not always monolithic and the dynamics of change and interaction with other cultures must be taken into account in order not to fall into stereotyping and oversimplification.

2.2.1. Culture and its Rival Definitions

Culture is a concept that has proliferated numerous theories, conceptualizations and approaches to interpret it (Kekarainen, 2008), so much so that Kroeber and Kluckhon (1952), for example, have reviewed and identified about 164 different definitions and conceptions associated with culture (Herskovits, 1969; Singh, 2007; Usunier, 2000). It is essential, therefore, to start with a survey of the diverse and rival definitions of the concept and its relations to social norms and traditions and various modes of discourse and behaviour. One has, of course, to go beyond the rival academic (lexical and etymological) definitions of the word '*culture*' and look at the actual market scene in order to have a better awareness of how cross-cultural considerations influence the global market.

Etymologically, the word 'culture' is derived from the Latin word '*colere*', meaning to build on, to cultivate, and to foster (Dahl, 2004; Twati, 2007). In the

early stages of the attempts to define this concept, there was a philosophical debate concerning the differentiation between two terms, namely '*culture*' as opposed to the concept of '*nature*'.   Whereas 'culture' was referred to as something constructed willingly by humans, nature, in contrast, stands as an organic phenomenon that emerged independently of human or artificial intervention (Dahl, 2004; Twati, 2007).   A wider definition is given by (Singh, 2007 and Winick, 1958), who refer to culture as everything non biological and socially transmitted in a society, which includes social, artistic, ideological, religious behaviour, as well as the techniques of mastering the environment.   This definition implies that the concept of culture includes many different dimensions such as values, beliefs, language, knowledge and behavioural norms which are learned and shared by the members of a social community (Calliess et *al*, 2008).

There is also, within the general concept of language as a cultural moulder and vehicle, a hidden communicative dimension, which Hall (1977) calls the silent language.   The concept of '*musawama*', for instance, is embedded within Arab culture and generally in Middle Eastern culture.   Literally, the word means 'bargaining', and refers to any transaction in which each party gets some' concession' from the other, so that each feels a touch of success, prestige and honour.   It makes the transaction less 'mechanical' and perhaps gives it a touch of gregariousness and social drama.   The give- and- take implicit in silent language is illustrated in Hall (1973): 'If you don't give a little in bargaining, the other fellow will back up.   If he gives two steps, you have to give two steps.   If you don't, he will back up four' (Hal,l 1973: 129).   By contrast, an Arab firm or Arab executive will have greater success and less disappointment if they know that business people from a western culture may not know this concept well and that they may appreciate what they conceive of as a more efficient, forthright attitude in doing business.   In Saudi Arabia, a prominent feature of this silent language is implicit in the concept of '*Al-Wasetah*' (literally 'intercessor') where personal relations come into play in the execution of business transactions.   With the help of '*Al-Wasetah*', a person or company can get business done quickly through the mediation of somebody close to the authorities.   That 'intercessor' expects also to

be helped in a similar way somewhere else in future. The system is tantamount to 'scratch my back' this time I will 'scratch your back' next time and thus the personal interests of two individuals are served.

Clear as the contrast between nature and culture is, the concept of culture remains rather fuzzy and elusive, wide enough to admit so many diverse definitions that, for example, Groeschi and Dohetry (2000) and Singh, (2007) propose there are almost as many meanings of culture as people using the term, echoing rival theoretical bases for understanding, or criteria for evaluating, human activity. Admitting this complexity and variety of interpretation is seen by some scholars as a correct approach (Hofstede and Hofstede 2005, Kekarainen, 2008) to a human phenomenon that partakes of the complexity of human nature itself, and more so if one takes into account how pervasive culture is in every activity and how interwoven it is with the daily social and individual behaviour, orientating the mental and moral horizons of individuals and determining to a large extent the course of their lives (Herskovits, 1969; Singh, 2007).

Culture has been defined by Ortiz-Sotomayor (2005) as the incorporated pattern of human beings, knowledge, belief, and behaviour that are together the result of a vital human capacity for learning and transmitting knowledge to succeeding generations. Furthermore, Ortiz-Sotomayor (2005) posits that culture is the most important concept in anthropology. Anthropologists commonly use the term culture to refer to a society or group in which many or all people live and think in the same ways. Likewise, any group of people who share a common culture, and in particular, common rules of behaviour and a basic form of social organisation, constitutes a society. Thus, the terms culture and society are somewhat interchangeable. In a similar line, Hofstede (1980: 25) defines culture as 'the collective programming of the mind that distinguishes the members of one group or category of people from others'. Culture thus consists of language, ideas, beliefs, customs, taboos, codes, institutions, tools, techniques, and works of art, rituals, ceremonies, symbols, science, moral systems, and characteristic behaviours; fundamentally, the term culture denotes the whole product of an

individual, group or society of living beings (Ortiz-Sotomayor, 2005). In a different vein, Christie *et al*. (2003) view culture is an abstraction and not an entity to be measured; one can never fully understand a culture.

However, culture operates at various levels of society: nation, industry, occupation, corporate and organisation (Groeschl and Doherty, 2000; Singh, 2007). Although there have been different frameworks proposed by different scholars for 'operationalization' of culture, Hofstede's (1980) framework of cultural values at the national level has been the most famous and widely used for calculating the cultural values of nations, and that framework is by far the most influential framework (Steenkamp, 2001; Singh, 2007). Culture, then, is a collective phenomenon, consisting of unwritten rules of social interaction. Thus, it indicates what reactions are likely to occur in any given situation.

2.2.2. Culture and Relationship Marketing

In the marketing literature, culture has been a fashionable subject since the 1980s (Hofstede and Hofstede, 2005) and it is also a significant topic for this research which will focus on the impact of cross-culture differences on B2B relationship marketing (RM), all the more so because the globalization of the markets and business is increasingly creating ethical conflicts faced by medium and large companies (Donoho *et al*. 1999; Torres, 2006). From a theoretical perspective, cross-cultural marketing research provides a platform for researchers to test the robustness and 'generalisability' of marketing theories (Hafitah and Ismail, 2007). Moreover, every country has its own identity, its mores and its characteristic social and psychological outlook which temperamentally and ideologically distances from the investors' country of origin. Accordingly, such difference demonstrates the importance of understanding culture in multinational companies (Vitell and Ho, 1997). However, this understanding is a complex process because culture includes many different dimensions such as: value systems, attitudes, symbols, rituals, and related behaviours which are mostly abstract and may affect the work place (Vitell and Ho, 1997).

According to Twati (2008), definitions and conceptual analyses of '*culture*' have proliferated since at least 1952 when Kroeber and Kluckhohn (1952) reported the presence of more than 164 definitions and the concept of culture varies from the general to the specific, depending on the discipline and the level of analysis. Culture consists of some mixture of artefacts or practices, values and beliefs and hidden assumptions forming a societal consensus about individual and collective probity of conduct and behaviour (Hofstede, 1980; Schein, 1992; Schwartz and Davis, 1981). Hofstede (2001: 9) defines culture '*as the collective programming of the mind that distinguishes the members of one group or category of people from another*'. As an academic discipline, cultural discourse was strongly connected with sociology and anthropology for about the last 150 years but in recent decades it has gained importance in strategic disciplines such as marketing (Ganesh and Thakkar, 2005, Maude 2011). Despite the problems in defining, conceptualizing and '*operationalizing culture*', it has been increasingly acknowledged as important for organisations (Groeschl and Doherty, 2000: 12). In foreign markets, respect is measured in accordance to the effort that each brand shows in understanding the local culture (Ortiz-Sotomayor, 2005). Each culture has its own norms, customs and expectations for behaviour, so '*any manager who ignores culture puts his organisation at a great disadvantage*' (Bateman and Snell, 2003: 206).

A lot of recent questions in many firms are related to marketing strategies (Torres, 2006; Ferrell and Gresham, 1985; Vitell, Lumpkin, and Rawwas, 1991). Quester et *al* (2007: 392) advocate that today cross-cultural consumer analysis be used because '*the marketer's ability to grasp cross-cultural variation is just as critical as in international marketing*'. The cultural variable is accorded an important place in international marketing, despite the difficulties in isolating its various elements (Singh, 2007; Usunier, 2000). Marketing has contributed significantly to the improvement of society (Wilkie and Moore, 1999). The philosophy of this is seeing the products and services through the eyes of the customer (Lilien, Kotler and Moorthy, 1991; Singh, 2007). It is therefore imperative to understand consumer behaviour and the cultural, social, personal and psychological factors

which influence this behaviour (Singh, 2007).   Culture is the '*fundamental determinant*' of the individual's wants and behaviour (Kotler, 2007: 146).

Culture is a lens through which the individuals perceive the world, moulding their thinking and affecting their behaviour, and hence its indispensability as a component that must be heeded in any serious consumer research and every aspect of marketing (Singh, 2007).   The consumer behaviour patterns are quite different across cultures (Ward, Klees and Robertson, 1987: 469).   Groeschi and Doherty (2000) critically review the way culture is conceptualized by different researchers.   They recognize that culture is a complex term and has been defined in different ways in different cultures.   Conceptualization and delimitation has also been done in many ways; some recognize culture at national level, some at sub-cultural level, while others equate culture to organisational culture (Groeschi and Doherty, 2000).

It is now widely believed that international companies are becoming increasingly aware that understanding the culture of their overseas partners or territories of operations is an important factor in business success, which no serious marketers can afford to underestimate if they wish to access and deal with their target markets effectively (Ogden, Ogden, and Schau, 2004).   Burton (2009) observes the emergence of challenges for cross-cultural research, which have arisen as a result of the keen efforts by international companies to extend their products and services into developing countries.   These challenging tasks facing cross-cultural research can be traced to the lack of prior marketing research in this domain, which means that the cross-cultural researcher lacks a solid body of research to build on, and the lack of competitor analysis adds a further difficulty (Burton, 2009).   It is the rather belated recognition of this fact that has stimulated and fostered the growth of cross-cultural studies which has been increasing in recent years.   In the context of these studies, the Hofstede Model has proved to be a useful research tool for understanding the differences in cross-cultures (De Mooij and Hofstede, 2010).   There remains, however, the persistent problem of how to approach cross-cultural content analysis in the organisation, as well as the

logistics that a large-scale cross-country study requires. More research needs to be done in these areas, and researchers need also to explore the possibilities of finding different category motives and the relationship marketing with culture (De Mooij and Hofstede, 2010).

2.2.3. Culture Models and Cross-Cultural Relationship Marketing

Owing to the interconnectedness and intricacy of a cultural system, there is no reason why the whole cultural amalgam should not also include history, economics, politics and religion (Pheng and Yuquan, 2002). This fact explains partly at least the problem facing a conclusive or adequate of culture in the context of cross-cultural studies (Pheng and Yuquan, 2002). Hofstede (1980) goes on to add that reference is to be made to cross-cultural or cross-national studies from the disciplines of psychology (and, in particular, cross-cultural psychology), sociology (particularly organisation sociology), anthropology, political science, economics, geography, history, comparative law, comparative medicine, and international market research, cross-cultural studies need a systems approach (Pheng and Yuquan, 2002).

Hofstede (2004) defines culture as '*collective programming of the mind*' that makes one group unique from another. Patterns of thinking, feeling and potential activity all go into this programming. Although using '*nation*' as a cultural unit has made a substantial contribution to the understanding of cultural differences and behaviours across various nations, it has failed to recognize the differences between the various subgroups within nations (Ogden, Ogden, and Schau, 2004). Lenartowicz and Roth, (1999) observe that most existing approaches to studying culture use nations that are convenient to define but usually represent broad units of analysis. They suggest that culture-based research should identify and examine multiple subcultures within a single country.

As globalization occurs and multinationals strive for overseas market opportunities, the need and importance of cross-cultural marketing has increased. Globalization of markets has provided the markets with an opportunity to tap the cross national markets (Singh, 2007). The understanding of international

marketing becomes important as it involves introducing new products or ideas into different cultures (Singh, 2007; Sheth, and Sethi, 1977). Therefore, international marketers must understand the cross-cultural differences to develop effective marketing strategies for the target foreign markets as they are not identical (Loudon, and Albert, 2002; Perreault, and McCarty, 2002; Schiffman, and Kanuk, 2004; Singh, 2007). Culture is a potent hindrance in the geographical expansion of firms' activities (Salciuviene, Auruskeviciens and Lydeka, 2005: 147). There are some cultural keywords used to identify dimension of culture including: culture, cultural or culturally, acculturation, multiculture or multicultural, transculture or transcultural, cross-culture or cross-cultural, subculture, multiculturalism, unicultural and monocultural (Ferreira, Guisinger and Serra, 2009).

Research conducted across two cultures representing different cultures is known as cross-cultural research. Cross-cultural researches have clear implications for consumer behaviour (Tan, McCullough and Teoh, 1987). There is an increasing the trend towards globalization of businesses, which provides a strong reason for understanding the cultural context of consumer behaviour (Maheswaran and Shavitt, 2000).

In light of this globalization, marketers have to grapple with considerable problems, and it becomes imperative for consumer behaviour researchers to unravel how cultural differences and values affect the attitudes and conduct of consumers (Klein, Ettenson, and Morris, 1998). Cross-cultural marketing, which requires an even more complex assessment of consumer behaviour, including various aspects of social norms and perceptions, has in the course of years grown in importance and commanded the attention of both academics and the business community (Malhotra, Agarwal, and Peterson, 1996; Venkatesh, 1995; Smith, Langlois and Lazau, 2010).

In worldwide research the operation of culture at the national level has flourished as a topic of investigation that seeks to observe closely understand and map the kind of cross-cultural differences arising from the interaction between two or

more nationalities and their implications on business relations (Allick, and McCrae, 2004; Briley, Morris, and Simonson, 2000; Dwyer, Mesak and Hsu 2005; Hofstede, 2001; Kale, and Barnes,1992; Keillor, and Hult, 1999; Malhotra, *et al*., 2005; Merritt, 1998; Pheng, and Yuquan, 2002; Singh, 2007; Sternquist, Byun, and Jin, 2004; Vliert, 2003). Green and White (1976) observing that many cross-cultural researches were reported, point out that some methodological issues have nevertheless been ignored. They draw attention of researchers to some of the methodological issues, such as equivalence, conceptual equivalence and instrument equivalence which are essential in cross-cultural research (Singh, 2007). They stress the need for comparability of samples across various cultures (Singh, 2007). A positive consequence of this growing interest is that both academics and practitioners have become aware of the significance of cross-cultural implications in B2B relations, and this has in turn given rise to a steadily increasing volume of research and theoretical contributions to cross-cultural marketing (Aaker, and Williams, 1998; Applbaum and Jordt, 1996; De Mooij, 2005; Hofstede, 1991; Kau, and Jung, 2004; Keillor, and Hult, 1999; Luna, and Gupta, 2001; Luna, Peracchio, and Juan, 2002; Malhotra, *et al*. 2005; Sivakumar and Nakata, 2001; Ogden, Ogden, and Schau, 2004; Okazaki, 2004; Salciuviene, Auruskeviciene, and Lydeka, 2005; Sheth, and Sethi, 1977; Singh, 2007; Steenkamp, 2001).

Nevertheless, it is the view held by the enterprise that research on B2B relationship marketing has not received the same attention shown to other aspects of marketing, where consumer attitude, gender and social status and the like are examined. These matters have generated a plethora of work since the last decade of the last century. As will be seen in Chapter Five, the criticism levelled by the enterprise, in particular STC partners, has solid grounds, and it is sufficient to give examples of the variety and magnitude of works that have been dedicated to different aspects of consumer behaviour and involvement (Edgett and Cullen 1993); consumer decision making styles (Lysonski, Durvasula and Zotos, 1996); and innovativeness (Steenkamp, 2001; Hofstede, 1991); perception, motivation, learning, memory, age, self concept, group influence, social class, sex roles,

attitude change, decision making, purchase and post-purchase behaviour (Usunier, 2000); impulsive buying behavior (Kacen, 2002); price perceptions (Sternquist, Byun and Jin, 2004); prices and shopping behaviour (Ackerman and Tellis, 2001) brand loyalty (Lam, 2007); consumer patience (Chen, NG and Rao, 2005).

The interest in the cross-cultural research is further corroborated by the growing contribution to cross-cultural research methodology (Cavusgil and Das, 1997; Lysonski, Durvasula and Zotos, 1996; Ewing, Salzberger and Sinkovics, 2005; Green and white, 1976; Groeschi and Doherty 2000; Malhotra, Aggarwal and Peterson, 1996; Parameswaran and Yaprak, 1987; Sekaran, 1983; Sinkovics, Penz and Ghauri, 2005; Usunier, 2000; Ward, Klees, and Robertson 1987; Yeganeh, Su and Chrysostome, 2004).

The concern for methodological and theoretical issues in cross-cultural research has also been expressed by Sekaran (1983) who classifies the methodological and design concerns into five broad categories: functional equivalence, instrumentation, data-collection methods, sampling design issues and data analysis. Parmeswaran and Yaprak (1987) observe that a cross-national consumer research instrument is sensitive to the nature of attitudinal constructs, the nationality of the respondents and the country of origin. The study demonstrated that the same scales may have different reliabilities when used by the same person in different cultures. Ewing, Salzberger and Sinkovics, (2005) illustrate the difficulties in achieving equivalence in cross-cultural research. They observe that many studies disregard data equivalence or suggest the use of confirmatory factor analysis. Confirmatory factor analysis has certain inherent problems which can be overcome by using the latent trait theory.

The cross-cultural research literature has also witnessed reducing cultural differences and so culture has no significant role in the behaviour patterns of the consumers across the globe (Elinder, 1962; Levitt, 1983). Scholars such as De Mooij, 2005; Hofstede, 1991; and Mesdag, 2000 believe that cultural differences play a major role in differences in marketing strategies according to the cultural values of the market (De Mooij, 2005; Luna and Gupta, 2001; Suh, and Kwon,

2002). Many of the issues and vexing questions that have been raised recently by a large number of firms are related to marketing strategies (Torres, 2006; Ferrell and Gresham, 1985; Vitell, Lumpkin, and Rawwas, 1991). Quester *et al* (2007: 392) urge the use of cross-cultural consumer analysis today on the ground that 'the marketer's ability to grasp cross-cultural variation is just as critical as in international marketing'.

The literature dealing with relationship marketing in general, focuses specially on national environment and on a Western country culture and not on the international or cross-cultural context (Brencic and Zabkar 2002; Hewett and O´Bearden, 2001; Johnson and Cullen, 2002). Only a few researchers involve the cross-cultural components in business relationships. Johnson and Cullen (2002) imply that some of those components of the cross-cultural exchange have become compelling when expanding into foreign markets.

There is a lack of consensus on the substance of cultural influence, and cross-cultural management pioneered by Hofstede's research (1980) emphasized that culture is an important variable in business (Eglene and Dawes, 2006). Many of Hofstede's subsequent publications are defences, forceful and destructive of his 1980 theory, methods and findings (McSweeney, 2002). Although many scholars used cultural variables in the research, comparison should be across more than two countries (De Mooij and Hofstede, 2010). In particular, many researches compare the USA with just one other country, and few multiple-country studies have been conducted (De Mooij and Hofstede, 2010). For an accurate cross-cultural study at least five countries should be compared if possible (De Mooij and Hofstede, 2010). It is noteworthy that there exists no consensus on the method of measurement, nor of culturally equivalent definitions of key concepts (Eglene and Dawes, 2006). Conducting cross-cultural research is, thus, fraught with challenges to both the researcher and the research consume, and it is the attention to cultural details, as well as the quality of the research design, which will ultimately determine the accuracy of comparison (Eglene and Dawes, 2006).

2.2.4. Marketing Research: Cross-cultural Aspects

Recent literature has witnessed the growing importance of cross-cultural marketing research with academics and in world business (Malhotra, Agarwal, and Peterson, 1996). Understanding culture requires understanding the various cross-cultural research issues. The problems associated with cross research can be identified and summed up as methodological issues while the others may be identified as epistemological issues (Yeganeh, Su, and Chrysostome, 2004: 66). Nasif *et al*. (1991) define cross-cultural research 'as the study that has culture as its main dependent or independent variable' (Yeganeh, Su, and Chrysostome, 2004). Culture is a woolly concept, almost impossible to observe and 'measure' all its visible and hidden corners; like the air that we breathe, we cannot see or weigh it, we cannot put our arms around it and feel its strength and power, but we know it is there (Tayeb, 2001).

Research conducted between different nations representing different cultures (Hofstede 1980; Roth 1995; Steenkamp 2001) and every other study which involves culture as independent variable (Chiang 2005; Dwyer, Mesak and Hsu 2005; Lam, 2007; Lee and Peterson 2000; Merritt 1998; Pheng and Yuquan 2002; Singh, 2007) is a cross-cultural research. Therefore, any research conducted with culture as one of the variables, whether in the international arena, in different organisations or within national boundaries, can be grouped under the rubric of cross-cultural research.

Most of the cross-cultural research is based on the realistic perspective and adopts a positivistic or analytical research strategy, which insists on methodological unity in natural and social sciences. Hofstede (2001) believes that like forces in physics we use constructs, but constructs contain an element of subjectivity on the part of the researcher. The constructive perspective along with realistic perspective helps to understand culture and its impact in a better way (Yeganeh, Su, and Chrysostome, 2004).

Culture, as is held by many researchers and observers, influences consumer behaviour (Maheswaram and Shavitt, 2000). Cross-cultural research which tries to unfold the effects of culture on consumer behaviour is rife with a plethora of methodological problems. The problems increase manifold when trying to understand and unravel its effects on behaviour. The complexity and diversity of multicultural societies has been widely recognized in the literature (Ganesh, and Thakkar, 2005; Singh, 2007).

The epistemological and methodological issues are matters of concern in cross-cultural research. Cross-cultural research is still in its infancy as culture has not been specifically defined and the field is bereft of sound theories (Sekaran, 1983). Malhotra, Agarwal, and Peterson (1996) have organised the methodological issues around the six step marketing research process: problem definition, approach development, research design formulation, field work, data analysis, and report preparation and presentation.

We are living in a complex world, where peoples and countries are more than ever interdependent. Also, mass communication has contributed greatly to the shrinking of our world. Researchers from different parts of the world and different cultural backgrounds have scrutinized these aspects from various angles: economic, political, managerial, organisational, sociological, philosophical, and cultural (Tayeb, 2001). The main advantage of breaking down culture into its constituent characteristics is that it facilitates comparisons across cultures; one looks at the same trait and observes similarities or differences among the nations under investigation or even notes its absence from some cultures altogether (Tayeb, 2001).

In the international marketing literature there are various researches relating to behavioural differences in cross-culture (Brass, 1991; Chu, Eric and Spires, 1999; Hafstrom, Jung and Young, 1992; Husted, 2000; Lynn, George and Judy, 1993; Nakata and Sivakumar 1996; Steenkamp, *et al*. 1999). Hofstede's 2001seminal work, conducted in the late 1960s and early 1970s, and culminating in his book *'Culture's Consequences'* published in 1980 has, notwithstanding challenges and

criticisms of it, aroused lively interest and opened new avenues of thought In today's increasingly global society, understanding cultural diversity is a major challenge for individuals and organisations to accomplish tasks in a multicultural context (Christopher, 2012; Lee, 2010). Although (Ogden, Ogden, and Schau, 2004) have made significant research contributions toward understanding differences between nations, it seems that there is still a gap in the literature about sub-cultural differences within national boundaries, or intra-national differences (Lee, 2010).

Although cultures vary in their receptiveness to change, there arise occasions when significant segments of their population attempt to reinstate traditional values and behaviour and view development as a warning (Treven, Mulej and Lynn, 2008). Some cultures, having what has come to be called a past orientation manifest a marked reluctance to it and may actively resist it even to the point of attempting to prevent outside influences because they value traditional behaviour, a tendency that is more observable in cultures where the past has a kind of sanctity, and tradition exercises a powerful hold on the collective mind. Moreover, even cultures with a present orientation display either ambivalence or reluctant acceptance of the new, but cultures with a future orientation tend to view change as desirable and, to some extent, inevitable (Treven, Mulej and Lynn, 2008).

One of the most recent studies conducted by (Denny, 1999 cited in Tayeb, 2001) focuses on non-cultural factors such as education, age, occupation and life experience in general which exert powerful influences, as well as on cultural factors (Tayeb, 2001). The physical environment including climate and diet is also linked to culture (Allick and McCrae, 2004). The non-cultural factors are still not taken as seriously with many cross-cultural scholars as they should be, including influences, workplace values and actions in different cultures on these factors, but very few studies have adopted this concept (Tayeb, 2001). Geographically, cultures also share both genetic ancestry and, through cultural borrowing, customs and beliefs (Allick and McCrae, 2004).

Religiosity, belief and the degrees of belief in God are values generally treated as important dimensions in a sociological and cultural perspective; some authors understand belief as a component of the religiosity construct, and some refer to it as a fundamental factor that underlies all the other dimensions of religiosity, whereas others regard it as a multidimensional construct (Maiello, 2005) which seems that both religion and beliefs are also important factors impacting on cross-culture study.

2.2.5. Cross-Culture and Varieties of Partnership

With globalized business competition, understanding and accommodating the needs of consumers from different cultural backgrounds have become increasingly important cross-culture values as identified by Hofstede (1991). However, earlier research in services has extensively examined the importance of customer expectations in quality perceptions and in future purchase intentions (Bolton, Lemon, and Bramlett, 2006; Boulding, *et al*. 1993; Cheryl, 2007; Kopalle and Lehmann, 2006; Zeithaml, Berry, and Parasuraman, 1996).

Researchers on marketing strategies have recently displayed a strong and increasing interest in all aspects of cross-culture values (Xiong and Shang, 2007) a tendency which matches the growing importance of business nets and the severe competition in the global market (Moller and Svahn, 2004). The value-system construct is based on the idea that each product and service requires a set of value activities performed by a number of actors forming a value-creating system (Parolini, 1999).

The basic idea in the value creation approach is that by knowing the customer's value creation process the provider can better identify the problems that the customer has faced in his business activities (Hirvonen and Helander, 2001; Jalili, 2008). Co-creation is defined by Zeick, Bonsu, and Darmody (2008) as organisational strategies and discursive procedures aimed at reconfiguring social relations in a marketing study; co-creation is a new concept that has captured the imagination of marketing specialists, management scholars and professionals. It

has been given different shades of meaning by (Hakansson and Snehota, 1995; Moller and Svahn, 2004; Normann and Ramirez, 1993; Porter, 1985).

It will be seen that the concept of co-creation in Stuart Hall's Model (1980) radicalizes traditional marketing methods (Pillai, 1992), but for it to be truly significant, as a new business philosophy, '*co-creation*' should include, according to Zeick, Bonsu, and Darmody (2008,) '*value co-creation*', the emphasis being on customer centricity and the need to appreciate, when conceiving and adopting in management techniques, the value and importance of socio-cultural communication.

Traditionally, value is viewed in the literature as embedded in a product and service that is exchanged, the '*value-in-exchange*' concept Moller and Svahn, (2004).   The idea of value exchange is the foundation stone of relationship marketing and this idea is based on three different assumptions of value exchange perspectives; value is created as an offering and delivered through recurrent transactions within a supplier-managed relationship; value is created through mutually interactive processes and shared through negotiated agreement within the life of a relationship; and value is created and shared in interactions that emerge from within networks of relationships (Ballantyne, Christopher and Payne, 2003).   Value creation has a significant influence on organisational behaviour and management, especially cross-cultural communication in the business field (Moller and Svahn, 2004).   Recently, relationship marketing has attracted increasing interest in the field of marketing science and most contributions from marketing scholars centre on the question of the relationship between transactions and a relational exchange, and the reasons for customer retention (Rese, 2003).

However, value as socio-cultural literature tends to portray it, is a staunch conviction of the superiority of some way of life to different or opposing ways of life and modes of conduct (Brencic, and Zabkar, 2002; Rokeach, 1973). Values have cognitive, affective, and behavioural components which are a preference of one mode of behaviour over another mode of behaviour and these modes are not only influenced by culture but also are very diverse when different cultures are

compared (De Mooij, 1998). In their discussion of this theme, Morgan and Hunt (1994), define shared values in business relationships as the extent to which partners have common beliefs about goals, policies and behaviours which are important, appropriate and right while being a direct precursor of both relationship commitment and trust. The literature, generally, shows awareness that the ways of defining value could lead to more reliable result if more than one method is used, For example '*The Chinese- Value Survey*' adopted by Michael Bond and his associate (known as 'the Chinese Culture Connection) aims at conducting cross-cultural research based on a questioner containing items related to social value developed by Chinese scholars. This technique aims at broadening the basis of evaluation, complementing and not substituting Hofstede's work (Minkov: 2011).

In short, (Walter, Ritter and Gemünden, 2001) regard value as a trade-off between benefits and sacrifices. According to (Hofstede, 1980; Schwartz, 2001; Williams *et al*, 1998) the concept of values is frequently drawn upon to shed light on the functioning of organisations, institutions, and societies and also the attitudes and behaviour of individuals. Some define value in business markets in money terms whereas others use a broader value definition which includes non-monetary revenues, such as competence, market position, and social rewards (Walter, Ritter and Gemünden, 2001). The concept of value in business has recently attracted attention from both academics and managers and it has been extensively used in the marketing discipline (Walter, Ritter and Gemünden, 2001).

The identification and understanding of cross-cultural marketing segments has appeared in several studies (Djursaa and Kragh 1998; Hofstede, 2004; Grunert *et al*. 1995; Kahle *et al*. 1999; Lindridge and Dibb 2003; Wiedmann, Hennigs, and Siebels, 2007). However, there is no unique theoretical or empirical perspective on the definition of cultural factors and the impact of cultural forces on consumer behaviour in general and its implications for marketing segmentation strategies (Wiedmann, Hennigs, and Siebels, 2007). According to a recent view of culture as a dynamic process (Miller 1995; Shaw and Clarke 1998; Wiedmann, Hennigs, and Siebels, 2007), cultural differences often cause changes in consumer behaviour within and across national borders. Referring to the identification of consumer segments

across countries, macro-level geographic, political, economic, and cultural data have been typically used (Helsen *et al*, 1993; Kale and Barnes, 1992).

In fact, to identify market segments, the study of culture is appropriate as a segmentation criterion when consumer behaviour is "culture bound" and demands local adaptation strategies (Dawar and Parker 1994). Aaker and Williams (1998) examine the persuasive effect of emotional appeals on members of collectivist versus individualist cultures. Local knowledge is important for management and organisational research (Easterby-Smith *et al*: 2008), so understanding culture is the other side of the coin (Kotabe, 2011). According to Aaker (2010) successful customer value requires an understanding of customers' needs by analyzing their social values and culture. Hofstede (1980) believes management approaches developed in one particular culture must not be deemed valid for any other one.

Laurent (1986), Jackson (1995), Alpander and Carter (1995), and Evans *et al*., (1995) agree that the implementation of management activities in different cultures involves understanding the underlying traditions and values of that culture. Religion and culture are inextricably woven, and religion wields a potent influence on people's lives across diverse cultures (Tarakeshwar, Stanton and Pargament, 2003). Language is the vehicle of culture (Herskovits, 1969). Religion is the most recognizable part of culture (Hofstede, 2001: 21). Family is the fundamental organisation that has important bearing on the individual and the society. The society and kinship begins with the family, as the society is continuously replenished by the family (Singh, 2007).

In International research the operation of culture at the national level is widely followed to understand the cross-cultural differences between the different nationalities (Allick and McCrae, 2004; Briley, Morris and Simonson, 2000; Dwyer, Mesak and Hsu, 2005; Hofstede, 2001; Kale and Barnes, 1992; Keillor and Hult, 1999; Malhotra, *et al*., 2005; Merritt, 1998; Pheng and Yuquan, 2002; Sternquist, Byun and Jin, 2004; Vliert 2003). Although this has led to a considerable contribution to the understanding of cultural differences and behaviours across various nations, it has failed to recognize the differences

between the various subgroups within the nations (Ogden, Ogden and Schau, 2004). It has been seen in research that responses mass-market advertising have not always been favourable by different ethnic and demographic groups (Kotler, *et al.*, 2007). The understanding of sub-cultural differences is essential for greater success in capitalizing on the differences within a nation (Ogden, Ogden and Schau, 2004).

Different approaches can be employed for conducting cross-cultural research including anthropological, sociological and psychological (Malhotra, Agarwal and Peterson, 1996). The anthropological approach tries to make a direct assessment of culture and behaviour (Ogden, Ogden and Schau, 2004). There are two schools of thought: the culture realists think that culture is an independent phenomenon, which predetermines behaviour; cultural 'nominalists', the second school of thought, view culture as a system of meaning and it can be inferred or measured indirectly from behaviour (Malhotra, Agarwal and Peterson, 1996). The literature review shows many marketing theories have been developed in Western countries, and therefore reflect Western culture (Chan, 2010; Robinson, 1950).

To build up a conceptual model of value-creating strategies for service companies [such as telecoms] facing the threat of 'disintermediation', managers should understand the relationship marketing in B2B such as that between the retailer and the consumer (Davis, Buchanan-Oliver and Brodie, 1999).

2.2.6. Values and Trust in Cross-Cultural Relations

The norms and values of a society are reflected by its culture and therefore, in service delivery there are cross-cultural variations in expectations, or importance to consumers (Reynolds and Smith, 2010). According to Hofstede (1991: 5), culture can be defined as 'the collective programming of the mind, which distinguishes the members of one group from another'. Hill (1997: 67) defines culture as 'a system of values and norms that are shared among a group of people and that when taken together constitute a design for living'. There are two aspects of culture; culture does not automatically correspond to state boundaries or ethnic

groups, shared cultural values influence people's cognitions (Schumann, 2010; Steenkamp, 2001).

Cross-cultural investigation shows that shared cultural values lead to shared behavioural patterns, since they correspondingly power the fundamental cognitive constructs and cognitive processing of a nation in a culture or subculture (Schumann, *et al*, 2010). It is important to notice that other combinations of cultural values and trust could be proposed by Doney, Cannon, and Mullen (1998) in their theoretical study. Nevertheless, the particular values are closely linked to dominate against competing effects (Schumann, *et al*, 2010). Scholars have found shared values to be an influential component of both trust and commitment in relationships (Dwyer, Mesak and Hsu, 2005; Palmatier, *et al*, 2008; Standifer, Evans and Dong, 2010).

Values held in wider socio-political arenas such as family, religion, government and public organisation have become a construct understood by different people in different ways across people, countries and cultures (Creswell, 2003; Thomas, 2007). Over time, for example the seller builds a stock of information about the buyer, routines and future requirements and this stock will then serve as a basis for future value-adding possibilities (Glazer, 1991). However, this stock of information accumulated through buyer-seller interactions may help the buyer in developing more cost efficient use of the commodity through working processes (Biong and Silkoset, 2006).

2.3. Relationship Marketing

The notion of relationship marketing (RM) emerged in the 1980s in the marketing literature, and was first introduced to services literature by Berry (1983). The main concern of RM is to establish and maintain satisfying long-term relationships with consumers (Berry, 1983; Buttle, 1996). This new perspective arose to contrast transactional marketing, which tended only to establish short-term relationships with customers. In other words, the traditional transaction was not adequate to accommodate sufficiently the customers' needs and anticipations, nor did it help business organisations to maintain loyal customers (Gronroos,

1996). Therefore, marketing literature witnessed a new trend that resulted in the emergence of relationship marketing which focuses on buyers' acquisition, retention and recovery (Little and Marandi, 2003). In large companies with substantial customer bases a loyalty program encourages current customers to be loyal by offering extra benefits to capture their service transactions, preferences and to create '*Membership*' relationship (Lovelock and Wirtz, 2011). According to Albee (2010) everybody is somehow influenced by some incident that has happened to them which accounts for their actions to satisfy their current needs.

2.3.1. Definitions of Relationship Marketing

The period from 1977 to 2004 witnessed an abundance of research on relationship marketing (Grönroos, 2006). Early research insights in the 1980s were the identification in the customer relationship life cycle and an emphasis on developing long-term interactive relationships between suppliers and customers, integrating both services and B2B perspectives (Ballantyne, Christopher and Payne, 2003). There have been different attempts to define and conceptualize the notion of relationship marketing. Among the earliest attempts to define relationship marketing is the one proposed by Berry (1983), who posits that the notion of relationship marketing refers to the process of acquiring and maintaining relationships with customers. The definition given by Berry (1983) focuses on service sectors; this is probably due to the intangibility and inseparability of services which require developing close relationships with the actual consumers. In this context, Berry (1983) stressed that service companies needs not only to focus on attracting new consumers, but rather strengthen its relationships with the actual consumers. This conceptualization has been widely adopted in the literature (Gronroos, 1990; Morgan and Hunt, 1994; Gummesson, 1996).

Nevertheless, during the 1980s, relationship-based perspectives achieved only a modest impact on mainstream marketing theory and practice (Grönroos, 1997). In the 1990s, scholars as well as practitioners showed a remarkable interest in relationship marketing, and indeed it amounted to being the key marketing issue of the decade (Ballantyne, Christopher and Payne, 2003). In this context, Christopher et al. (1991) voiced that RM is the process of getting and maintaining

the customers. In a similar vein, Morgan and Hunt (1994) define relationship marketing as all the marketing activities of business organisations, which aim to develop and maintain meaningful and fruitful relationship exchanges with the buyers. Similarly, Peterson (1995) states that relationship marketing is to establish, maintain, enhance and commercialize customer relationships; it is defined as an integrated effort through interactive, individualized and value-added contacts over a long period of time. Later in 1999, Harker identified 26 different definitions of relationship marketing. According to Harker (1999), relationship marketing consists mainly of seven conceptual elements, including creation, development, maintenance, long-term nature, interaction, emotion and output. However, from the researcher's point of view, even though Harker's (1999) conceptualization provides us with insight into RM constructs, it fails as a complete explanation about how these elements can change over time.

The overarching evidence from the above definitions is the importance of relationship marketing. Most of these definitions share some similarities in that they were developed to reflect the customers' perspectives, which leads to an error of omission because marketing activities that legitimately fall under the purview of relationship marketing are being excluded (Peterson, 1995). In other words, little attempt has been made to consider the importance and significances of relationship marketing within B2B organisations. In this context, Sheth and Parvatiyar (2000) argued that relationship with customers dominated the marketing literature. In response to this gap, a new stream in the literature emerged which focused on B2B relationship marketing, pioneered among others by Jackson (1985).

As a way to integrate the two perspectives, Gronroos (1990) posits that RM can best be viewed as the process of establishing and maintaining relationships with consumers as well as other parties involved in business activities within a given organisation. Similarly, Morgan and Hunt (1994) stressed that all perspectives should be considered including suppliers and consumer partners. On the other hand, Harker (1999) attempted to capitalize and elaborate on the definition, concluding that relationship marketing is a process of creating, developing and

maintaining committed and profitable relations with customers or partners over time. The underlying assumption of Harker's definition is that relationship marketing is a complex construct and process that can be established and developed over time. However, there is a line of research that has been developed to identify the notion of '*business partners*', which involves business alliance, suppliers, and non-profit organisations (Gronroos, 1996 and Rao and Perry, 2002).

In light of these definitions, the researcher will adopt integrated perspectives to gain deeper understanding about the notion of relationship marketing. In other words, while this study focuses on relationship marketing in B2B setting, it is thought that the perspectives of relationship marketing including all parties are interconnected. For example, a given company might not be able to develop relationship with its customers, unless it offers a satisfying performance. On the other hand, such performance requires in part meaningful relationship with business alliance. Bearing these considerations in mind, this study attempts to comprehend this notion through an integrated approach, more specifically the researcher will capitalize on the definition by Gronroos (1990), namely that relationship marketing can be best viewed as a two-way process between consumers and other parties to establish and maintain a business relationship.

2.3.2. B2B and Relationship Marketing

The importance of building relationships and their potential for dissolution has been broadly recognised in the marketing literature concerning B2B relationships (Pressey and Selassie, 2007). Early research insights in the 1980s when there was an abundance of research in relationship marketing, were the identification in the customer relationship life cycle and an emphasis on developing long-term interactive relationships between suppliers and customers, integrating both services and B2B perspectives (Ballantyne, Christopher and Payne, 2003; Grönroos, 2006). The term relationship marketing was first contributed by Berry (1983) as a new rubric for services marketing. The emphasis on relationships is as old as trade itself (Ballantyne, Christopher and Payne, 2003).

Our knowledge of the buying behaviour that is facilitated by services providers is severely limited, and, indeed, some clients may have either gathered information or gained experience related to the decision beforehand (Jaakkola, 2008). Furthermore, service providers who concern themselves with customer satisfaction may give their clients more opportunities to express preferences, and thereby increase customer influence on decision-making while the professional service provider's personal motives have less influence in decision making (Jaakkola, 2008).

Relationships fulfil crucial functions for suppliers which can be divided into direct value creators, including: volume, profit and safeguard functions; and indirect value creators including innovation, market, scout and access functions; and both direct and indirect functions impact on overall value perception (Walter, Ritter and Gemünden, 2001). Some researchers and professionals might say that relationship marketing is getting back to some Arcadian ideal (Ballantyne, Christopher and Payne, 2003). Interestingly, there are over 25 definitions of RM in the scholarly literature (Harker, 1999). However, Grönroos (2006) states that relationship marketing is not only to identify and establish, but also it is necessary in certain circumstances to terminate relationships with customers and other stakeholders. In short, relationship marketing is the idea that businesses are embedded in these subtly connected networks, where marketing activity can be described as interaction within relationship networks (Gummesson, 1999). Effort, commitment, and understanding are necessary to sustain a relationship (Stoltman, and Morgan, 2002).

Relationships have been classified by (Walter, Ritter and Gemünden, 2001) according to their value creation, and relationship management has to mirror the functions fulfilled in the relationship. If a full variety of value-creating functions is or should be fulfilled in a relationship, it becomes more complex (Walter, Ritter and Gemünden, 2001). Whenever traditional boundaries act as constraints to the creation and circulation of value, relationship marketing can act as conduits across those boundaries (Ballantyne, Christopher and Payne, 2003).

In western societies, numerous studies have discussed the social needs of individuals within organisations and the manner in which social relationships facilitate commercial relationships (Palmer, 2001). A number of recent cases illustrate the regulatory limitations of cooperative relationship marketing frameworks. The relationship marketing paradigm has been hailed widely as a universal panacea, such as the assumption made by many companies that their customers seek a relationship (Palmer, 2001).

Many authors including (Brencic, and Zabkar, 2002) have defined relationship commitment as a vital component for relationships in B2B, which means that relationship participants have common beliefs about behaviour, goals, and policies. Outcomes depend on the behaviour and intent of partners, and trust is particularly crucial (Johnson and Cullen, 2002). However, since business relationships tend to be personal rather than between companies depending on friendship and trust established between two people (Katz, 2007), it is important not to refrain from changing key contacts and so avoid having to expend time and effort on the process of relationship building anew (Katz, 2007). Despite the focus on relationship marketing in some literature, the majority of studies discuss the national environment from the western point of view but not from an international or cross-cultural perspective (Brencic and Zabkar, 2002; Hewett and O´Bearden, 2001; Johnson and Cullen, 2002).

Markets have their own cultural and environmental specifics that need to be considered, when deciding where to develop and maintain successful business relationships (Hofstede, 2001; Johnson and Cullen, 2002; Trompenaars and Hampden-Turner, 1999). By knowing the history and the present cultural context of the business environment and its possible future developments, based on cultural awareness and understanding, companies have a certain advantage when entering such markets and committing themselves to B2B relationship marketing (Brencic, and Zabkar, 2002).

Extensive research has been focused on business relationship building, in particular in the area of relationship marketing which is often used as a universal concept in the study of business relationship (Zhu, Nel and Bhat, 2006). Morgan and Hunt (1994: 4), state that 'relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges'. In today's global and international business world, the relationship marketing is becoming progressively more important as a means to meet the marketing needs of sales firms (Zhu, Nel and Bhat, 2006). However, when establishing specific business relationships in a particular culture, the business environment can resort to its own cultural values and communication strategies, which may go beyond the area of marketing to include broader social dimensions (Zhu, Nel and Bhat, 2006).

Peterson (1995) states that relationship marketing is to establish, maintain, enhance and commercialize customer relationships; it is defined as an integrated effort through interactive, individualized and value-added contacts over a long period of time. However, it leads to an error of omission because marketing activities that legitimately fall under the purview of relationship marketing are being excluded (Peterson, 1995).

Intercultural dimensions as proposed by Hofstede (1991) and Hall (1989) may explain the different communication strategies in establishing business relationships. Relationship marketing is a type of strong emphasis on marketing to build business relationships with customers, and it is a further development of marketing, which formerly concentrated on individual transactions (Buchanan and Gilles, 1990; Gordon, 1999; Levitt, 1983), as suggested by Grosse (2002) in her attempt to explore relationship building in relation to communication strategies.

Jackson (1985) has drawn important distinctions, contrasting B2B relationship marketing with transaction marketing. Nevertheless, during the 1980s, relationship based perspectives achieved only a modest impact on mainstream marketing theory and practice (Grönroos, 1997). In the 1990s, scholarly and practitioner interest in relationship marketing took off to the extent that it became

the key marketing issue of the decade (Ballantyne, Christopher and Payne, 2003). The potential was limited to enterprises with small numbers of very valuable and highly involved customers: typically in the service sector, B2B and relationship marketing are probably still most relevant (Grönroos 1997). Relationship marketing brings many benefits (Hastings, 2003; O'Malley and Tynan 2000) such as stability, long-term planning, trust and commitment. In B2B marketing, the mass, transactional assumptions in earlier marketing thought conflicted with the reality of long-term, cooperative alliances between buyers and sellers (Corey and Wilson, 1994; Hastings, 2003; Rajagopal and Bernard 1993). Some empirical studies of the relationship between customer satisfaction and retention are quite confusing, with conflicting evidence of both confirmation and disconfirmation of the relationship (Rese, 2003).

2.3.3. The Impact of RM Elements

Trust, loyalty and commitment involve the rational calculation of benefits from continuing the relationship (Cater and Cater, 2009; Sharma, Young and Wilkinson, 2006). It is better for competing in the market with a long-term B2B relationship (Cater and Cater, 2009; Morgan and Hunt, 1994). The impact of that commitment is stronger and plays a more important role than other types of motives in developing and maintaining long-term relationships because if the relationship is to succeed, people involved must be comfortable working with each other (Cater and Cater, 2009).

Relationship marketing research and practice operate according to the paradigm that firms should invest in relationship marketing to build better relationships, with the belief that relationship marketing investments build stronger, more trusting customer relationships (Morgan and Hunt, 1994; Palmatier *et al*, 2008). Since Jackson (1985) first made relationship marketing in B2B interactions, this idea has increasingly become a topic of interest to marketers and researchers (Standifer, Evans and Dong, 2010). B2B relationship marketing plays a fundamental role in positive relations as it is a social process between organisations whose members play a pivotal role in establishing trust and commitment for a strong and successful B2B relationship (Standifer, Evans and Dong, 2010).

The extendedness of the relationship theoretically is high when the intended repurchasing period of the commodity is long and termination is unknown (Biong and Silkoset, 2006). However, in the last decade there have been some attempts to transfer findings from organisational psychology to relationship marketing (Cater, 2007). Previous studies suggest that the fear of dependence discourages customers from establishing close relationships (Biong and Silkoset, 2006).

Despite the absence of a universally acceptable definition of relationship marketing, it has nevertheless gained considerable interest and application in B2B since the 1990s (Theron and Terblanche, 2010). As strong customer relationships can contribute simultaneously to improve marketing performance, consequences of relationships and measurement of relationships have become interesting topics in relationship marketing research (Thomas, 2007). Although RM had been practised in the 1800s, it was the comeback of relationship marketing at the beginning of the 1990s that triggered a renewed focus by both marketing practitioners and marketing scholars (Theron and Terblanche, 2010).

Morgan and Hunt (1994) conclude that communication has a direct impact on B2B relationship commitment, while Anderson and Narus (1990) stress the critical role of communication in partnerships for the establishment of cooperation and trust. Goodman and Dion (2001) argue that, although not each commitment model proposed has included communication as a determinant, the majority of researches address the significance of effective communication. According to Morgan and Hunt (1994), shared values contribute positively to the development of affective commitment (Theron, Terblanche and Boshoff, 2008). Customer trust is of vital importance for RM in services, yet some researchers have noted differences in customer trust across cultures (Schumann, *et al*, 2010).

According to Cater and Cater (2009) it has been argued that building relationships with customers is the essence of B2B and that relationships are the fundamental asset of a firm that determines its future more than anything else. For professional services in B2B markets, social bonds refer to the human side of the service, including personal contacts, liking and trust (Cater, 2007). Social bonds include

familiarity, friendship and personal confidence that are built through the exchange process (Cater and Cater, 2009; Wilson, 1995). Several empirical studies in the service literature found a positive influence of relationship value on customer loyalty while the existing literature on B2B relationships clearly lacks empirical support for the relational benefits (Cater and Cater, 2009).

Previous researchers offer the intuitively compelling argument that strong relationships develop best when the customer is receptive to the relationship-building efforts (Anderson 2005; Dwyer, Mesak and Hsu, 2005); other studies argue social exchange theory, cross-cultural awareness, and marketing activities have a direct positive effect on relational trust (Dwyer, Mesak and Hsu, 2005; Palmatier, et al, 2008). To evaluate business relationships, marketing scholars have adapted concepts and methods from interpersonal relations, social exchange, and psychology literature such as trust, communication and reciprocity (Stoltman, and Morgan, 2002). Duncan and Moriarty (1998) argue that communication rather than persuasion is critical in B2B. Marketing practitioners and scholars must study these issues because simply *'taking responsibility'* is insufficient as there must be a concerted effort to assess and nourish the relationship, and where nourishment is not justified, the marketer must take responsibility and know how to terminate the relationship (Stoltman, and Morgan, 2002).

Achieving customer trust represents a central goal for relationship marketing in services (Berry 1995). In varying service contexts, customer trust increases customer commitment (Morgan and Hunt 1994), customer value (Singh, 2007), and loyalty towards the service provider (Johnson *et al.*, 2007). In B2B relationships, trust as Berry (1995) argues is the single most powerful relationship marketing tool available to a company (Schumann, *et al*, 2010). Some researchers consider trust and commitment to be part of cross-cultural components in business relationships. The issue of trust in cross-cultural exchange arises and gains significance when there is a business plan to expand into overseas markets (Brencic, and Zabkar, 2002; Johnson and Cullen, 2002). The same is true when defining commitment (Stoltman, and Morgan, 2002). According to Theron, Terblanche and Boshoff, (2009) services providers place emphasis on creating

value through relationships in the B2B efforts. Since the re-emergence of relationship marketing in the early 1980s, the trust-concept has widely been researched (Morgan and Hunt, 1994). Trust still plays a fundamental role in relationship marketing, and many of the more recent RM studies include trust as a key dimension (Theron, Terblanche and Boshoff, 2009). Again, trust and commitment are vital components of cross-cultural relationships in B2B markets (Brencic, and Zabkar, 2002).

Palmer (2001) argues that cultural issues in business relationships cannot be ignored. Furthermore, Morgan and Hunt (1994) assert that relationship trust and commitment are not only important variables in RM but are also key mediating variables in these relationships, since business relationships are developed and influenced by cultural context. Therefore, the vital components of relationships are trust and commitment as influenced by cultural environment (Dwyer, Mesak and Hsu, 2005; Johnson and Cullen, 2002). In other words, levels of trust and commitment in relationships are influenced by the values of the cultural context where business relationships take place (Brencic, and Zabkar, 2002).

2.4. Global Telecommunication Marketing Strategies

Globalisation, increased technological complexity and network forms of organising economic activities have rapidly increased since 1990 (Moller and Svahn, 2004). In the '*information technology era*' (late 1990's and early 2000's), the technology to be widely used and accepted in a society depends on good telecommunication systems, which are essential (Twati, 2008). Recently, because of the rapid increase in information, telecom and communication technologies have focused more attention on mobile phone markets as a strategy with the focus on telecommunications having been prompted in large part by the introduction of new technologies, and statistical studies and researches that assess the potential of telecommunication (Anderson, 2005; Ellison, 1999). A number of private sector companies quickly took up the opportunity to offer telecommunication services because of a growth in global business competition in communication networks (Pearson, Entrekin and Safina, 2004).

The mobile phone sector is based on dynamic technology, new products that enter the market in rapid succession, and a competitive situation that changes almost daily. Technological features of available products tend to improve, while prices tend to fall (Reiner, 2006). Fu (2007: 85) notes the '*astonishing pace*' at which mobile communications have developed. The most staggering technological developments during the last decades in terms of information and communication have been the prolific use of mobile phones and in parallel the networked PCs linked to the web (Gill, and Jain, 2002; Jhangiani, 2006). The cell phone market has expanded globally over the past two decades with approximately 423 million units sold globally (Kiljander and Järnström, 2003). According to the CIA World Factbook (2006), the UK has more cell phones than people (Jhangiani, 2006).

The communication boom started in the 1970s with the invention of commercial satellite communication and market globalization (Gill, and Jain, 2002). People all over the world are keen to communicate and maintain contact with friends and family, a near-universal human trait that helps to explain the mobile phone's popularity. Another reason behind this popularity is that mobile phone services (and devices) are becoming more and more reliable, extensive and affordable. Mobile phone technologies are now in the hands of almost 31% or 2 billion people (Motorola, 2006) of the 6.47 billion people on this planet (Jhangiani, 2006). The penetration of these technologies is increasing very rapidly with around 780 million (Jhangiani, 2006) mobile phones sold every year and expected to reach over one billion units per year sold after 2009. These numbers are a clear indicator of the growth and reach of mobile phones.

Following the lead of the developed countries such as the US, the UK, and Japan, the trend of telecommunications liberalization has sprouted globally (Jhangiani, 2006). Mobiles are essential items, for as Cleff (2007) notes, unlike personal computers, mobile devices are not shared among people and mobile users rarely leave their home without their device. Mobile phone ownership has become a universal feature of any culture (Schroeder, 2010). Mobile marketing revenues are growing year by year (Karpinski, 2008). According to (Stoica, 2005), new

markets, technology, applications, and sources of growth are important together with partnerships with the industry leaders. Winge (2001) states that, business strategy depends on adapting to new technology advances and applications. As Reiner (2006: 173) claims 'fierce competition and rapid technological progress have considerably reduced the life cycle length for mobile phones'.

Thwarted in the effort to strike the right balance between nostalgia and modernity, many British brands fall short of the excellence they can attain both at home and abroad by, thereby failing to maintain a competitive edge in the global market (Marketing business, 2001a). A campaign that was based on fairness to the consumer helped Orange boost its number of subscribers in a highly competitive marketplace (Marketing business, 2001b). Kalyanaram (1998) notes that Orange followed a very aggressive entry strategy, opting for a long-term approach, rather than quick-fix marketing tweak (Marketing business, 2001b). Vodafone makes persistent efforts to preserve their customers' loyalty, and they continue to add and enhance many features of the facilities they provide (Gray: 2000).

In the UK, the Local Government Act 1988 (amended by the Local Government Act 1999) recognised the possible inefficiencies and corruption which may arise through social relationships in dealings between local government buyers and their suppliers. For suppliers to government agencies, social relationships and unquantifiable gains which are not within the specification of a supply agreement may be discounted (Palmer, 2001). In 1996 British Telecom (BT) sought to develop a joint venture with BSkyB, the leading TV cable sector company (Palmer, 2001). The projected venture envisaged that the two companies would exploit the resources of each other's client base, but it did not succeed (Palmer, 2001), as the concept came into conflict with the rules of the Office of Telecommunications OFTEL, the government regulatory body, which considered the relationship to be against the public interest, despite the benefits that it would appear to bring in the short-term to the parties involved (Palmer, 2001).

El-Diraby (2006) emphasises the need for '*time to market*' mentality in the organisational culture. In traditional manufacturing, *time to market* means shorter

development cycles of new products while companies should focus on targeting customers who are keen to take advantage of the value added that the firm can provide along with the physical product or service. Stoica (2005: 213) concludes that 'mobile commerce adoption represents a complex process that draws in variables external to the firm'. Among these externals is the nature of the environment in which the business operates and the extent of the government's involvement (Stoica, 2005). There are also variables internal to the company, such as its business strategy and its organisational culture. In addition, 'offensive strategies (market timing, market share control, speed of response) are used in dynamic industries (intense rivalry, focus on innovation), while defensive strategies (nurture protected market, isolation from rivals) will work in relaxed settings' (Stoica, 2005: 221).

As one scholar has rightly noted (Westlund, 2010), there have been some research efforts to address the issue of cross-cultural differences in the use of Information and Communication Technologies (ICTs) and how the interaction between technology and culture affects the adoption and use of ICTs (Westlund, 2010). Indeed it is important to stress that technology and culture are co-present in technological development. Recent relationship marketing literature will help cultivate knowledge on RM theory focusing on B2B relationships that are supported by new information, telecom and communication (Lages, Lancastre, and Lages, 2008). There is, thus, a need for further research in cross-culture on information, telecom and communication technologies to evaluate the degree of criticality and importance of the success factors identified in the B2B literature and the secondary case studies. More research is also needed to study the perceived importance of cultural factors and their impact on the B2B telecom market (Eid, Trueman and Ahmed, 2002).

Title: The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)
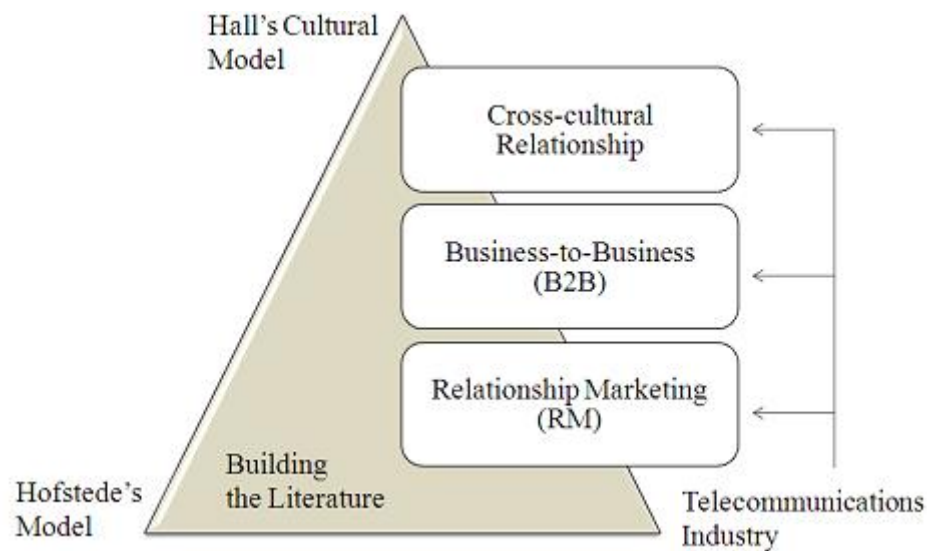
Figure 2. 2: Literature Framework. Source: the researcher.

2.5. Chapter Summary and Conclusion

The general survey and an analytical assessment of the extant literature presented in this chapter has focused on research related to cross-cultural research, both to determine the point of departure for the present thesis and to see how previous research can be built on in investigating B2B relationship marketing in the Saudi telecommunication industry, with special reference to STC, the largest telecommunication firm in Saudi Arabia with ambitions for global expansion. On examination it has been found that, although the literature abounds in general useful concepts and takes into account the cultures of various parts of the world, there is a striking paucity of research on the Middle East in general and Saudi Arabia in particular, and it is this defect in the current literature that this research will, among other things, seek to remedy.

Although confined to the Saudi market, and focusing on the Saudi telecommunication industry, the data and analysis are capable of high, general applicability that, with local modifications, can lay the foundation for a model that can guide the endeavours of foreign investors planning to operate in Saudi Arabia and in sectors other than telecommunications. It will be equally beneficial to academics and researchers who will find in opportunities of analysis that are relevant to and applicable in, comparative fields of interests.

Chapter Three: Marketing Theories in the Context of Middle-Eastern and Saudi Culture

3.1. Introduction

Arabian culture, and by '*Arabian*' is meant all that pertains to the Arabian peninsula, as opposed to '*Arab*' which includes all Arabic-speaking countries, including those outside Arabia, is the subject of this chapter, which, focusing on the Kingdom of Saudi Arabia, will attempt to portray salient aspects of this culture as it ought to be understood by foreign investors and those who are interested in achieving smoother and successful B2B interactions in the Kingdom. A close examination of these aspects will be attempted in order to emerge by the end of this chapter with a conceptual framework of how B2B relationships are or might be modified by Arab/Middle-East culture in general and Arabian culture (such as that of Saudi Arabia) in particular. The scope of this chapter is to examine the relevancy and applications of the cross-cultural marketing theories proposed by Hall's Cultural Model, (1989) and Hofstede's Model (1980, 1984, 1991, 2001, and 2004) into the current research study, all previously mentioned in Chapter Two. The following figure shows the framework of this Chapter.

Figure 3. 1: Framework of Chapter Three. Source: the researcher.

Title: The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)

The need for a cultural profile of Saudi Arabia, portrayed in a business context, has not been adequately met, even though international investments are not new in the Middle East, investors having been rushing there since the British and Americans first went to Saudi Arabia to invest in the oil sector (Hafitah and Ismail, 2007 and Shephard, 1996). The subsequent arrival of American firms, especially large multinationals made Saudi-American business a conspicuous feature of the relations between the two nations, with the business community at both ends aware that cultural barriers and misunderstanding have often hampered what could be a more flourishing B2B relationship. It is to be noted also that the business scene in Saudi Arabia has witnessed at an even later stage a further change and diversity caused by the arrival of European and Asian professionals who have contributed to the additional flow and substantial increase of overseas investments (Hafitah and Ismail, 2007).

Western culture, including technology, luxury goods, fashionable clothing and fast-food restaurants has inundated Saudi Arabia from a multiplicity of sources: Western and other expatriate workers, and Saudi people who have travelled and lived abroad for education, work, or leisure have brought with them lifestyles and modes of thought that, in certain respects, have international appeal and are compatible with the imperatives of modern living, and all these were accompanied by a conspicuous rise in consumerism (Coughlin and Westport, 2006). With the desire of international companies to extend their products and services into developing countries, there arose the need for cross-cultural research, a challenging mission as there were no sufficient research efforts in this field, nor was there even sufficient marketing research along the traditional lines, let alone more investigative modes of research such as competitor analysis (Burton, 2009). Moreover, the adjustments that investors have to make in order to survive competition in foreign countries consume time, effort and money (Aycan, 1997). As Curwen and Whalley (2008) conclude, many American mobile operators, baffled by cultural challenges in the Middle East, found themselves compelled to return to their home market. Nor is this a solitary exception, for there is ample evidence in literature on expatriation pointing to cultural clash (Hafitah and

Ismail, 2007, Elashmawi and Harris, 1993), resulting from the mutual failure of expatriates and natives to comprehend each other's values and behaviour. Despite much of the valuable work on cross-cultural management and marketing that exists now, most studies are Western-oriented, produced and validated according to Western standards.

Many regions of the Arab world, for example, have not been touched by research, and Saudi Arabia is one of the least researched (Abbas *et al.*, 1995; Darwish, 1998 and 2001). The available literature shows, in general, that there is very limited cross-cultural marketing in the Middle-East and Arab regions (Abdul-Gader, 1997; Al-Busaidi and Olfman, 2005; Al-Gahtani, 2003; Ali, 2004; Hill *et al.*, 1998; Khalfan and Alshawaf, 2004; Straub, Loch and Hill, 2001; Twati, 2007). Most current approaches to studying culture, as Lenartowicz and Roth, (1999) observe, use national entities that are convenient to define but usually represent broad units of analysis, failing to identify and to examine, as they should, multiple subcultures within a single country.

3.2. Background to Middle Eastern Culture

The Middle East region as defined in (Abdel-Khalek and Korayem, 2007) includes Iran, Turkey and the 22 Arab countries, covering an area of 16.6 million square kilometres, or 12% of the world surface area. Until World War II, the importance of the Middle East was largely confined to transportation and trade, though more recently the region's vast energy resources (oil and natural gas) have profoundly enhanced its significance. Given the economic significance and potential of the Middle East, the region will probably expand to seek opportunities beyond the oil sector, into more diversified industries in order to better serve Arab markets (Kalliny, Cruthirds and Minor, 2006). There has been a boom in the energy rich Arab Gulf Countries (AGC) as well as in Iran, Algeria, Sudan and Yemen which are all members of the World Trade Organization 'WTO' (Abdel-Khalek and Korayem, 2007).

3.2.1. Religious Cultural Background

The different cultural context may cause interaction clashes in the same market because people are culturally bound by their own cultural background (Usunier and Lee, 2009). Islamic law pervades and dominates Muslim culture, lifestyle, behaviour and business transactions (Usunier and Lee, 2009). The Islamic laws known as '*Sharia*' are the master framework to all legislation which is derived from two basic sources, the Holy book of '*Qur'an*' and the '*Hadith*' based on the sayings, practices, and life of the prophet Mohammed (Usunier and Lee, 2009). Muslim character is infused with the guidance of the Qur'an and Sunnah, which cannot be compared to any contemporary manmade system, or any ancient laws devised by philosophers and thinkers (Al-Hashimi, 2005).

The following examples of the legislation framework are from the Holy book of '*Quran*' and the '*Hadith*':

"يَا أَيُّهَا النَّاسُ إِنَّا خَلَقْنَاكُمْ مِنْ ذَكَرٍ وَأُنْثَىٰ وَجَعَلْنَاكُمْ شُعُوبًا وَقَبَائِلَ لِتَعَارَفُوا ۚ إِنَّ أَكْرَمَكُمْ عِنْدَ اللَّهِ أَتْقَاكُمْ ۚ {13} سورة الحجرات"

'O mankind! We have created you of a male and a female, and made you into nations and tribes, that ye may know each other. Verily the most honourable of you with Allah is that (believer) who has At-Taqwa, the noblest of you, in the sight of Allah' (Surah Al-Hujurat 49: 13, translated from the Holy Qur'an by Saheeh International: 2010).

The word Taqwa, used in the translation of this Qoranic text, refers to an Islamic concept difficult to render in one word, as it embraces such meanings as being scrupulously moral, being conscious, in one's words and deeds, of God, loving Him and fearing Him, and therefore needing to be fair in dealing with fellow-human beings and not exploiting them because of their weakness or need, and hence the aversion with which Muslims generally look at *Riba* (usury) which is strictly forbidden by the Qur'an. The above verse also emphasises that it is not 'racial affinity' but piety that Muslims should count as important, for all men and women are otherwise the same, and are born in the same way in all lands and under all climes. Prophet Mohammed said: "No man is superior to another on

account of race or colour; Taqwa (wisdom and piety) alone is the distinction" (Al-Hilali and Khan, 1996; Al-Zubaidy and Al-Mundhery, 2010).

" يَا أَيُّهَا الَّذِينَ آمَنُوا لِمَ تَقُولُونَ مَا لَا تفعلون {2} كَبُرَ مَقْتًا عِندَ اللهِ أَن تَقُولُوا مَا لَا تَفْعَلُونَ "{3}

سورة الصف

'O you who believe! Why say you that which you do not? Grievously odious is it in the sight of Allah that you say that which you do not' (Surah al-Saff 61: 2-3, translated from the Holy Qur'an translated from the Holy Qur'an by Saheeh International: 2010).

The prophet Mohammed said: 'The marks of a hypocrite are three: when he speaks, he lies; when he makes a promise, he breaks it; and when he is entrusted with something, he betrays that trust' (Al-Zubaidy and Al-Mundhery, 2010: 33). Muslims are enjoined to keep their promises, a cardinal feature of Islamic morals and manners, and is one of the most indicative signs of the soundness of a Muslim's faith and Islam (Al-Hashimi, 2005).

Mohammed forbade any trader to undercut another trader in order to steal his trade (Al-Zubaidy and Al-Mundhery, 2010) and declared monopolization, unless unintentional, abhorrent (Al-Zubaidy and Al-Mundhery, 2010). A Muslim, true to the teachings of his faith, does not cheat, deceive or stab in the back because the requirements of being true are sincerity, purity, fairness and loyalty (Al-Hashimi, 2005). The prophet Mohammed (PBUH) said: 'whoever cheats us is not one of us', when he discovered a market trader dealing dishonestly (Al-Hashimi, 2005; Al-Zubaidy and Al-Mundhery, 2010).

In the past, Muslims have often corrected their rulers but this process disappeared after the first Muslim generation, as the culture was influenced by integration with other cultures notably those of the Arab Bedouins, the Romans, and the Persians (Jabnoun, 2008). The influence of strict Bedouin tribal codes of loyalty and honour combined with a strong patriarchal family structure has also been powerful on the Middle Eastern culture (Robertson, *et al*, 2001). There are four unique influences on Arab management and values: foreign rule, Western quest

for oil, Bedouin/tribal traditions, and Islam (Robertson, *et al*, 2001). The success of early Muslims stemmed primarily from being responsible and accountable, both important attributes of self-control and honesty (Jabnoun, 2008).

The scope and magnitude of influence of each factor tends to vary from country to country and it is this variation that creates cultural and managerial differences across the region (Robertson, *et al*, 2001). The variation in these factors also determines the extent to which each country is more or less open to Westernization (convergence) (Robertson, *et al*, 2001).

Despite the great unity that exists among Muslims in all the basic tenants of Islam, the death of the prophet Mohammed created division among Muslims regarding the issue of the successor-ship of his leadership (Robertson, *et al*, 2001; Ronen and Shenkar, 1985). The result of such disagreement was the split of Muslims into Sunni and Shia'h (Robertson, *et al*, 2001; Ronen and Shenkar, 1985). The Sunni wanted and did elect a leader through the process of consensus among the community (Robertson, *et al*, 2001). A noted distinction that may play a role in these differences is the Islamic inclination of each group: the majority of Iraqis are Shia'h Muslims while Saudis are predominantly from the Sunni sect (Ali, 1996; Ali, 1999; Ali, 2009; Robertson, *et al*, 2001). Saudi Arabia is arguably the most fundamental and devoted Muslim state (Robertson, *et al*, 2001).

Religion impacts significantly on Arab culture, lifestyle, and business dealings (Usunier and Lee, 2009). For example, prominent Muslim scholars have issued religious judgment (*fatwa*) against the consumption of American products and services, or working with them, and they are supported in Egypt, Syria, Qatar, Kuwait and other Muslim and Arab countries (Usunier and Lee, 2009).

3.2.2. Decision-Making

Economies in the Middle-East and Arab countries are all state controlled, which makes for a complex marketing environment (Usunier and Lee, 2009). According to Hofstede's four dimensions, Arab countries scored high in power distance, high in uncertainty avoidance, low in individualism, and high in masculinity (Robertson, *et al*, 2001). Hofstede's Model indicates how his power distance

concept links to communication in the Middle East where the organisations score highly in terms of power distance, which in turn has a significant impact on their decision making (French, 2010).

According to Lee and Carter (2005: 79), 'Power Distance (PD) refers to the way societies deal with human inequality', in terms of physical and intellectual capability differences. In addition, Hall's concept demonstrates crucial implications of the low- and high-context situation information, which in the Middle East are linked to indirect style of communication (French, 2010). Ronen and Shenkar (1985), in a synthesis of cross-cultural attitudinal research, also grouped six Middle Eastern countries together in an Arab cluster including Kuwait, Qatar, Oman, Bahrain, United Arab Emirates (UAE), and Saudi Arabia (Robertson, *et al*, 2001; Ronen and Shenkar, 1985).

The complexity of the cultural context for western operators has, rightly, elicited the recommendation that managers working in Arab countries, particularly Arab Gulf countries, should always be ready to make very quick decisions in situations which can occur without warning, and should be ready to improvise and deal with difficult deadlines (Williams, 2010). Nowadays, the ethical standards and corporate responsibility initiatives feature highly and exert compelling influence on companies' decision making, while in the past, social responsibility and corporate ethics might not have been a very essential stage in corporate and business strategy (Cravens and Piercy, 2009). However, understanding buyers' needs is extremely important in designing successful marketing strategy (Cravens and Piercy, 2009). In business, Arabs always regard their family, friends and Muslims first then strangers (Williams, 2010). Individualism and attitude are closely linked to Arab decision-making style (Ali, 2009).

3.2.3. Communication

Some cultures have a higher social desirability bias and satisfaction (Usunier and Lee, 2009). Social image may be a more sensitive factor, as well as loss of face in other people's eyes, than financial or performance considerations, which is the opposite in the West, where their standard behaviour is to enjoy change more than

stability (Usunier and Lee, 2009).   In Arabic society face-to-face meeting and shaking hands is a sign of friendship and personal trust (Ali, 2009).   A close relationship always exists in face-to-face interactions or ear-to-ear interaction by phone between customers and suppliers' representatives, and it is also universally found in many B2B contexts (Lovelock and Wirtz, 2011).

It is not a lack of seriousness, but it is because of the Arab nature that meetings are often interrupted, not necessarily well structured and seldom follow specified agendas (Ali, 2009).   Arabs have a strong desire to know other people and their background, in particular those they are dealing with (Ali, 2009).   However, Arab managers tend to take comments personally, even if they have had experience abroad and interactions with international executives (Ali, 2009).   Moreover, communication and negotiation may take time because of the process of socialization, wheeling and dealing (Ali, 2009).   This point is important for international businessmen to understand the difficulty in dealing with Arabs.

Arab body language is an important part of their communication culture and Arabs expect the handshake to last longer than it would in Western countries and the handshake is usually longer on departure than on arrival.   It is important for eye contact to be both direct and continuous, but not staring, and strong eye contact signifies respect and attention.   However, the rules of body language change when men meet women and vice versa; shaking hands is not allowed and eye contact is broken (Shoult, 2002).

Some Arab countries such as Egypt, Saudi Arabia, the Gulf States and Jordan, use English as a second language, while in some other countries including Tunisia, Algeria, and Morocco French is often necessary; in Syria and Lebanon both English and French are used (Williams, 2010).   The ability to operate in different cultures and languages is complex, which means that only a few companies can be truly successful with multicultural marketing (Aaker and McLoughlin, 2010).   In most Arab countries, for example, Friday is the congregational worship day and an official holiday as a weekend day (Williams, 2010), a fact that must be taken into account in the agendas and schedules of international companies, for it is

often the neglect of what might appear such small details that often derails effective communication with Arab companies.

According to Usunier and Lee (2009) a hot climate [such as in Saudi Arabia] might have a strong and direct influence on culture, by physically discouraging effort and action, or indirectly through adaptation to climate conditions. These influences can change people's skills, behaviour, and competitiveness in the long term (Usunier and Lee, 2009). As these authors go on to add, workers in very warm countries are more likely to be overpaid, relative to their position on the global hierarchy of wealth (Usunier and Lee, 2009). Culture can, moreover, affect communication and negotiations, and this has its implications on how to satisfy customer needs, taking into account their temperament; the way people belong to a specific culture can be effectively addressed; ignoring or failing to adapt to cultural variation in the global market will put a company at a disadvantage with competitors who are more adept at the cultural game (Lee and Carter, 2005). Managers who run a company in a foreign country need to interact and to deal with people, strategic partners, distributors and competitors from different cultural environments and mindsets, but each culture has different norms for the process of buying and selling (Kotabe and Helsen, 2011). The communication styles in high-context cultures such as Saudi Arabia tend to be more indirect with foreign people (Kotabe and Helsen, 2011).

At the personal level most Arabs are patient, generous and hospitable and they excuse and forgive Western visitors and new residents, usually assuming that they will be ignorant of Islam and the Arab way of life (Williams, 2010). A culture is the combination of learning and behaviour which is shared in a particular society, and also provides some direction for use in daily communal life (Usunier and Lee, 2009). For example, it is customary for Arabs to say *'In Sha'a Allah'* which means '*if God is willing*', no problem is insoluble, but sometimes in job-related problems it may be used passively showing that the speaker has no intention to act (Usunier and Lee, 2009). Another example of Arab behaviour is not always respecting time and appointments (Usunier and Lee, 2009).

3.2.4. Differences and Commonalities among Arab Countries

It would be naive to assume that all Arab countries are the same. Based on Islam, Hofstede (1984) grouped Egypt, Iraq, Kuwait, Lebanon, Libya, Saudi Arabia and the United Arab Emirates into one category labelled the Arab World. Although Arabs have many common traits, they also differ in numerous respects such as conservatism (Nydell, 1987; Kalliny, Cruthirds, and Minor, 2006), wealth and education level (Lamb, 1987: Kalliny, Cruthirds, and Minor, 2006). For instance, in Saudi Arabia women are forbidden by law to drive and must have their faces covered when in public while in other Arab countries such as the United Arab Emirates, Iraq or Egypt, these practices are not always required (Kalliny, Cruthirds, and Minor, 2006). Although Arabic is the unifying language, it has at least 20 different spoken dialects (Kalliny, Cruthirds, and Minor, 2006).

Additionally, although Islam is the dominant religion, it is not the only religion that exists in the region (Ali, 1999). About 50% of Lebanon's population is Arab-Christian and there are Christians in most other Arab countries. However, it is reasonable to state that most Arabs are Muslims and significantly influenced by the Holy Qur'an (Ali, 1996; Kalliny, Cruthirds, and Minor, 2006). In fact, even non-Muslims are influenced by the Holy Qur'an, since there is no clear distinction between religious practices and cultural practices (Ali, 1996). Both Muslims and Christians use the expression '*In Sha'a Allah*', literally '*if God is willing*'. This phrase reveals fatalism, which is a concept emphasized by Islamic teachings. Moreover, Islamic law is the basis of, or has a strong influence on, laws in all Arab countries (Kalliny, Cruthirds, and Minor, 2006).

Arab values have been influenced by external factors such as a history of foreign rule and, more recently, interaction with foreign countries related to oil exploration (Kalliny, Cruthirds, and Minor, 2006). The result of these and other external factors, or the lack of them, has contributed to differences between countries such as Oman, Saudi Arabia and Kuwait. Robertson *et al*. (2002) found that Saudi Arabia was the most conservative of these three countries, while Kuwait and Oman were more swayed by overseas influence. Despite these

differences, one can argue that the commonalities among the Arab countries are greater than the differences (Kalliny, Cruthirds, and Minor, 2006).

A large proportion of the Arab value system is attributed to the Islamic faith. Stone (2002: 123) stated, 'whatever is happening in the Islamic world, whether in its collective manifestations or in individual Islamic countries and populations, is a product of the commonality of attitudes and sentiments, which Islam imposes'. Kabasakal and Bodur (2002: 44) stated, 'All sects accept the Qur'an as the Holy book and adhere to its requirements. The Holy Qur'an has been a unifying force that strongly influences societal practices and acts as a driver towards creating a common culture in the Arab cluster'. In spite of the differences in the dialects used, Holy Qur'an Arabic (the Arabic language used in writing the Holy Qur'an) is the same in all Arab countries (Kalliny, Cruthirds, and Minor, 2006).

The structure belief in the various Middle Eastern nations may be similar, the differing histories, or national heritages, of the individual nations may produce differing national identities (Keillor, and Hult, 1999). Government organizations in Saudi Arabia tend to be more patriarchal in nature and exhibit authoritarian decision making (Al-Shohaib *et al.*, 2009). Saudi organizations differ in style from Western organizations, and the public sector in the country is much more strongly influenced by politics and societal norms than is the private sector (Al-Shohaib *et al.*, 2009). The authoritarian decision-making style, which dominates in the Saudi public sector, could be very influential in identifying the organizational characteristics of the public and private sectors and recognizing the place of public relations as a field in each sector (Al-Shohaib *et al.*, 2009).

Anderson (2000) stated that the conservative countries in the Arabian Peninsula dread any political, social, and cultural repercussions. It was in what is now known as Saudi Arabia that Islam was born and cradled. Makkah (Mecca) in the Western Province of the Kingdom is the birthplace of Mohammed and among whose people he began to preach the message of Islam. In Mecca also stands the Holy Mosque and the Ka'ba shrine, sacred to more than a billion Muslims all over the world. Medina, also in Saudi Arabia, is the city where the Prophet died and

where his Mosque stands, and these cities are the two holiest sites in the Muslim world (Al-Shohaib *et al.*, 2009; Anderson, 2000). Saudi Arabia considers itself to be the custodian of Muslim shrines and the protector of Islamic religious teachings against foreign ideas, and hence, for instance, the censorship exercised by the Saudi Ministry of Information which bars pornography and all controversial religious information (Al-Shohaib *et al.*, 2009; Anderson, 2000).

The reverence with which Muslims in Saudi Arabia and abroad hold their faith and Prophet will, among other things, explain how since September 2005 it has been very difficult for Danish companies to work in the Arab and Muslim world, following the publication of cartoons of the Prophet Mohammed published in a Danish newspaper. So offended was Arab and Muslim sentiment that sanctions were immediately imposed on Denmark by official and unofficial bodies in the Arab world (Sakr, 2008). This continues to have an adverse impact on trade and business between Denmark and the Arab world, particularly in the Arab Gulf.

Associated with religious reverence is also the phenomenon of fundamentalism, which exists in all religions but which can be nourished by fear or perceived threats to identity or hostility to one's religious values. Khatib (2003) argues that Islamic fundamentalism can be looked at as a global force representing the three sides of globalization: the material (flow of trade, local, global happenings and repercussions); the spatio-temporal (interregional meetings across time and space); and the cognitive (transformation of power relations beyond the nation).

These factors are largely influenced by the negative attitudes of regional governments (Twati, 2008), because some Arab governments dictate the rate and type of economic progress in their countries. Bhaskaran, (2009) argues that their economy also has a substantial impact on cross-culture. People in high power distance cultures share norms for differential prestige, power, and wealth (Hofstede 2001), as well as the belief that talents and capabilities are unequally distributed across society (Schumann, *et al*, 2010).

In Saudi Arabia, authoritarian decision-making styles are likely to dominate (Al-Shohaib *et al*., 2009). Hofstede (1991) described the concept of power-distance of cultures, which offers an insight into why this should be the case and defined power-distance as the disparity in power among segments of society. However, Hofstede (1991) himself states that in a 'large power distance' culture, a few elite people enjoy great power and rule based on factors such as age, title, seniority and social or economic standing. On the other hand, in a 'small power distance' culture, individuals recognize the importance of the equal distribution of power among people (Hofstede, 1991). Because of the predominantly large power distance culture in the Arab World, most Saudi administrators use an authoritarian style of management to run their organizations (Al-Shohaib *et al*., 2009).

Consequently, in the high power distance countries of the Arab World, people with power are entitled to privileges and subordinate-superior relations, are polarized (Hofstede, 1984). Therefore, compared with Americans or Europeans, Arabs are higher in power distance (Hofstede, 1984). The American value system is heterogeneous, characterised by a fast pace in a cultural climate in which people are reared to believe in direct methods of communication, in practicality and egalitarianism. They predominantly live as a nuclear family, reject fatalism, are self-reliant and value achievement through their own efforts (Ashkanasy, Trevor-Roberts and Earnshaw, 2002; Lee and Peterson, 2000; Lee, 2010; Wilson, 1995).
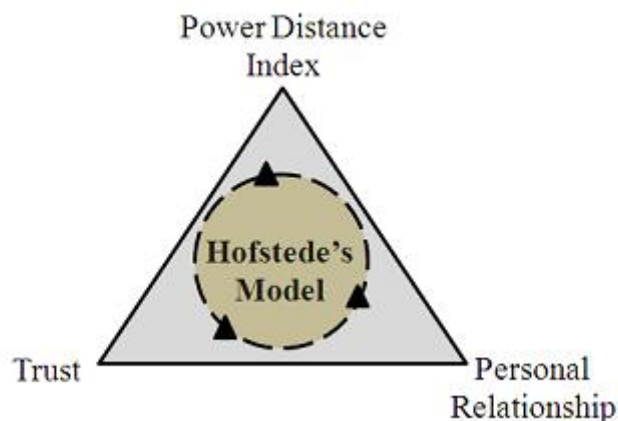
Figure 3. 2: The influence of Hofstede's Model within Saudi culture. Source: the researcher.

The American anthropologist Edward T. Hall used the concept of context to explain differences in communication styles among cultures. According to Hall's Cultural Model, the context is 'the information that surrounds an event and is inextricably bound up with the meaning of that event' (Hall and Hall, 1995). He categorized cultures on a scale from high- to low-context which presented the communication style in High-Context Countries including China, Egypt, France, India, Italy, Japan, Lebanon, Saudi Arabia, Spain and Syria, and Low-Context Countries such as Australia, Canada, Denmark, Finland, Germany, Norway, Sweden, Switzerland, the United Kingdom and the United States (Hall and Hall, 1995). In a high-context culture, such as that of Saudi Arabia, it is characteristic that most of the information is either in the physical context or internalized in the person. In a Saudi family, friends and clients have close, personal relationships and extensive background information is not necessary (Treven, Mulej and Lynn, 2008), whereas in low-context cultures, the mass of the information is vested in an explicit code as in Switzerland, where people are separate and more detailed information is important (Treven, Mulej and Lynn, 2008). Whether a company is operating in High-Context or Low-Context culture, that context must be seriously reckoned with. Research has shown the existence of many influences of High- and Low-Context Communication Styles on B2B such as language and communication, B2B interaction is affected positively or negative to the extent in which the context is grasped (Usunier and Roulin, 2010). It is for instance, a failure in studying or appreciating the context that makes companies from English-speaking countries often assume that everybody in business understands English (Usunier and Roulin, 2010).

3.2.5. The Impact of Arab Culture on Marketing Strategies

Loyalty to one's primary group is an integral part of Arab culture (Bates and Fratkin, 2003). This sense of loyalty is exemplified by the Arab proverb: 'I against my brother; my brother and I against my cousins; I, my brother, and my cousins against the outsider' (Bates and Fratkin, 2003: 272). Personal success is measured by what one does for one's family and society rather than by how much one earns or achieves individually (Kalliny, Cruthirds, and Minor, 2006).

Arab culture is high context (Hall, 1989). Therefore, emotions are an important part of the Arab communication style; loud talking, exaggeration, metaphors, and animated physical gestures are all common aspects of Arab communication style. Multiple adjectives may be used to modify one word and proverbs are used frequently (Almaney and Alwan, 1982; Kalliny, Cruthirds, and Minor, 2006).

Arab work values, not surprisingly, the tendency toward authoritarianism extends into the workplace (Kalliny, Cruthirds, and Minor, 2006). The negative perception of outsiders is evidenced by the fact that Arab societies are not very culturally or racially diverse, and moreover Arabs make decisions based on intuition and their societies tend to be more patriarchal in nature and male oriented, which reflects the value attached to authoritarian decision making (Al-Shohaib *et al*., 2009; Bakhtari, 1995; Kalliny, Cruthirds, and Minor, 2006).

Sharda and Miller (2001) found that Arabic firms tend to have a high degree of centralization. Most Arabs are Muslim (Hofstede, 1994) and influenced by the Holy Qur'an in conducting their daily activities (Ali, 1996; Ali, 1999; Kalliny, Cruthirds, and Minor, 2006). Therefore, Arab managers have their values and ethics derived from their religious beliefs (Anastos, Bedos and Seaman, 1980; Kalliny, Cruthirds, and Minor, 2006). For example, Arab businessmen are unlikely to violate a contract since it is considered a religious sin to do so (Anastos, Bedos and Seaman, 1980; Darwish, 2001; Kalliny, Cruthirds, and Minor, 2006). According to the Holy Qur'an, it is a religious obligation for a man to keep his word and do what he promises. It is also culturally unacceptable for someone not to keep their word (Darwish, 2001). Over time, the distinction between religion and spirituality has been addressed, particularly in different cultures (Standifer, Evans and Dong, 2010).

In fact, it is common for Arabs to place great value on job status and the prestige of a white-collar job is preferable to more pay possibly derived from manual labour (Al-Namir and Palmer, 1982; Darwish, 2001; Kalliny, Cruthirds, and Minor, 2006). Abboushi (1990) found that Arabic employees take pride in their work and their involvement at work is more highly regarded than monetary

rewards. However, work is not the focus of life but rather a way to develop social relationships, which are important both at work and in private settings and this contributes to the paternalism and favouritism that are the norm in many Arab countries (Ali, 1996; Kalliny, Cruthirds, and Minor, 2006; Darwish, 2001).

3.2.6. Cross-cultural Influence in the Middle Eastern Market

In forming multi-cultural business relationships, proper understanding of the cultures involved is of primary importance for mutual understanding and successful co-operation, and just as it is imperative to understand the significant cultural differences, it is necessary that some similarities, such as how spirituality is regarded, can exist (Standifer, Evans and Dong, 2010). It must be noted, though, that cultures do contain subcultures, and a religion has either conspicuous varieties (often called sects) or the same religion may be coloured by certain nuances and modes of practising it, depending on the region where it is practised. Some Sufi Muslims in Indonesia, for example, will bring drums and sing religious songs in a Mosque, which would be an anathema to a Muslim in Saudi Arabia, while both will think of themselves as belonging to the same religion and even the same sect, Sunni Islam. Therefore, research which lays the foundation of its conclusions on terminology, pondering the meanings of political denotations such as 'Western', 'Asian', 'Arab' and 'Middle Eastern' may not have fully taken account of the multiple national, ethnic and socio-economic groups contained within such huge and vague areas and simplistic terms to portray fragmented and pluralistic societies (Cheng 2000, Schaffer and Riordan 2003; Thomas, 2007). Arab states exhibit different profiles of socio-economic, demographic, religious and political structures across a wide geographical area (Thomas, 2007).

Cultures, even the most conservative, never remain static and business researchers and practitioners need to be alert to changes and not judge or deal with a culture by what they have previously read about it. Indeed, Hofstede (2001) is right in observing that oil wealth, educational development, use of expatriate workers and international exposure may have made Arab or Middle Eastern states less homogenous than in the 1970s and may have influenced work environments and

leadership, thought and behaviour. Having said this, there are cardinal, or fundamental cultural 'genes' that remain unaffected by multicultural interactions. Today's England may be culturally enriched by its guests or citizens from Poland or Pakistan, but it is the English language and even such habits as 'bird-watching' or 'train-spotting' that will maintain and perpetuate the 'Englishness' of the land's culture. Aspects that maintain the homogenous character of Arab countries, with certain variations, are the Arabic language, Islam, history, geography, ethnicity, work related values (Luna and Gupta, 2001), leadership skills (House, 2000), or other cultural dimensions (Hofstede 2001, Thomas, 2007).

Thomas (2007) states that Gulf Arabs might be clearly geographically or culturally located, despite certain distinctions between them, varying in degree from one society to another; the Islamic identity can be felt in most of them. Yet, cross-culture research needs to be sensitive to potential differential conceptualizations of key terms, for despite the overall homogeneity of the region, forged by the same language and religion, and despite the unique and pervasive influence Islam has on leadership in the Arab context (Thomas, 2007) it is incorrect to view Gulf societies as invariable, monolithic structures.

Indeed few societies can afford in today's world to remain monolithic and insensitive to what other societies, other cultures may give them, at least in the realm of goods and services. Services, much more than goods, are culture-laden, and, as cross-cultural comparative studies have shown the difference in cultural norms and values is a challenge that providers of services have to encounter. Internationally to customers in different cultures is challenging, because of since there are differences in cultural norms and values (Schumann, *et al*, 2010). But it is a sign of an increasingly multicultural world that services, according to the statistics of the World Trade Organization (WTO) have grown increasingly international in recent decades, and the volume of commercial services being exported has increased fivefold during the past 25 years (WTO, 2010). The WTO and international financial institutions have played a major role in the making of the borderless global economy (Thomas, 2005; WTO, 2010). Globalization and

technology have powerful influence on the homogenization of different markets and they have significantly increased customer choice by drastically removing time and place barriers, (Thomas, 2005).

3.2.7. Cross-Culture and B2B in the Middle East

The Middle East region as defined in (Abdel-Khalek and Korayem, 2007) includes Iran, Turkey and the 22 Arab countries, covering an area of 16.6 million square kilometres, or 12% of the world surface area. Until World War II, it was mainly transportation and trade that endowed importance to Middle East, and more recently the region's vast energy resources (oil and natural gas) have magnified this importance. International investors have not been slow to react to this situation. Given the economic significance and potential of the energy rich countries, including Saudi Arabia, Iran, Algeria, Sudan and Yemen (all WTO members), the region will probably expand to seek opportunities beyond the oil sector (Abdel-Khalek and Korayem, 2007). The size and the needs of the Arab markets are large enough to encourage a greater diversification of industries in order to better serve Arab markets (Kalliny, Cruthirds and Minor, 2006). To have effective and durable B2B relations with this rich market, Western investors need to learn more about the major issues and the nuances that divide Western and Arab culture (Abdel-Khalek and Korayem, 2007), such as the almost ubiquitous manifestation of generosity and hospitality rooted in ancient Arab tradition and the great respect for parents and elders (Kalliny, Cruthirds and Minor, 2006).

In his attempt to portray the cultural Arab scene, Hofstede has done some valuable work and the results he reported in the 1970s are still valid for some Arab countries while the majority are different now from what he had predicted (Twati, 2008). In the mid-1990s for example, it was possible for Arabs living overseas to be linked to their culture by having their own Satellite dishes and Arabic-language TV channels (Sakr, 2008). Due to the lack of validated and reliable sources in Arabic language for assessing the influence of societal culture, current studies translate widely cited and used Western developed texts, which have been validated and found to be reliable (Twati, 2008).

As Eid, Trueman and Ahmed (2002), culture is based on old beliefs and corporate values that often are no longer appropriate or useful in the new environment of doing business. Herbig and Hale (1997) state that providing information will be desired by a variety of people with different needs and tastes and will encourage a mix of nationalities and cultures. In a contemporary, increasingly interdependent world, studying culture is essential for any organisation which has to think globally no matter which country they operate in; it is equally important for experts, professionals and managers to study other cultures as well as to understand their own culture (Treven, Mulej and Lynn, 2008).

Therefore, an organisation must understand and conform to the new values, management processes and communication styles that are being created by new methods of marketing to overcome cultural barriers, which is considered a critical factor to B2B implementation success (Eid, Trueman and Ahmed, 2002). The prevailing B2B paradigm in the West is implicitly based upon a business philosophy that may not readily translate into another culture. Relative to the West, B2B relationship strategies are likely to be more difficult to design and to implement in other emerging economies (Hempel and Kwong, 2001).

The concept of B2B relationships needs to provide a useful departure point for exploring the process in a cross-cultural context (Pan, Sparks, and Fulop, 2007). At the same time, research on B2B relationships building in cross-cultural contexts is especially important because of the complexity of B2B partnership development in a cross-cultural setting, although there are still some elements that are included by one researcher but not by another (Hempel and Kwong, 2001).

While a vast number of studies have pointed out the key of relationship marketing practices in consumer markets, little attention has been paid to the value the organisation can get from strategies in the B2B market (Jalili, 2008). Academics in the field of services marketing (Jalili, 2008; Berry, 1995; Grönroos, 2000 and Szmigin, and Bourne, 1998), business to business marketing (Bonoma and Johnson, 1978; Dwyer, Mesak and Hsu 2005; Szmigin and Bourne, 1998) and

high-tech marketing (McKenna, 2002) have all concluded that long-term relationships can be beneficial for both buyer and supplier (Jalili, 2008).

Al-Hatmy (2007) claims that, cross-cultural communication and management becomes even more substantial in a cross-cultural B2B environment. B2B providers and suppliers have to understand the nature and circumstances of their buyers because of the unique characteristics of the organizational customer. Scholars like Williams *et al* (1998) believe that the process of interpersonal orientation or bonding helps in understanding buyer-seller relationships, and Wilson and Moller (1988) identify it as an important concept for examining the performance of business relationships between countries.

Most studies on cross-cultural management are Western-oriented based on Western standards. Therefore, significant gaps exist with areas uncovered in the Arab world and even less focus on Saudi Arabia (Abbas *et al.*, 1995; Darwish, 1998 and 2001). The available literature shows, in general, that there is very limited cross-cultural research in the Middle East and Arab regions (Abdul-Gader, 1997; Al-Busaidi and Olfman, 2005; Al-Gahtani, 2003; Ali, 2004; Hill *et al.*, 1998; Khalfan and Alshawaf, 2004; Straub, Loch and Hill, 2001; Twati, 2007).

Marketers at the end of the twentieth century were confronted with increasingly multicultural marketplaces and several attempts have been made to develop integrative views of current research on cross-culture (Luna and Gupta, 2001). The B2B market has become an important initiative among firms in the last few years. However, cultural and political factors are the main explanations for the lack of B2B in the Middle East because the Western assumption that free movement of information has positive connotations violates many Middle Eastern countries (Thatcher, Foster and Zhu, 2006).

However, existing models of the effect of culture on the market do not offer an adequate framework of specific cultural dimensions while Hofstede's (1980) landmark study approach to the study of cultural values may motivate the creation of words that may not exist in other cultures (Luna and Gupta, 2001). According to (Hofstede 2001; Hofstede and Hofstede 2005) the Hofstede model provides

scales from 0 to 100 for 76 countries including the Arab World's Index for each dimension, and each country has a position on each scale or index, relative to other countries; the model distinguishes cultures in five dimensions; power distance, individualism/collectivism, masculinity/femininity, uncertainty avoidance, and long-term/short-term orientation. The power distance dimension can be defined by (De Mooij and Hofstede, 2010: 88) as 'the extent to which less powerful members of a society accept and expect that power is distributed unequally'. In a large power distance dimension, everyone has his or her rightful place in a social hierarchy (De Mooij and Hofstede, 2010). In a low power distance dimension, consumers attribute personalities and they fit their own cultural values, not the values of the producer (De Mooij and Hofstede, 2010).

Several cultural theorists adopt the view that individuals are products of their cultures and that as their cultures change, so no culture stands still (Venkatesh, 1995). Increasingly, cultural studies are becoming more confusing and confused and the global cultural scene is now witnessing two opposing theories (Vallaster, 2005). However, research on the interaction of people from different cultures and the impact of culture over time is still minimal (Adler, 2002; Cray and Mallory, 1998; Vallaster, 2005). Very few serious articles on cross-cultural studies have appeared in consumer researches, journals and publications, and there is lack of information in the technological improvement in the service sector of B2B (Smith, Langlois and Lazau, 2010).

3.2.8. Telecom Industry in the Middle East

Saudi Arabia has undergone a dramatic transformation in the last 40 years since the oil boom of the 1970s when the Saudis 'emerged from the desert with wallets full of petrodollars; and they were eager to spend their easily earned money' (Quilliam, 2003: 26). Nowadays, according to Eshel (2005), there are new internal challenges facing the government: the population, sharing a temperament that has swept almost the entire world, is clamouring for more rights, and this at a time when the oil is running out, and the need for an improved infrastructure is increasingly making itself felt. The need to invest in infrastructure is dictated by a marked growth in population estimated at 28.15 million in 2008. The financing of

this infrastructure, however, requires expenditures of a magnitude beyond the current limited sources at the disposal of the government (Quilliam, 2003: 49). One source of revenue is the telecommunications industry. Since 2003, when the government authorised the sale of 72 million shares (Quilliam, 2003), Saudi Telecom has been the second largest company on the Saudi stock exchange. So conspicuous is the presence of STC in commercial, social and cultural activities and events that it has been for a number years the first brand in Saudi Arabia (BrandFinance, 2012b; STC-My Link, 2012), and has been recently ranked as one of the top ten brands in the Middle East.

A special organ, the Communications and Information Technology Commission (CITC), was created to encourage greater competition in the telecoms sector (Neil, 2003). This resulted in a thriving market where rival telecommunication companies have been contending with each other to keep the loyalty of existing customers and to attract new ones, fighting a head-to-head battle (Jones, 2006).

This new competitive climate has pervaded the whole Middle East and has roused the interest of international companies keen to extend their market reach. looking at the Middle Eastern companies that have come to prominence over the past few years, they all have big regional ambitions and are seriously looking to increase the size of their regional and global market share having the financial clout to do it and to offer huge potential for growth (Jones, 2006). In Bahrain, for instance, according to Neil (2003), Batelco is 20% owned by British firm Cable and Wireless. Emirates Telecommunications Corporation (Etisalat) attracted bids from the Finnish firm Nokia, Ericsson of Sweden and US company Motorola among others (Neil, 2003). In Iraq: 'Atheer Tel is 50% owned by Iraqi investors, 30% owned by MTC Vodafone of Kuwait, while the remaining 20% equity is held by other Kuwaiti investors' (Neil, 2003: 47). Kuwait's MTC, and the UAE's Etisalat, have licences in Saudi Arabia. Europe's large telecoms groups such as UK's Vodafone and Spain's Telefonica would have been the favourites to land these deals but today the Middle East boasts an array of financially powerful and

aggressive operators who are on the lookout for additional growth opportunities outside their own borders (Jones, 2006).

However, UK's Vodafone out-muscled its Arab competitors to win the race for Turkish mobile operator Telsim. In order to land the deal, the British company had to bid big and only just beat off competition from MTC, Orascom and Etisalat (Jones, 2006). This competition brings risks: operational, qualitative and financial. Haigh (2009) claims that cash-flow is crucial to surviving any downturn. Some companies set up joint ventures in order to safeguard their cash flow. According to Newswire (2008) the largest integrated publishing group in the Middle East, announced the establishment of a joint venture with Saudi Arabia's leading telecommunications company, Saudi Telecom (STC) and All Asia Networks plc (ASTRO) with operations in Malaysia, Brunei, Indonesia and India. As a result risks are being shared and reduced through joint ventures.

3.3. Background to Saudi Arabian Culture

Many aspects of Saudi Arabian culture have changed considerably since the oil boom of the 1970's including the political system, society, Saudi traditions, media, advertising, and business style.

3.3.1. Saudi Political System, Society, and Tradition

Saudi Arabia is governed by the law of Islam (Abir, 1993). The Saudi political system is a monarchy which is led by a king, his brothers and other senior members of the royal family (Ali, 2009). Saudi Arabia has changed dramatically over the past four decades which is a relatively short period in the lifespan of many nations to change economically, socially and demographically (Ramady, 2010). It has embraced an open market-based economy except some goods, products, and services that are in direct conflict with religious beliefs such as the import or consumption of alcohol and pork related products (Ramady, 2010).

The significant growth of the private sector in Saudi Arabia is creating a new relationship style with the government which is supportive rather than restrictive and is inherently effective to enable it to compete globally (Niblock and Malik,

2007).   As a result of great economic growth in Saudi Arabia over the past decade, most Saudi cities have developed and expanded (Baghdadi, 2005; Baghdadi, 2011a). Because of this rapid urbanisation many operational problems have appeared, in spite of government efforts to eliminate them (Baghdadi, 2006; Baghdadi, 2010; Baghdadi and Farquhar, 2012a).

Saudi society is predominantly a Bedouin one and the tribal network plays an important role in finding jobs and seizing political and economic opportunities (Ali, 2009). Bedouin tradition and tribal, group loyalty, and positive attitude towards the group are influential, in particular on decision-making (Ali, 2009; Niblock and Malik, 2007). In Saudi Arabia, loyalty to family and tribe is superior to any other form of relationship and many people believe that tribal and religious loyalty are highly interrelated (Ali, 2009). Although approximately 90% of Saudi nationals are Sunni Muslims, small communities of Shia'h are found in Al-Hasa (part of the East region), Asir (South region) and Hijaz (West region). In the middle region (Najd) the Bedouin population began to decrease in the first half of the 20th century (Abir, 1993). Research shows family, tribe and group loyalty plays a vital role in decision-making in the business environment (Ali, 2009).

Saudi Arabia adopts a form of free enterprise system. In the last four decades, Saudi Arabia has established strong trade relationships with many countries because of openness to the outside world and this has led to a better business environment, membership in the WTO, General Agreement on Tariffs and Trade Organisation (GATT), and private sector growth including the manufacturing, telecommunication, finance, industry, and construction sectors (Ali, 2009). The role of the GATT is to be the most effective instrument of world trade liberalization, playing a major role in the massive expansion aimed at the abolition of quotas and the reduction of tariff duties among the contracting nations (Kotabe and Helsen, 2011). Moreover, Kotler and Waldemar (2006) claim that market demand, B2B companies and industrial businesses lead to enormous complexity; global economies and trading are pushed particularly by the WTO.

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Although it is possible for non-ethnic Arabs to obtain citizenship this is extremely difficult, especially in Saudi Arabia, and success varies considerably from case to case (Robertson, *et al*, 2001). Kuwait was exposed to Western traditions and business practices much earlier than Oman and Saudi Arabia (Robertson, *et al*, 2001). Despite the rapidity of modernisation in Saudi Arabia, it is still classified as a developing and third World country (Ali, 2009).

3.3.2. Saudi Society, Culture, and Media

According to French (2010) an ethical dimension can arise within any part of a cross-cultural research. It is important to be sensitive in advance to intercultural behaviour such as greeting, addressing one another, and the role of business cards in the Middle East in particular in Saudi Arabia (Burton, 2009).

3.3.2.1. The Role of Saudi Women

In February 2005, the first nationwide municipal city election ever was held in the Kingdom, but Saudi women were not able to vote or participate (Coughlin and Westport, 2006; Senker, 2006). The election legislation which was passed in October 2004 did not forbid women from voting, and the Associated Press quoted an unnamed election official who attributed the exclusion of women to an administrative problem (Coughlin and Westport, 2006). Saudi society, customs, and culture are gradually changing and opening up since King Abdullah ascended the throne in 2005, and women have been allowed to enter the male world as Saudi TV newsreaders and presenters, female industrial trainers, businesswomen and even pilots (Senker, 2006). Approximately 20-25% of the business registrations in Saudi Arabia are by women (Coughlin and Westport, 2006: 165).

In Saudi Arabia, more than 85% of the estimated 272,000 working women are employed in education, healthcare, government work, and in the public sector (Ramady, 2010: 203), while, just 15% of them work in the private sector. Women make up 55% of university students but only 5% of the workforce, and are employed only to deal with other females, for example, as teachers, doctors, journalists or business managers (Senker, 2006). Products and services can be restricted or banned for cultural reasons. In March 2004, the Saudi government

immediately banned the import and sale of mobile phones with cameras after many reports of misconduct by some people who had been photographing women in public (Kotabe and Helsen, 2011).

3.3.2.2. Saudi Dress Code

The dress code for women in Saudi Arabia does not permit tight-fitting clothes such as trousers or leggings, and they wear 'abaya' (a black silk robe that covers their body and head), veil, and face cover made of a thin black and transparent material, in order not to draw attention to themselves (Senker, 2006; Shoult, 2002). For this reason, women are not allowed to drive on public roads in cities (Senker, 2006), while in the countryside some women do drive. The Saudi authorities do not require non-Muslim women to wear the abaya, cloak, veil or headscarf. Saudi men should not appear in public in shorts, and must refrain from wearing gold chains and other jewellery (Shoult, 2002).

A female may not appear in the company of a male in public without wearing abaya, and it is also unlikely that women will offer a hand to be shaken (Williams, 2010). Businesswomen who come from abroad should wear long skirts or dresses, with their shoulders covered and sleeves down to the wrist (Williams, 2010). Some Western investors who have not previously travelled to the Middle East might experience culture shock (Williams, 2010). In King Saud University for Women and all other women's universities, women have to be on campus by eight in the morning and they cannot leave the campus because the gates are closed until noon. It is also standard in girls' school that the gates are locked during school hours (Lacey, 2010). Off campus, women wear their 'abayas' and veils with long skirts, and long sleeves (Lacey, 2010) which cover their arms to below the elbow (Williams, 2010).

3.3.2.3. Saudi Advertising Code

One advertising difference in Saudi Arabia is that women are mainly only used when their presence related to the advertised product and services is essential (Usunier and Lee, 2009). Advertising is censored by mores, culture, and religion, and focuses on the information rather than on any kind of suggestive meaning

which is considered to be inappropriate such as women appearing on TV semi-naked washing their hair (Usunier and Lee, 2009).

Foreign printed advertisements have to be modified by shading women's legs in black, by superimposing long dresses on female figures, and by showing pretty women dressed in the 'abaya' and headdress with only her face showing (Kotabe and Helsen, 2011; Usunier and Lee, 2009). If children are used in advertisements, even humorously, they should be respectful to their parents and elders, and only appear to improve the image of products or services (Kotabe and Helsen, 2011). According to Usunier and Lee (2009) a limited number of different advertising styles can be indentified based on basic cultural concepts and sensitivity is portrayed through the varying usage of self-deprecating and self-enhancing humour. Media, advertising, and promotions which involve games of chance are illegal (Usunier and Lee, 2009). Any other advertising including messages which may be considered as deceptive by religious standards is also not allowed (Usunier and Lee, 2009). Both local and multinational advertising and media creative agencies are aware of acceptable concepts of social, traditional and cultural aspects (Shoult, 2002).

3.3.2.4. TV and Saudi Audience

Careful cultural awareness of Muslim audience is needed for advertising, presenters, and TV programming, in particular in Saudi Arabia (Kotabe and Helsen, 2011). The satellite broadcaster MBC (Middle East Broadcasting Corporation) has many channels operating over the whole Arab region (Kotabe and Helsen, 2011). MBC-1 was selected as the most popular programme channel with the best matching profile and program content for Arab audiences (Kotabe and Helsen, 2011).

Saudi TV channels stage special editions of their top-rated shows in the season of Ramadan, the Holy Month (the time of fasting and religious celebration), the most popular of which is 'Tash Ma Tash' literally 'Splash, No Splash' (Lacey, 2010), and since 2008 this programme has been shown by MBC-1. During Ramadan, the annual television viewing peaks and MBC launches their new programs which are

demanded by Arab families during and following their breakfast (Kotabe and Helsen, 2011). There are many strong independent TV channel rivals for MBC including Arab Radio and TV (ART), Orbit, Lebanese Broadcasting Corporation (LBC), Future TV, and Al-Jazeera satellite (owned by Qatar's government), which are popular worldwide and in particular in the Middle East (Shoult, 2002). MBC FM is also the leading broadcaster in Saudi Arabia and in the Arab World generally (Shoult, 2002). As a result of this popularity many companies prefer to launch advertisements of their services on those channels.

3.3.3. Crime and Corruption in Business

Despite the influence of Islamic religion on the Saudi culture, cases of business crime and corruption in the Saudi market have been found and uncovered by the government. A practice case about ethics for employees in the administration in King Saud University reveals deviations in ethical management in various fields and ethical criminal cases in Saudi Arabia. There were 1222 fraud cases from 2005 to 2010, as well as 260 cases of currency counterfeiting, embezzlement and misuse of public money, 685 bribery cases, and 434 work related cases of abuse (Almasari, 2010). Most countries have laws and legislation in place to deal with corruption internally, but such legislation usually applies only to corruption within that country rather than corrupt practices by home companies abroad or bribery of foreign public officials (Lee and Carter, 2005: 523).

According to Almasari (2010) the phenomenon of ethical deviation by staff management is widespread and almost irrespective of sector, organization, public or private because of different cultures; the ethics are consistent with the Islamic religion and with business laws and regulations. Older employees are more committed to compliance with the regulations and instructions, while younger ones with fewer years of experience are less committed because of the lack of supervision, the complexity of procedures, and the lack of clear regulations (Almasari, 2010). In addition, the low level of religious commitment and cultural awareness and poor wages are other reasons for unethical behaviour (Almasari, 2010). Other factors which can affect ethics are fierce competition, the increasing

trend towards globalization, administrative corruption, and economic, environmental and political issues (Almasari, 2010).

In an unprecedented move in Saudi Arabia, more than 1,000 STC employees went on strike in March 2011 demanding bonus payment and some of the strikers also called for the STC Group CEO to step down (Shaheen, 2011). The customer care help desk employees were angry about unfair treatment and favouritism (Shaheen, 2011). It was reported that STC management tried to persuade employees to return to work but failed (Shaheen, 2011).

In November 2009, Saudi's second largest city, Jeddah, was hit by huge floods which caused millions of dollars of damage to properties and infrastructure, and flood depth rose to around 100mm (BBC, 2009). It was reported that rains were the worst for the previous 17 years as 114mm of rain fell in just four hours (Medeshi, 2011). Hundreds of people were forced to stay in their homes while helicopters evacuated many people from roof tops (BBC, 2009). In January 2011, it happened again and there were a number of deaths with dozens missing; at least 1000 stranded people were rescued; many districts were either flooded or jammed with traffic; and cars were swept away by fast flowing rainwater (Medeshi, 2011). Despite the government providing food and temporary housing for those made homeless and considering how to compensate the worst affected, critics accuse them of negligence and say this "disaster" should never have been allowed to happen, the Jeddah authorities have been threatened with lawsuits and thousands of people turned to the social networking site 'Facebook' to vent complaints about inadequate infrastructure on a specially created webpage (Medeshi, 2011).

Among the raft of royal decrees, Saudi Arabia's King Abdullah ordered the establishing and setting up of an anti-corruption agency; the new agency will not spare anyone in its battle against corruption (al-Rashid, 2011). The king vowed to fight corruption with the creation of a new body answerable directly to him (al-Rashid, 2011). This new government department will monitor and oversee all other governmental departments, with its sole mission being to locate and confront administrative and financial corruption in the Kingdom of Saudi Arabia.

The new Saudi National Anti-Corruption Commission is to report directly to King (al-Rashid, 2011).

3.3.4. Business Environment in Saudi Arabia

Lovelock and Wirtz (2011) argue that the rapid service sector growth is driven by many powerful forces including social and cultural changes, business trends, and advances in information technology, government policies, and globalization. The Middle East business organisations certainly had large profits and high economic growth rates (Sayan and Acemoglu, 2009). The Middle East is regarded as a wealthy market, with 40% of the population under 15 years old and 60% below the age of 20 (Kotabe and Helsen, 2011).

As a result of both the dynamics of international marketing and the increasing of companies which are drawn into marketing activities outside the home country, companies tend to evolve and develop their strategies depending on the degree of experience and the nature of the operations in international markets (Kotabe and Helsen, 2011). Therefore, they focus solely on their domestic market before entry into international markets, and their strategies are developed based on that information including domestic customer needs, industrial trends, and economic, technological and political environments at home (Kotabe and Helsen, 2011). Export marketing starts with unsolicited orders from overseas customers and when a company receives an international order, it may be reluctant to fulfil it at first, but eventually it recognises the advantages of marketing abroad (Kotabe and Helsen, 2011).

Governments use laws, policies, and programs to promote and pursue their economic interests in their countries in the international arena (Katz, 2007; Kotabe and Helsen, 2011). The number of foreign companies is limited and international organisations are required to employ local citizens and to sell in the local market (Kotabe and Helsen, 2011). In Saudi Arabia, to be successful in business it is crucial to establish powerful network relationships (Katz, 2007). To build a trusting relationship with a potential partner, third party introductions can be very helpful especially for foreign investors because Saudis are reluctant risk

takers and a successful outcome depends on establishing a strong and trusting relationship (Katz, 2007). The Saudi government encourage overseas investors, international or any non-Saudi companies, to make joint ventures through a third-party Saudi company as a guarantee, and sometimes these contracts are through government-to-government (Shoult, 2002). Generally international contracts in Saudi Arabia include additional terms and conditions such as training local staff or transferring technological know-how, which are spelled out by law. Saudi law also requires having a local representative, and it is strongly advisable to consult a local legal expert before signing the contract (Katz, 2007).

Cravens and Piercy (2009: 221) define joint ventures as 'agreements between two or more firms to establish a separate entity' with several purposes: 'to develop a new market opportunity; to access an international market; to share costs and financial risks; to gain a share of local manufacturing profits; or to acquire knowledge of technology for the core business' (Cravens and Piercy, 2009: 221). Joint ventures also are comparable to strategic alliance in the creation of a new company (Cravens and Piercy, 2009). In addition, successful partnerships are based on trust and respect between the partners and a mutual willingness to share various self-interest issues (Cravens and Piercy, 2009). For example, in Saudi Arabia, although oral agreements are not binding under Saudi law, personal honour is highly valued and contracts are usually dependable with business partners striving to keep their commitments (Katz, 2007). The primary strength of an agreement lies in these commitments rather than in its written documentation and writing up and signing a contract is a formality. However, some flexibility is still expected if conditions change, which may include agreeing to modify contract terms (Katz, 2007).

More consideration is given to the specific situation than applying rules or laws and personal feelings and experiences do influence decisions in Saudi Arabia (Katz, 2007). In this context, Burton (2009) gives an example of how a Saudi Arabian client was presented with a multimillion-dollar proposal by an American salesman; this proposal was in a pigskin binder, which is considered despicable in Muslim culture. As a result, the salesman lost the deal and was immediately

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blacklisted from working with Saudi companies anymore (Burton, 2009). Moreover, it is worth pointing out that many company hierarchies are very rigid and decision making can be a slow and deliberate process (Katz, 2007). Decision makers are usually individuals; final decision-making authority may be delegated down (Katz, 2007). Therefore, it is important to be sensitive in advance to intercultural behaviour such as greeting, addressing one another, and the role of business cards in the Middle East (Burton, 2009).

3.3.5. B2B Market in Saudi Arabia

Kotler and Waldemar (2006) emphasize that B2C is not identical with B2B as there are many differences which have to be considered. To segment and clarify market targets in B2B rather than in B2C markets, many B2B companies have a handful of important key accounts to maximize their profit and turnover (Kotler and Waldemar, 2006). Minett (2002) considers B2B and B2C differences; B2B product development is driven by technological progress, and a direct purchase of telecommunications is a highly unlikely outcome, whereas in B2C the driving force is changes in fashion trends of consumer products. B2C fashion is to buy products or services simply from the seller who promotes it (Minett, 2002).

In the last few decades, B2B companies have faced new challenges including market transcending geographic and cultural barriers (Kotler and Waldemar, 2006). Moreover, in the B2B market environment, the ongoing changes and trends continue to erode barriers of geographical distance for companies to pursue global branding in their market offerings (Kotler and Waldemar, 2006). However, one of the most important issues in B2B brand management is to reduce complexity. Many B2B strategies suffer from a lack of focus, and B2B companies should discard a verbose list of what they would like to be (Kotler and Waldemar, 2006). Some marketers have focused on customer needs and have ignored competitors' threats, while marketing strategy requires paying close attention to both customers and competitors (Kotabe and Helsen, 2011). The complexity of culture, and not just its importance, must be taken into account, for as Hofstede (2001) points out in reference to Saudi Arabia and Gulf countries as compared with other Arabic-speaking countries (Lebanon and Egypt), cultural

homogeneity is difficult to attain. Other writers concur, in viewing culture as 'a complex issue and a generic term that plays host to more specific variables such as language, education and religion' (Lee and Carter, 2005: 78). This complexity is what differentiates the B2B buying process from that of consumer buying behaviour (Lee and Carter, 2005).

In B2B services, value is added by people and social processes, and the network of relationships with customers, suppliers, consultants, trade associations, government agencies, competitors and media is developed by marketers' work (Lovelock and Wirtz, 2011). B2B buying types include commodity trading, organisational buying and government procurement (Lee and Carter, 2005). However, Government buying is complex and usually cooperates with major procurers in the market to provide services and products (Lee and Carter, 2005). The type of relationship in B2B of buyer-seller relationships is a 'win-win' situation as a result of both sides benefiting from the deal (Kotabe and Helsen, 2011). Translated to Saudi Arabia, Saudis value long-term relationships and expect long-term commitments, focusing mostly on long-term benefits and win-win solutions, as well as showing willingness to compromise if needed (Katz, 2007). Saudi negotiators avoid creating direct conflict, never taking anything personally, and are friendly, patient, and persistent (Katz, 2007).

3.3.6. Telecom Industry in Saudi Arabia

McMurty's definition of a free market as one that enjoys freedom from government intervention (McMurtry, 1997) is satisfactory, but it is important for a business what it entails to enjoy that freedom in a free market and what its rights are. There are, in fact, thousands of pages containing rules to protect corporate and business rights in the most recent GATT attempts to institute a '*rule-based international economy*' where the rules only focus on business interests and trade without considering cross-cultural implications (McMurtry, 1997). Saudi Arabia, a GATT member, has a free-market economy, and yet competition, which is a salient characteristic of such a market, has not been as fierce and healthy as in other developed countries. STC, for instance, has until recently monopolized the telecom services to the entire country, which numbered 28.15 million active SIM

cards by the end of 2008. When the Government issued licences to other operators, the monopoly was broken, and by 2010 there were 4 million landlines, approximately 30 million active mobile subscribers, as well as 1.33 million broadband subscribers and more than 7.7 million internet users, all of which necessitate a speedy response and constant improvements (CITC Online, 2010).

According to Hibberd (2009) Kuwaiti headquartered, Zain, an ambitious telecommunication firm, has the stated aim of becoming one of the world's top ten international operators judged by a range of parameters, from market capitalisation and revenue to the size of its overall subscriber base. Today the firm operates in 22 markets across the Middle East and Africa, which puts it in the position of the fourth largest player in the world in terms of footprint. At the close of 2008 Zain's total subscriber base was about 43 million with a market capitalization $28bn (£17.3bn). The firm's worth increased recently from just $3bn (£1.9bn) in 2003, to more than $32bn (£19.8bn). The expansionist ambition of Zain won it headlines when it was announced that it had won the third licence in Saudi Arabia at a cost of $6.1bn (£3.77bn), a sum that raised eyebrows across the industry, as this was greater by 80% than the cost paid by the second licence holder (Hibberd, 2009).

3.3.7. STC Position and Competition

The Saudi government has encouraged the private sector to take a leading role in the production of national wealth, and has put in place regulatory frameworks, laws and guidelines to help and discipline its activities (Ramady, 2010). The government has, for instance, approved the Telecommunications regulations in 2001 with the Communication and Information Technology Commission (CITC), while in 1998, a royal decree was issued establishing the Saudi Telecom Company (STC) which would take over the running of the Saudi Telephone and Telegraph Ministry (Niblock and Malik, 2007; Ramady, 2010; Shoult, 2002). About 30% of the government's stake of STC SR 15 billion ($4 billion) was sold to the private sector in December 2002 as one of the largest government sales of shares, following which STC became the second-largest listed company after

Saudi Arabian Basic Industries Company (SABIC) on the Saudi stock market (Ramady, 2010). It rapidly became the largest publicly trading company in Saudi Arabia and the second-largest contributor to total net income of listed companies, 30% owned by the Saudi government (Niblock and Malik, 2007).

Furthermore, STC, taking advantage of the proximity of Kuwait, which shares borders and cultures with Saudi Arabia, it entered that market, and in November 2007, STC won a licence with a 26% stake in Kuwait's telecom market, making it the third telecommunication operator there, with its bid of KD 248.7 million. In December 2008, STC's Viva launched a mobile commerce solution in Kuwait (STC online: 2011). STC's marketing efforts in Kuwait have culminated in its firm command of a sizable share of the Kuwaiti market (Shoult, 2002). In 2010, STC has been operating telecom networks in Saudi Arabia, Turkey, South Africa, Malaysia, and Bahrain (Rasmala Report, 2011; STC online: 2011). In the Arab Gulf, Saudi Arabia and Kuwait have the most controlled regulatory framework, while Qatar and Bahrain, followed by the UAE, have fewer restrictions on capital transactions (Ramady, 2010).

According to Curwen and Whalley (2004) a SWOT analysis provides a model for understanding the relationship in the telecom market between mobile companies' internal resources and their external environment to improve their telecom strategies. Recently, as a result of mobile penetration, handset capabilities in particular have continued to increase (Cartman, and Ting, 2009). Mobile users are connecting to news, entertainment, lifestyle, sports, and weather channels, as well as mobile internet services, radio to mobile, SMS and ringtones (Cartman, and Ting, 2009). This demand led telecom operators to deal with third-party mobile providers which have developed media channels to serve their customers and partners better with many choices and options (Cartman, and Ting, 2009).

In the third quarter of 2010, mobile subscriptions in the Middle East exceeded 200 million and reached 202 million at the end of September 2010 (Middleton, 2010). There are still substantial opportunities for subscription-growth in the Middle East telecom market (Middleton, 2010). In the Arab zone, Qatar Telecom, Etisalat of

the UAE and Zain of Kuwait, have non-domestic network because they are either closed to foreign direct investment or their countries are too small to attract the attention of inward investors (Curwen and Whalley, 2008).

Today, many countries have six or seven mobile operators in the same market because of the dynamic growth of new technologies (Middleton, 2011). This shows the need for operators to make more diligent and imaginative efforts to meet the needs and requirements of their customers, which means, among other things, connecting more people, more quickly, and they have to evolve more than one viable solution to solve their business problems if they are to enhance their market success (Brda, 2010). It is mandatory to gain a perceptive or at least a sympathetic understanding of the culture of the host country and educating a firm's staff on how to deal with the challenges it entails, for it is failure to do so that has, according to Curwen and Whalley (2008), driven many American mobile operators from the Middle East and forced them to retreat to their home market. For several reasons, primarily cultural ones, Vodafone Group, the world's leading telecommunications company, failed to gain market share in Japan lagging far behind its rivals (Kotabe and Helsen, 2011). Recently, consumer relationships of mobile operators have been threatened by handset vendors and over-the-top service providers in terms of competitiveness (Harriman, 2010).

Despite most mobile operators aiming to attract high value business by encouraging their customers to take up their mobile services, those customers are still critically using their own mobiles comfortably but less confidently before they take on more services (Curtis, 2007). According to Aaker and McLoughlin (2010) mobile phones, MP3 players, cameras, and videos, have many more features. Handset manufacturers such as Nokia have also expanded their understanding of competitor firms such as Sony and Apple (Aaker and McLoughlin, 2010). Although cell phones continued to be a challenge, Nokia 'management made some mistakes but responded with change initiatives after gaining feedback from the market place' (Cravens and Piercy, 2009: 198).

3.4. Chapter summary and conclusion

This chapter has mapped the challenges that face marketing strategies in the telecommunications industry, especially B2B contexts and situations multi-cultural influences play a major role. It has shown that extant research, though not deficient in quantity or effort, tends to be markedly descriptive lacking in that rigour and concreteness of analysis which academic work demands. To redress this lack, the theoretical considerations by Hall's Cultural Model and Hofstede's Model advanced in this chapter are grounded on a case study of Saudi Telecom Company (STC), in the context of which a close examination has been attempted to show how cross-culture B2B relationship marketing is influenced by the perceptions and values of various partners and how a better understanding of Arabian and Middle Eastern culture can be conducive to smoother and successful relations between Western and Middle Eastern enterprises. It is evident from examining the literature, as well as from the discussion above that it should be the requisite of any organization to think '*culture*'- plan and negotiate with '*culture*' prominently in mind - whether the organization is entering a new market internationally or already operating there and wishing to expand its activities, and this is nowhere true today as it is for Western firms and organizations intending to find a place in the Middle Eastern market or to attempt a bigger slice of it. The lesson is equally valuable for Middle East companies such as STC in their efforts to maintain their local success and entrench the global status they have attained through careful assessments of business opportunities within the region and far beyond.

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Chapter Four: Research Methodology

4.1. Introduction

This It is the aim of this chapter to discuss the methodological issues and unfold the research strategy adopted to pursue the aims and objectives as outlined in the first chapter. The research is based on a single detailed case study of an important organisation in Saudi Arabia, where cross-cultural aspects in B2B relations are significantly evident and an examination of which is bound to shed light on theory and practice. This chapter will discuss how the approaches followed here contribute to theory building and meet research objectives. It sets forth the research design adopted, specifying units of analysis and the protocol governing the case study.

In addition to academic standards, which demand accuracy and rigour, there are the ethical imperatives, which require, among other things, that the research will not mislead its beneficiaries and recipients. It is mandatory when conducting any study to weigh up these considerations very carefully before selecting and deciding on appropriate research methods, for it is axiomatic that research methods and the techniques and processes by which data are collected play a significant role in the generation of findings. They can, ultimately, affect the conduct or the strategies or some aspects of the procedures of the organizations and companies that might adopt a research's recommendations.

In theoretical terms, this study focuses on cross-cultural B2B relationship marketing research, drawing on the postulates and models advanced by Hall (1989) and Hofstede (1980; 1984; 1991; 2001; 2004) which, though originally focusing on B2C relations, have been in this research have been applied to B2B relations and evaluated in that context. The purview of this study will encompass culturally-conscious managerial policies and the ways and processes by which the management takes into account cultural differences and the extent to which it is capable of adapting to the different cultures.

Farquhar (2012) holds that the research design should reflect the reasons that underlie the choice of a particular research design and show clearly why the researcher has opted for it and excluded others that might legitimately suggest themselves as appropriate candidates. The design will incorporate clear objectives derived from the research question and will specify the sources from which the researcher intends to collect data as well as the constraints that face the task, such as access to data, time, location and money; and it will also take account of ethical issues (Bryman and Bell, 2007). As the philosophical stances and world views of the researcher influence research method and subsequently the research findings, it is appropriate that the following section should begin by explaining the stances and assumptions underpinning this research study. Following this, in section (4.3 and 4.4) the research approach and method will be discussed in detail.   The strategy of this research is primarily based on a case study which is explained in further details in section (4.5), which will also set forth the criteria for selecting the case study, access to information, and the processes through which raw data were collected. This chapter will, moreover, discuss the process of data analysis and issues connected with trustworthiness in relation to this study.   There will follow a section about research ethics, and the last section will sum up the conclusions of the chapter.   A framework of the research methodology of this study is illustrated in Figure (4.1) below.
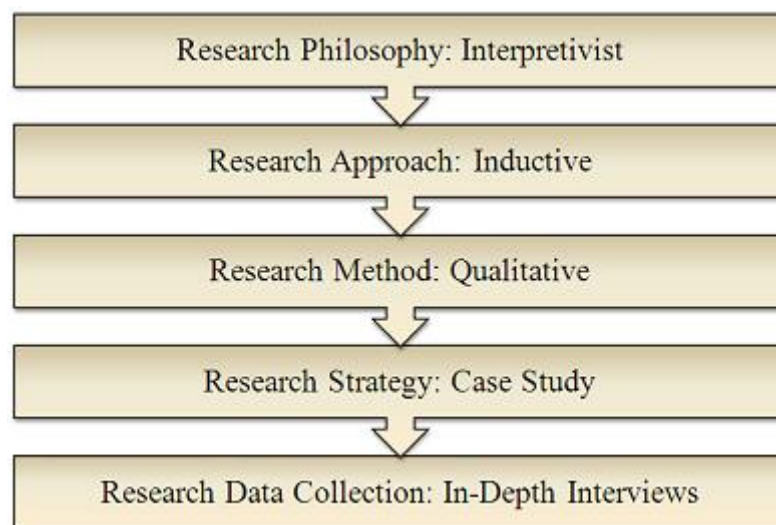

Figure 4. 1: The research methodology framework. Source: the researcher

4.2. Epistemology

Epistemology is the part of philosophy that deals with knowledge and is an important issue which research must take into account to ensure the soundness of its methodology, computational approach, and software technology (Bankes, Lempert and Popper, 2002). Epistemology reflects the long sacred tradition of cross-cultural research which offers the integration of cultural ideas, beliefs, concepts, and practices from cultures, which attach significance to certain sacred elements, as well as other aspects which reflect the intermingling between cultural traditions (Martin, 2010). Above all, it warns the researcher against dogmatism and oversimplification, for as Smith and Peterson (1988) cogently argue, researchers are at time prone to assume the presence or at least the possibility of there being a single, unchallengeable way of measuring success, an attitude that researchers have found hard to give up, because a more comprehensively epistemological approach, though more conducive to accuracy, is apt to make their work harder. The insights of cultural research which focus on solving the problems of epistemology involve two central theses: first, that empirical objects in social science are doubly significant if they have two overlapping meanings; second, in social science production and pursuit of truth it is important to pay attention that performance embraces speech acts which are symbolic and connotative as much as they are denotative and connotative (Reed and Alexander, 2009).

Computational epistemology deals with the central query of how researchers learn things about other cultures, so as to formulate well-defined questions about thoughts and beliefs bearing on specific decisions (Bankes, Lempert and Popper, 2002). The main problem of this approach is that it assumes the false premise that positivism is a tenable epistemology with which to align any qualitative or quantitative research methods (Howe, 2009). For the guiding principles of scientific research are essentially the same for all fields of knowledge (Howe, 2009).

Derived disputes within the sociology of culture, on the one hand, and the long-standing concerns of interpretive philosophy and a cultural-sociological approach to epistemology (Reed and Alexander, 2009: 21). Qualitative methods are assigned a subsidiary epistemological and methodological role in the report's

most explicit articulation, which are employed in the initial describing and conjecturing phase of scientific research (Howe, 2009). Qualitative methods can also illuminate nuances, identify potential counter hypotheses, and provide additional sources of evidence for supporting causal claims in complex educational settings, but if research is to be used to answer the question about what works, it must advance to other levels of research (Howe, 2009).

General conservatism is a widely accepted methodology in philosophy outside of epistemology, which tries to put the principles of justice into reflective equilibrium with judgments about particular cases (Harman, 2005). Against the fear of relativism that haunts a cultural and social science, the implications of the cultural turn for the epistemology of social science are more complex; while this reconstruction of interpretive epistemology emphasizes the importance and relative independence of data, it actually provides a more expansive role for cultural research and hermeneutical interpretation (Reed and Alexander, 2009:32). One issue is that humanities-based research should occupy an epistemological and methodological domain distinct from that occupied by empirical social science (Howe, 2009).

Logic is 'a theory of implication and inconsistency which has an abstract subject matter, being concerned with relations among propositions' (Harman, 2005: 1). It does not have a psychological subject matter, or a normative subject matter (Harman, 2005). From contradictory beliefs, anything and everything follows, but anything and everything cannot rationally or reasonably be inferred (Harman, 2005). Epistemology for its implicit suggestion that the fact-in-theory which is restricted to the 'description' of culture (Reed and Alexander, 2009). The cultural-sociological theory of epistemology outlined is the logical result (Reed and Alexander, 2009).

4.3. Research Philosophy: Interpretivist

Research philosophy is defined as the basic belief system or world view that guides and helps a researcher to address the research question (Guba and Lincoln, 1994; Bryman and Bell, 2007; Farquhar, 2012). According to Denzin and Lincoln

(2005), research philosophy is directed by the ontological, epistemological and methodological beliefs of the researcher. The concept of *ontology*, as applied to research refers to a researcher's view of the field of investigation, connected domains of study and the overall context of a given project; in a word, it refers to the assumptions that the researcher holds about the nature of reality. Bryman and Bell (2007) hold that the central issue, in terms of ontology, is to assess the extent to which objectivity can be attained and to determine within a given context whether reality is external to social actors or, alternatively, whether social entities are built up from the actions of social actors. On the other hand, *Epistemology* simply refers to theory of knowledge (Guba and Lincoln, 1994) and as it relates to research and how the investigation of a particular field is conducted, it concerns itself with the kind of relationship that obtains between the researcher and the research subjects. Lastly, the *methodology* aids the researcher in the collection, selection and verification of relevant knowledge (Carson *et al*. 2001; Guba and Lincoln 1994).

Guba and Lincoln (1994) identify four distinct research paradigms, namely: *Positivism, Post-positivism, Critical Theory* and *Interpretivism/Constructionism* (see table 4.1 below). As a research paradigm, positivism adheres to the assumptions of a single and objective reality and belief in laws and facts (Guba and Lincoln, 1994). This paradigm perceives research subjects from the outside and thus considers the relationship between the researcher and what is being researched as independent (Bryman and Bell, 2007; Farquhar, 2012). Methodologically, the followers of this tradition use predetermined research method procedures such as questionnaires, which would allow them to represent the data numerically and to generalize knowledge. Post-positivism claims that the reality can only be partly known and the research findings cannot be completely objective. Methodologically, Post-positivism research involves some qualitative research methods (Guba and Lincoln, 1994). Critical theory and constructionism emerged as a response to the positivism and post positivism claims. Critical theory assumes that the reality and social world are shaped by other factors such social and cultural values (Guba and Lincoln, 1994). The underlying assumption

of the constructionist paradigm, on the other hand, is that the reality is multiple and subjective followers of the constructionist tradition opt for qualitative research methods to capture the uniqueness of the lived experiences (Guba and Lincoln, 1994).

Item	Positivism	Post-positivism	Critical Theory	Interpretivism
Ontology	Researcher and reality are separate	Reality is imperfectly apprenhendable	Reality is shaped by social, political, cultural, economic, ethnic values	Researcher and reality are inseparable
Epistemology	Objective reality exists beyond the human mind	Modified dualist/ objectivist, tradition and community. Findings probably true	Findings are value mediated	Knowledge of the world is known through a person's lived experience
Methodology	Hypotheses, qualitative surveys	Falsification of hypotheses may include qualitative method	Dialogic/ dialectical	Hermeneutics, phenomenology

Table 4. 1: Research Paradigms, adapted from Guba and Lincoln, (1994: 109) and Weber (2004: IV).

However, the positivism paradigm has received considerable criticism by many social researchers, the central issue is questioning on the appropriateness of understating the social world by employing approaches inherited from scientific research. As such, this paradigm fails as a complete explanation about the complexity of the social world reality, because only the measurable parts of the social world can be explored (Guba and Lincoln, 1994; Miles and Huberman, 1994; Silverman 2001).

As stated earlier, the ontological stances of this research reflect the specific realities of the business and social environment in which it was conducted. The underlying ontological assumption adopted here falls within the boundaries of constructivism, using an interpretivist paradigm, reflecting the researcher's belief that the reality is multiple and complex. For example, it is currently believed that

RM in B2B setting is various and different depending on the organizational culture. Also each company might have a different agenda and experiences for implementing relationship marketing. Therefore, the social entity in this case is built up from the actions of social actors, and such complexity and multiple realities cannot be reduced to quantitatively objective and measurable laws (Bryman and Bell, 2007). Moreover, this study is founded on the conviction that a reliable theory derived from pertinent knowledge of the issues involved cannot be obtained without understanding and fully appreciating the multiple realties that shape the RM in B2B setting under the influence of culture. Moreover, positivism was excluded, because a positivist paradigm may not be the best means to capture the unique experiences of cultural influence on B2B relationship marketing, whereas the main aim of this study is to explore the impact of culture differences on relationship marketing in a B2B setting. It is not the concern of this study to test or measure, but rather to provide insight and meaningful understanding of the current experiences of B2B relationships in STC. All these considerations have the interpretivist approach the most suitable for the current research study, as it would facilitate the acquisition of a better understanding of the unique experiences and practices of STC from the research subjects' point of view.

Epistemology is chiefly concerned with the theory of knowledge and how it can be obtained (Guba and Lincoln, 1994). The epistemological stance taken here, is again, based on interpretivism, as this will allow, for the reasons already stated, to perceive the impact of culture in B2B relationship marketing through interactions with the research subjects. It is the assumption of this study that research that denies or does not encourage informants to express their opinions in their own words is of limited value. As will be seen in due course, the subject of this research, the impact of culture differences in B2B relationship marketing in the Saudi market as illustrated by STC practises and experiences, is an individual case and merits study in its own right, which does not justify the use of what has been described as predetermined statistical procedures. With all these theoretical considerations in mind, the following sections will unfold in detail the approach and the research methodology selected for this study.

4.4. Research Approach: Inductive

Research approach can influence data collection and analysis (Guba and Lincoln, 1994). Generally, there are two approaches for developing a theory, namely inductive and deductive (Farquhar, 2012). Both of these investigative approaches are well-established and distinct logical processes, each having its own purpose and techniques that determine how raw data are collected and analysed. The inductive approach aims at developing theories through capturing aspects of the social world from the research subject's point of view, following which the raw data will be analysed and interpreted in relation to the relevant literature (Gill and Johnson, 2002). This approach draws on the systematic gathering and analysis of qualitative data (Bryman and Bell, 2007), whilst the deductive approach, grounded on careful selection of the relevant literature, attempts to develop a theory or conceptual frameworks on the basis of which appropriate hypotheses could be formulated and tested (Farquhar, 2012). It follows that the deductive approach utilizes highly structured quantitative methods to facilitate generalization and replication (Bryman and Bell, 2007; Guba and Lincoln, 1994). Naturally, the implementation of research approach depends to a large extent on the research aim and objectives of a given study (Creswell, 1994).

Being interpretivist in orientation, this research adopts an inductive, situational approach, which as, compared with deductive, rule-based approach has shown great effectiveness and success in many fields of human endeavour as Hall (1976) has demonstrated. As stated earlier, in Chapter One, little research has been done to demonstrate clearly the influence of culture on B2B relationship marketing, and few researchers have ventured as far as to examine the nature of B2B relationships across cultures. Among the limited number of studies that have been conducted on B2B relations in the Middle East, none have touched on cross-culture marketing strategies in telecom industry in Saudi Arabia. The literature review reveals that the plethora of marketing theories confine themselves to Western countries and cultures (Brencic and Zabkar 2002; Hewett and O´Bearden, 2001; Johnson and Cullen, 2002), a fact which casts doubt on their validity in relation to developing countries. Consequently, B2B relationship marketing in Saudi Arabia

might have a different agenda for implementing RM, and they might be influenced by cultural factors other than those discussed or suggested in the literature investigating marketing contexts in the West. This study has refrained, therefore, from formulating hypotheses for testing, keeping in sight the main aim of the research, which is to gain a thorough understanding of the phenomenon under study in light of exploratory research for STC. Hence, the emphasis rests on the inductive approach for the collection and analysis data, this being adjudged to be the technique that would yield the maximum of information and insight for this study. Although the quantitative deductive approach has dominated RM research, this study perceives the fruitfulness of a new approach that goes beyond the boundaries of deduction, which might carve fresh paths of research and explore new possibilities, all emerging from the conviction that RM in B2B is dominantly influenced by cultural factors, which this study has sought to describe and explain.

In summary, an approach that derives from inductive logic has been found most fitting for focusing the analysis on the process and meaning of the lived experiences in STC and its partners. For this study, the inductive approach excels the deductive approach in its capacity to show insight into the research problems and the formulation of a theory from the raw data (Miles and Huberman, 1994).

4.5. Research Method: Qualitative

According to Shiraev and Levy (2010) there is an interdependent relationship in cultural studies between the acquisition and analysis of data. They discern two types of data which are determined by the types of method (qualitative and quantitative) adopted to gather such data for the specific purpose of addressing the research problem. It is noteworthy, however, that the terms 'qualitative' and 'quantitative' research have come to signify much more than ways of gathering data and have acquired the wider range of denoting divergent assumptions about the nature and purposes or research in the social sciences (Walliman, 2005). It is now widely held that qualitative research is 'an unstructured, exploratory research methodology based on small samples that provides insights and understanding of the problem setting' (Malhotra, 1999: 147), whereas by contrast quantitative research is 'a research methodology that seeks to quantify the data and, typically,

applies some form of statistical analysis' (Malhotra, 1999: 148). It follows that the purposes of the two research methods are also different. Sinkovics, Penz and Ghauri (2005), for instance, consider qualitative research methods as very powerful tools which have gained advances in information technology and are endowed with the capacity to reveal meaning, provide insights and have the possibility of providing answers to specific problems. Qualitative research, on the other hand, is mainly used by researchers to define the problem or develop an approach (Malhotra, 1999), yielding data that can describe and interpret social behaviours, values and norms, or structures (Sinkovics, Penz and Ghauri; 2005). While the data analysis of both qualitative and quantitative data can be done to determine if certain conjectures are substantiated (Chi, 1997; Sekaran and Bougie, 2010), each type of research uses a different approach for data analysis. Qualitative data refers to information gathered in a narrative form through interviews and observations (Sekaran, and Bougie, 2010) while quantitative research relies usually on data that are statistically analysed to assess whether the hypotheses that were generated concord with the underlying data.

Some qualitative studies are exploratory in nature (Sekaran, and Bougie, 2010) and lend themselves to those cases where the researcher's purpose is to gain an inside view of the phenomenon, getting as close as possible to the subject of the research in order to collect resonant, fertile data to enable the development of social context (Hanzel, 2010; Walliman, 2005). Qualitative research is the subject of lively debate, but on the whole it has proved of great value in supporting researchers to develop their findings and theories (Walliman, 2005), and its traditions encompass a wide range of fields such as cultural ethnography, comparative historical analyses, case studies, focus groups, in-depth interviews, participant observation, and analysis of documentation (Bradley, Curry and Devers, 2007; Keen and Packwood, 1995). It is otherwise with quantitative data collection, questions are always culturally bound and includes a social and cultural context built into them (Usunier and Lee, 2009). The quantitative researcher, on the other hand, remains an observer, collecting objective data, as reality is considered to be exoteric and static (Walliman, 2005). In cases where

conclusive or quantitative research is not done, qualitative research and secondary data make up the major part of the research project (Malhotra, 1999). Quantitative research as explained by Walliman (2005) is typically demonstrated by the techniques of social survey and by experimental investigations while qualitative research tends to be associated with participant observation and unstructured, in-depth interviewing.

Creswell (2007) categorized the qualitative method into five approaches: narrative research, phenomenology, grounded theory, ethnography, and case study. These approaches have been employed in many different researches. The selection of one of these depends on the first hand on the main aim and the focus of a given study. For example, grounded theory suits research that aims to develop a theory grounded in the raw data. Case study is more appropriate for research that attempts to develop a close analysis of a single or multiple cases (Yin, 2009).

This implies that case study research may be qualitative (words); quantitative (numbers); or both to combine quantitative data from questionnaires with qualitative evidence from interviews and observations (Eisenhardt, 1989). Mixed method evaluation, by definition, requires expertise in designing and implementing different methods, as well as in analyzing, interpreting and integrating the findings that they generate (Waysman and Savaya, 1997). Traditionally, researchers have developed theory by combining observations from previous literature, common sense, and experience (Eisenhardt, 1989). Mixed methods may provide divergent and even contradictory findings regarding a single phenomenon and it may be considered an advantage, which may lead to the reframing of research questions of the study's basic assumptions (Waysman and Savaya, 1997). However, qualitative and quantitative methods have historically been viewed as mutually exclusive, and rigid distinctions are increasingly recognized as inappropriate (Bradley, Curry and Devers, 2007). Moreover, while mixed methods can generate understanding of the social phenomena, they are often best comprehended by looking at them in terms of quantitative and qualitative research. Recently, confusion increased because the

It has been noted that the rapid change that has occurred in cases within the social and the behavioural sciences has led recently to some confusion (Swanborn, 2010). Quantitative research methods were considered appropriate for investigations based on post-positivist assumptions about the objective social reality, while qualitative methods were deemed fit for research based subjectively on human behaviour (Waysman and Savaya, 1997). In the past basic research, an exploratory approach dominated the field; nowadays, attention has shifted to applied research (Swanborn, 2010). This implies that mixed qualitative and quantitative methods are more than data collection tools, each having philosophical assumptions that can influence the research design (Bryman and Bell, 2007). Accordingly, this explains the complications surrounding the integration of two methods within one study.

However, since this work is primarily concerned with the impact of culture on B2B relationship marketing, the qualitative approach recommended itself as the apposite method, for several reasons. To begin with, it is not always possible in quantitative research to use formal or fully structured methods to obtain information from respondents as people may be unwilling to answer certain questions, and some are unable to give truthful answers to questions that invade their privacy or have a negative impact on their status (Malhotra, 1999). For example, in this study, the researcher is aware that questionnaires are fast and less costly, in that the questionnaires can be sent through email, fax, or to be delivered by hand to some organisations. However, mailed questions do not work with Saudi managers because in their culture it is not acceptable to make any interviews by telephone, messenger, Skype, or by email, which means it is also difficult to make an appointment with them. On the other hand, the attractive features of qualitative research are that it is more flexible, and it opens up the opportunities to ask the respondents more explanations than those of quantitative research (Walliman, 2005). Moreover, qualitative research can provide insight, solution, and understanding of the problem under study, and sometimes it is undertaken to explain the findings obtained from quantitative research, whereas quantitative research seeks to quantify the data and, typically, applies some form

of statistical analysis (Malhotra, 1999). As such, the qualitative method reveals itself as a powerful technique to hear the opinions and world views of the research subjects. In addition, whenever a new marketing research problem is being addressed, quantitative research must be processed by appropriate qualitative research (Malhotra, 1999).

According to Michel *et al.* (2003) the general process in B2B marketing research is similar to that used in consumer research, but different methods are used. What these authors have failed to note is that while there is much research on RM in B2B western context, new perspectives or contexts could provide different valuable results. Nevertheless, the research question of this study remains insufficiently discussed in the literature. Therefore, this study adopts a qualitative approach to describe and analyse various aspects of culture and thereby prepares the ground for subsequent quantitative research. This qualitative approach is combined with a case study of a specific telecom company.

4.6. Qualitative vs. Quantitative data

According to Michel *et al* (2003) the general process in B2B relationship marketing research is similar to that used in consumer research, though they vary in the methods which are used. These are, primarily, Qualitative and Quantitative research methods, the choice of either of which according to Walliman (2005), is determined by the kind of data required to develop an answer to a given research problem. Some research questions can benefit from a combination of these two methods (Shiraev and Levy, 2010).

The terms 'Qualitative' and 'Quantitative' research came to signify much more than ways of gathering data; they came to denote divergent assumptions about the nature and purposes or research in the social sciences (Walliman, 2005). For this study, a qualitative research method was selected because of its receptiveness to various insights about a topic such as cross-cultural relations. For, as one researcher rightly notes, the qualitative method facilitates an 'unstructured, exploratory research methodology based on small samples that provides insights and understanding of the problem setting' (Malhotra, 1999: 147). Moreover, in a

culture such as that which prevails in Saudi Arabia, the qualitative method is more suitable in terms of courtesy and tact, as it would be presumptuous to give a blank questionnaire to a senior manager in STC, for example, and ask him to fill in the answers, whereas an interview will recognise the dignity and status that an official feels he needs to preserve.

There is one way to improve the quality of cross-cultural research and to insure the findings which are culturally relevant and accurate to the combined qualitative and quantitative methods (Deng *et al*, 2008, Hines, 1993). A hierarchical view of relationships in the empirical research process is identified by Sinkovics, Penz and Ghauri (2005) as the following: problem definition; data collection; data preparation; and data analysis. Cross-cultural researchers, who have been few in number, suggest linking both qualitative and quantitative methods, in order to take full advantage of the benefits that could be derived to show their findings in a clear and comprehensive manner (Hines, 1993). This perspective by emphasizing the differences between quantitative and qualitative methods is perceived to revolve around reliability, internal, ecological and external validity, etc. and their appropriateness to the research topic (Johnson *et al*, 2007).

There are many reasons for dealing with qualitative research because it is not always possible in quantitative research to use formal or fully structured methods to obtain information from respondents, as people may be unwilling to answer certain questions, and some people are unable to give truthful answers to questions that invade their privacy or have a negative impact on their status (Malhotra, 1999). This point concerning status has been mentioned above with regard to interviews and how they are preferable to questionnaires when dealing with senior STC managers. The same technique has been followed with their partners, for though some of them are not Saudis or Arabians, they would be familiar with the local status expectations. Besides, a uniformity of the technique used would also ensure symmetry of approach. Qualitative research involves significant differences in its assumptions and principles from those of quantitative research (Walliman, 2005). Qualitative research also provides insight, solution, and understanding of the problem setting, and sometimes it is undertaken to

explain the findings obtained from quantitative research, whereas quantitative research seeks to quantify the data and, typically, applies some form of statistical analysis (Malhotra, 1999).

Some qualitative studies are exploratory in nature (Sekaran, and Bougie, 2010). In general, the researcher doing qualitative research will attempt to obtain an inside view of the phenomenon, getting as close as possible to the subject of the research in order to collect resonant, fertile data to enable the development of social context (Hanzel, 2010; Walliman, 2005). Qualitative research is often the subject of lively debate which as a result will support the researchers in developing their findings and theories (Walliman, 2005).

The traditions of qualitative research include cultural ethnography, comparative historical analyses, case studies, focus groups, in-depth interviews, nonparticipant observation of meetings, and analysis of documentation (Bradley, Curry and Devers, 2007; Keen and Packwood, 1995). Methods and data sources are independent of each other (Keen and Packwood, 1995). In data analysis, the data is statistically analyzed to understand if the hypotheses that were generated have been supported. Analysis of both qualitative and quantitative data can be done to determine if certain conjectures are substantiated (Chi, 1997; Sekaran, and Bougie, 2010). Qualitative data refer to information gathered in narrative form through interviews and observations (Sekaran, and Bougie, 2010).

Case studies can involve single or multiple cases, and numerous levels of analysis (Eisenhardt, 1989). Case study evaluations use one or more qualitative methods which have been used to investigate the important, practical and policy questions (Keen and Packwood, 1995). The evidence in case study research may be qualitative, quantitative, or both to combine quantitative data from questionnaires with qualitative evidence from interviews and observations (Eisenhardt, 1989). Quantitative research methods were considered appropriate for investigations based on post-positivist assumptions about the objective social reality, while qualitative methods were deemed fit for research based subjectively on human behaviour (Waysman and Savaya, 1997). Mixed method evaluation, by

definition, requires expertise in designing and implementing different methods, as well as in analyzing, interpreting and integrating the findings that they generate (Waysman and Savaya, 1997). Traditionally, researchers have developed theory by combining observations from previous literature, common sense, and experience (Eisenhardt, 1989).

The present research adopts a case study approach. As marketing strategy and management are based on a wide array of methods as well as involving large corporations and phenomena, case studies can accommodate multiple methods of collation (Maylor and Blackmon, 2005). Case studies, it is worth noting, were at one time the preferred and indeed only method adopted in social science research until the advent of alternative methods based on personal interviews and surveys. Even though they have been criticised by positivists for generalisation and a lack in rigour associated with social science, it is undeniable that case studies have a closer relation to a specific problem that requires field work than other approaches. Case studies, it is worth noting, are grounded in the constructionist theory in that the case approach demonstrates the relevance of the research questions and the potential for new ideas and approaches to develop (Easterby-Smith *et al*, 2008). Research based on a case study will reflect constructionist philosophy throughout even though rigour and accuracy will be sought from positivist frameworks to achieve effective outcomes from data analysis and comparisons between findings which will then guide the researcher's further research needs and methodologies (Maylor and Blackmon, 2005).

4.7. Research Strategy: Case Study

Case study is defined by Yin (2009: 18) as 'an empirical inquiry that investigates a contemporary phenomenon in depth and within its real life context, especially when the boundaries between phenomenon and context are not clearly evident'. Case study has been defined also as a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using evidence from multiple sources (Farquhar, 2012). Yin (2003) regards context as important, and maintains that within case study, there is

no clear difference between the phenomenon being studied and the context within which it is being studied.

This kind of inquiry calls for empirical investigation based on knowledge and experience, involving the collection and analysis of data. Case study allows the researcher to investigate the complex details and solutions of individual cases, rather than averaging the effect across a number of cases (Swanborn, 2010; Farquhar, 2012). The powerful tools which case study research provides makes it highly valuable for researchers in management, PhD and business subjects, including for example, marketing, corporate strategy and general management (Gummesson, 2000). Its use is becoming increasingly widespread in management, with business-related doctoral theses often based on them (Gummesson, 2000).

4.7.1. Selecting Case Study Criteria

Building a case study theory is a bottom up approach in that specific data produce generalized theory (Eisenhardt, 1989). This approach, however, could be vulnerable because the data relate to a very idiosyncratic phenomenon or because the theorizing process does not attain a sufficiently high level of generality (Eisenhardt, 1989). Critical research focusing on one case may determine the choice of theories and the particular case for study and analysis (Swanborn, 2010).

Theory building has three main strengths: firstly, it may generate novel theory; secondly, this theory is likely to be testable with constructs that can be readily measured and hypotheses that can be proven false; finally, the resultant theory is likely to be empirically valid (Eisenhardt, 1989).   However, while some characteristics lead to strengths in theory building, they also lead to weaknesses. Another weakness is that theorists working from case data can lose their sense of proportion as they confront vivid, voluminous data, and building theory from cases may result in narrow and idiosyncratic theory (Eisenhardt, 1989).

Translated into business research, the purpose of case study is to let researchers understand the concepts of strategic management when they analyse and examine closely the issues facing a specific company (Jones and Hill, 2010; Farquhar, 2012). According to Yin (2009), case study is an empirical investigation based on

knowledge and experience, or more practically speaking involving the collection and analysis of data to investigate a contemporary phenomenon in depth and within its real-life context. The aim of case study research is to examine deeply, look for explanations and gain understanding of the phenomenon through multiple data sources to extend or test theory (Yin, 2009). Case study also provides researchers with experience of the strategic management problems that actual organisations face (Jones and Hill, 2010). Maylor and Blackmon (2005) write that marketing strategy and management are based on a wide array of approaches as well as involving large corporations and phenomena, and case studies provide a niche for method collation. Similarly, Bonoma (1985) stated that the case study method can yield insight for marketing researchers, which subsequently can pave the way for adopting quantitative methods. In addition, case studies help to determine the right business-level or corporate-level strategy to compete in changing conditions, at the same time as it illustrates the theory and content of strategic management (Jones and Hill, 2010). Case studies may therefore be valued complements, rather than substitutes, to experiments (Yin, 2009). According to Jones and Hill (2010), case study analysis is an integral part of strategic management and it presents an account of what happened to a business or industry over a number of years. Case study, as a problem-solving technique, is not often undertaken in organisations because such studies dealing with problems similar to the one experienced by an organisation with the same size and setting are difficult to find (Sekaran and Bougie, 2010). In light of these evidences, case study reveals itself as a powerful and suitable tool for the collection of data relevant to a specific case but which could be also useful for a wider use.

Case studies can also make a useful contribution to developing a theory that draws on research based on them, provided that those case studies are carefully and judiciously selected so as to be conducive to both qualitative and quantitative methods (Eisenhardt, 1989). Although the terms of both qualitative and case study are often used interchangeably, case study research can involve either only qualitative data, only quantitative data, or both (Yin, 2009). However, it is noted

that case studies were at one time the preferred and indeed only method adopted in social science research until the advent of alternative methods based on personal interviews and surveys. In this context, Yin (2009) voiced that case studies in some cases are difficult to execute due to methodological mistakes made by the researcher during the formulation of research design. Moreover, case studies have been criticised by positivists for generalisation and a lack in rigour associated with social science (Easterby-Smith *et al*, 2008). One of the greatest challenges is dealing with critics who often point to the fact that a case study investigator fails to develop a sufficiently operational set of measures and that '*subjective*' judgments are used to collect the data (Yin, 2009).

Moreover, it is said that an authentic case study is difficult to find because many companies prefer to guard them as propriety data (Sekaran and Bougie, 2010), which is the case in Saudi companies, where it is preferable to keep everything secret and not allow anybody to look at it. There remains, however, ample scope for case studies to provide a rich picture of organisations and researchable concepts and materials, as the researcher will endeavour with STC, to seek through the qualitative approach to be used in the proposed research. Moreover, the collection of case study data follows a formal protocol within the in-depth interviews, which presumably would enhance the rigour and soundness of the findings (Yin, 2009). In addition, Sekaran and Bougie (2010) claim that case studies involve in-depth, contextual analyses of similar situations in other organisations, where the nature and definition of the problem happen to be the same as experienced in the current situation, and it may be different from one researcher to another. Given the skills and familiarity of the researcher with the research context, the adoption of case study is believed to be an appropriate choice, being able to assimilate large amounts of new information without bias; being adaptive and flexible with a firm grasp of the issues which are being studied to understand the purpose of the case study investigation and that research is about questions, not necessarily about answers (Easterby-Smith *et al*, 2008; Yin, 2009).

The setting for the proposed research is case study approach for different reasons. According to Swanborn (2010), in case study, the initial theory often consists of

only some vague ideas about reality, and it is basic research, which is mostly directed towards the in progress development of a theory. In this study, the research question remains unexplored in the literature, yet this research is informed by many different researches about cultural and marketing studies. In other words, the researcher of this study has the relevant information to conduct this research, yet part of reality in relation to Saudi Arabia and STC is still vague and unknown. Therefore, case study will allow the researcher to develop more holistic understanding about the influence of culture on B2B relationship marketing. The aim of case study is not to construct a theory but to describe relevant characteristics, in order to become highly familiar with the case, and to search for general theories that might be applied to solve the general exploratory research questions (Swanborn, 2010). Given that the main aim of this study is to provide deep, detailed and meaningful description about the experiences of STC, case study strategy is more compatible with this study.

Eisenhardt (1989) argues that findings developed from case study research are likely to have important strengths. Therefore, case study reveals itself as a powerful and valuable strategy to provide the STC managers and it partners with clear direction for decision making and establishing a fruitful partnership. Moreover, the case study is a research strategy which focuses on understanding the dynamics present within single settings (Eisenhardt, 1989). This strategy will, therefore, provide insight into the practises, experiences, trends and agenda of STC, which can serve as a baseline for further studies in similar context. Case studies, it must be noted, are also grounded in the interpretivist/constructionist theory in that the case approach demonstrates the relevance of the research questions and the potential for new ideas and approaches to develop (Easterby-Smith *et al*, 2008). As this research reflects and adopts the constructionist philosophy to achieve effective outcomes from data analysis and comparisons between findings which will then guide the researcher's further research needs and methodologies (Maylor and Blackmon, 2005), case study is clearly more compatible for the current research.

Title: The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)

4.7.2. Case Study Selection

Case studies explain, describe, illustrate and enlighten: it is a strategy that provides overall direction for the study as well as a backbone throughout the research (Yin, 2009). Using several sources of indication and evidence in case studies allows researchers and investigators to address a variety of historical and behavioural issues (Yin, 2009). Case study selection is an important aspect of achieving the main aim for any research (Eisenhardt, 1989). Generally, there are two main types of case studies: single or multiple (Yin, 2009). The single case study could be classified as a classic form of study, and it focuses on the "lineament things" which it has, its structure, its character, as well as its emphasis on understanding about what is going on, taking one of the approaches (Thomas, 2011). A single case study always focuses on the characteristics that give it some interest (Thomas, 2011). According to Yin (2009), the researcher could conduct a single case study, wherein the case is believed to be unique, or when the researcher has the ability to access a particular organization which was inaccessible or out of reach for other researchers. Similarly, Swanborn (2010) suggests that critical research involving one case may affect the choice of theory and the case itself may be worth documenting and analysing because of its rarity.

On the other hand, with regard to multiple case studies, Yin (2009) holds that the researcher might intentionally select several cases that are not relevant to each other. The use of multiple case studies, according to him, can help the researcher have robust and sound findings. Nevertheless, Yin sees many disadvantages of conducting such an approach. For example, a researcher in such scenario runs the risk of losing focus and concentration. Moreover, the resources, in terms of time and money, required to conduct the multiple cases might be out of reach of the researcher. In the light of Yin's cogent argument against multiple case studies, the present researcher has opted for a single case study to gain in-depth understanding of the problems and complexity of the given case. Nor is this a lazy choice, as a single case study needs to be very carefully selected, lest it proves to be irrelevant to the research aim and objectives. Given that there are various B2B telecom companies in Saudi Arabia and elsewhere, one would expect

some justification for selecting a particular company. After all, there is always the danger that selecting an inappropriate case might narrow the chances for generalizing the findings.

A single case study was chosen as a means to investigate how actual practices in the field of B2B relations may help in deducing a theory and building a theoretical basis that would contribute to the efficiency of practitioners, for as Farquhar (2012) rightly maintains, a single case study can insure depth and insight as a result of a concentrated attention, focusing on a manageable unit of investigation and analysis. The case of STC is illustrative of the advantage of this type of investigation, and indeed it provides a unique and rich context for case study analysis, for the following reasons:

- Size of the company and its position in the Saudi Market; STC holds over 55% of the Saudi telecommunications market (CITC, 2012) which amounts to billions of dollars per year (Ford, 2003). It ranked 31 in the Top 100 Mobile Brands in 2010 (BrandFinance, 2012a) and as the second largest source of revenue in Saudi Arabia (CITC, 2010). Its enterprise value increased from almost $3bn in 2003 (Hibberd, 2009) to almost $28bn in 2011 (BrandFinance, 2011).

- It aims to expand globally (STC-My Link, 2012). The expansion of STC from a largely domestic provider to an aspiring international one makes it an eminent candidate for a case study investigation. In doing this, STC is working with a number of international players with whom it is building relationships which by definition are cross-cultural owing to its expansion in Bahrain, Kuwait, Turkey, Malaysia and South Africa.

- The researcher has an advantage of being familiar with the scene of the case study, having worked in telecommunications industry for more than ten years and gained a wide knowledge of the Saudi telecommunications market to address the main aim and objectives of this study which has purposively selected STC as it provides a rich context for studying cross-cultural B2B relationship marketing.

The researcher is, however, aware that single case study may be vulnerable either because it addresses a very idiosyncratic phenomenon or because the theorist is unable to raise the level of generality of the theory (Eisenhardt, 1989). To overcome such shortcomings, several sources of indication and evidence have been used within the single case, which allowed a variety of historical and behavioural issues to be addressed (Yin, 2009).

A persistent concern for case study research is how many units of study they should select (Farquhar: 2012), on which to apply theoretical perception to a real life context. The unit of analysis and data collection processes chosen for studying the case of STC are detailed below.

4.7.3. Unit of Analysis

A major feature of case study research design is specifying the major entity that is being analysed, or identifying the unit of analysis in terms of 'who' or 'what' is the target of study, regardless of the size of the unit, be it individuals, groups, organisations, geographical units, or social interactions (Groucutt, 2008; Mc Nerney *et al*, 2010; Yin, 2009). The choice of STC for this research makes the organisation as the major unit of analysis, around which there clusters a number of secondary, contingent units. In fact, there cannot be a surgically precise separation between these units. For instance, although by studying STC, the unit of analysis is organisational, the discussion of its relations with partners partakes of the study of group interaction, and when the discussion deals with Saudi Arabia and, to a lesser extent, the Arab Middle East, the study begins to take the character of a geographical unit. Hofstede urges the need to explore whether attitudes towards national culture at the micro-level are consistent with those developed at the macro-level (Hofstede, 1984), and this became more apparent when conducting this study, which led the researcher to extend the geographical domain of study from the Central Region (Riyadh) to include the Western Region (Jeddah) and the Eastern Region (Damam), where STC management and partners are also active. Nevertheless, it is all too clear that the dominant unit of analysis is organisational.

As a case study may critically weigh the validity of existing theory, this makes the proper selection of the case and unit of analysis particularly important (Groucutt, 2008; Mc Nerney *et al*, 2010). Indeed embedded case study designs often include multiple units of analysis with main and smaller units on different levels or more than one sub-unit of analysis to identify consistent patterns of evidence across units, but within a single case (Yin, 2009). In this study, where STC represents the main unit, its senior managers and partners represent subunits. The levels, context and unit of analysis are all diagrammed in the figure below.
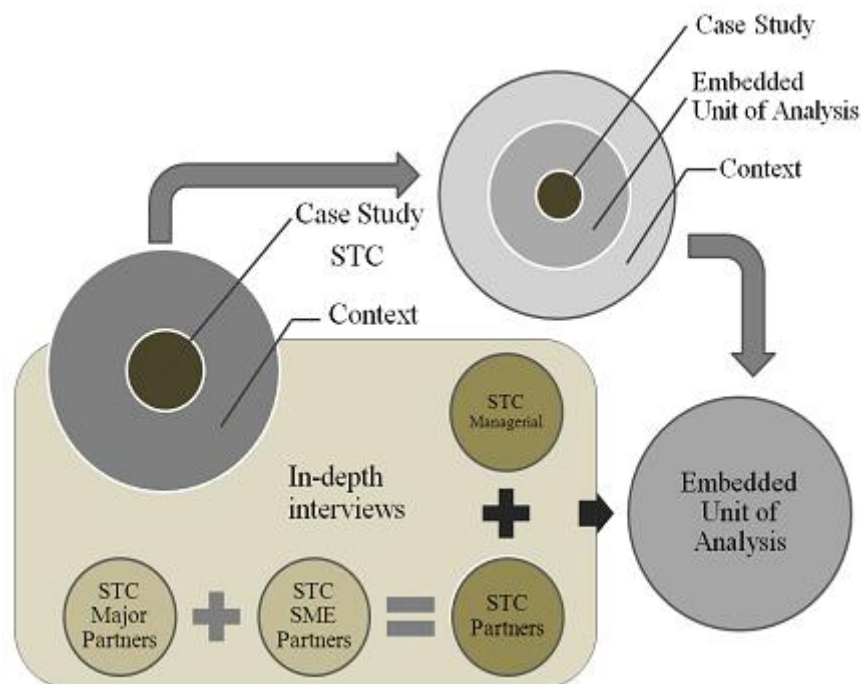

Figure 4. 2: Case study designs and Units of analysis.

The selection of a case should be analogous to the choice of a topic of an experiment, ensuring that it is capable of maximum reflection of the underlying theoretical propositions and conceptual framework (Yin, 2009). The choice of STC as a case study of Cross-culture in B2B relations has proved to be an apposite one, yielding as it did a large array of culture-related data and culture-rich implications. As an approach of investigation case study provides the researcher with the ability to combine multiple sources of information including documentation and interviews (Farquhar, 2012) as has emerged from this study of STC, where strategic information was culled from secret documents, without divulging details that must remain secret in the organisation's interest, so as to observe ethical canons of research.

4.7.4. Ethical Issues

This section aims to address ethical issues in relation to the current research, including such matters as anonymity and the considerations that must be heeded in conducting interviews. It must be remembered to begin with that ethics cannot be divorced from culture, i.e. from the set of shared beliefs, attitudes, and behaviours of a large population group, as well as religion, language, and customs (Blythe and Megicks, 2010). Almost all human behaviours are learned, and the majority of them are culturally based on the needs of people and how those needs fit in with other behaviour around them (Blythe and Megicks, 2010). Polite behaviour differs from one culture to another, being basically acquired and reflects the modes and processes of learning (Blythe and Megicks, 2010). Culture, philosophy, and morality determine what is considered to be acceptable behaviour which can influence ethical conduct and ethical decision making (Malhotra, 1999). Ethics in business research, however, refers to a code of conduct or expected societal norm of people behaviour (Sekaran and Bougie, 2010). Ethical conduct applies to the organisation, researchers, and the respondents who provide them with the necessary data (Sekaran and Bougie, 2010). Ethical behaviour, thus, pervades each step of the research process: data collection, data analysis, and reporting (Sekaran and Bougie, 2010). There is a general consensus that these behavioural concerns and modes of conduct, which differ across cultures, are important in overcoming ethical barriers to international business and B2B research (Malhotra, 1999).

Before embarking on gathering data, the researcher must take into account the ethical issues that might emerge through all stages of data collection (Bryman and Bell, 2007; Farquhar, 2012). Some of these are general issues and will apply to whichever technique is being used (Farquhar, 2012). It is crucial not to embarrass the interviewee and cause harm by reporting data which are clearly attributable to a particular individual, nor to intrude on their privacy, where this goes beyond the scope of the interview (Malhotra, 1999). It must be remembered that participants have rights including the right to withdraw and even to decline to take part in a particular aspect of the research (Wibeck, Dahlgren, and Öberg, 2007; Yin, 2009).

With regard to this study, the data collection stage was preceded by soliciting and gaining ethical approval from the Ethics Committee at University of Bedfordshire. STC being the case under study, the researcher's next step was to launch contacts with organizations in both the public and private sectors in Saudi Arabia to prepare the way for conducting direct interviews. Formal letters from the supervisor in Bedfordshire University and form the Royal Embassy of Saudi Arabia in London were provided to prove the researcher's credentials. There was also another requirement made by the Cultural Bureau to satisfy Saudi regulations, and this necessitated the participation of a supervisor from King Abdul-Aziz City for Science and Technology (KACST) to oversee data collection procedure in Saudi Arabia (see all letters in the appendices).

The interviews were the main data collection method for this study, and to satisfy important ethical considerations the respondents at STC were told beforehand that the interviews would be audio-recorded, and were assured of the confidentiality of all aspects of the procedure and that, in reporting the research results, their identity would be kept anonymous. To maintain the anonymity of the respondents, a number was allocated to each respondent in the displayed data. However, out of respect for the wishes of the informants, interviews with them were not actually audio-recorded, and their answers were transcribed instead, a measure that did not vitiate the quality of this research, as the researcher has made a full and fair copy of what had been said (examples of some interviews can be seen in the appendices).

4.7.5. Case Study Protocol

Case study control deals customarily with the rules and procedures governing the use and processing of data. The case study protocol as applied here and a shown in the figure below sets forth the procedure followed in the treatment of data, together with a componential portrayal of the elements that govern the case and which have been analysed in the subsequent sections.
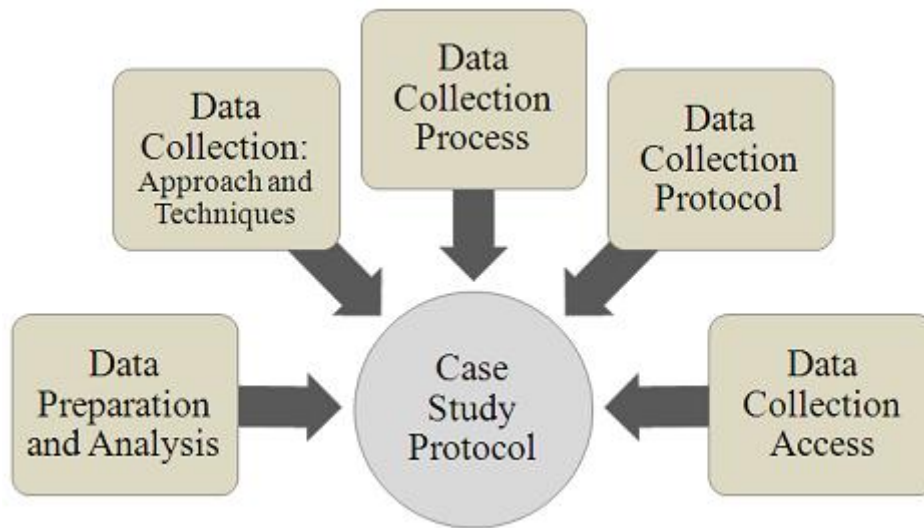
Figure 4. 3: Case study protocol.

4.8. Data Collection Access

The access to the research subject or an organization has to be taken into consideration in any research. According to Hammersley and Atkinson (1996), access depends on the researcher's ability to negotiate with the informants the possibility to collect data in a socially and culturally acceptable way. On the other hand, most management and organisational researchers suggest that the possibilities of access are greater where existing contacts can be used and this should help to achieve good-quality research (Bryman and Bell, 2007). In this context, Easterby-Smith *et al.* (2008) consider that a researcher's familiarity facilitates access to organisations and individuals as well as events and conferences. In a similar line, Maylor and Blackmon (2005) suggest that a researcher's familiarity is helpful, as it enables carrying out several research techniques to help collect, collate and analyse data. The present author's experience in a number of conferences dealing with topics related to this thesis endorses the views of the authors just cited. One such conference has in particular helped refine and crystallize ideas that were tentatively held but not clarified or criticised by peer researchers or more seasoned experts. While attending the

Global and Cross-Cultural Management conference organised by Maastricht University in June 2011, where the researcher presented a paper, it was his good fortune to discuss his thesis topic with Geert Hofstede, who not only showed keen interest in the subject but made useful suggestions and criticisms that helped in sharpening its focus and refining its major ideas. In this connection also, the researcher also met Tony Buzan at the Saudi Scientific International Conference in October 2012 at the University of Brunel.

However, the researcher of this study worked and had a wide experience with STC in different departments, as well as working with some STC overseas partners including Quality Side Ltd, Al-AlMIA and ANN TV in the UK (see Appendix 8). Thus, the researcher has enterprise knowledge of the Saudi telecom market. In addition, the researcher's familiarity with Saudi culture, STC and its partners enabled the researcher to behave in a culturally acceptable way. The main concern of the researcher was to gain access to interviewees with particular profiles and to gain permission for further access.

4.9. Data Collection Protocol

This research, seeking to develop a model of high relevance and applicability that shows the impact of cross-culture on relationship marketing, has examined relevant B2B theories and drawn on primary and secondary data relating to the telecommunications industry in the Middle East, particularly in Saudi Arabia, where STC has been chosen as a case study. The primary and secondary data have been processed and analysed, taking into account the models suggested by various theorists and the specific model this research aims at developing. As with any case study, the one on STC follows a formal protocol appropriate to Saudi environment and culture, but as Yin notes, it is not always possible to predict the specific information that may become relevant to case study (Yin, 2009). The questions asked were formulated both to obtain information and provoke thoughts without imposing the researcher's bias. A case study is often criticised for starting with an insufficiently operational set of measures and for a subjective approach to collect the data (Yin, 2009). To avoid this defect and to gain reliable and objective data on STC, the interviews were carefully planned to include the

widest possible range of personnel, levels and functions. Thus interviewees included officials from the highest to the lowest administrative levels, operating at STC offices in various cities of Saudi Arabia to reflect varieties of regional culture. Various religions and sects (Muslim Sunnis and Shi'aas, Druzes and Christians) have been included. No women, regrettably, are represented as the company has exclusively male employees. The interviews also covered different business units within STC. The same criteria have been applied to employees of STC B2B partners. These included small, medium and major enterprises. In both STC and their partners, people interviewed comprised new as well as veteran employees. This range of coverage and variety of criteria served to ensure as a high degree of objectivity as is possible for this kind of study.

4.10. Data Collection Process

Data collection techniques provide information corresponding to the underlying thought processes of respondents and enable researchers to better understand how different cultural and ethnic groups construe the world (Deng *et al*, 2008; Hines, 1993). Data collection for this study involves primary and secondary data, the sources of which are shown in Figure 4.4 below. Primary data collection adopts the qualitative case study method, which was carried out through different stages. Generally, the main criteria for selecting the case study were the uniqueness of the case, access and geographic proximity (Yin, 2003). Moreover, the researcher attempts to select a B2B organization that presents itself a suitable unit for analysis.

Secondary data gathered from reliable sources from within and outside Saudi Arabia, proved to be of much value in relating the findings of the research to Western contexts. STC documents were also analysed, reviewed and reported on. In interpreting and analysing the data, an approximating approach will be used (Maylor and Blackmon, 2005). The final outcome is a practical understanding of both marketing strategies in Saudi Arabia and Western theories and concepts.
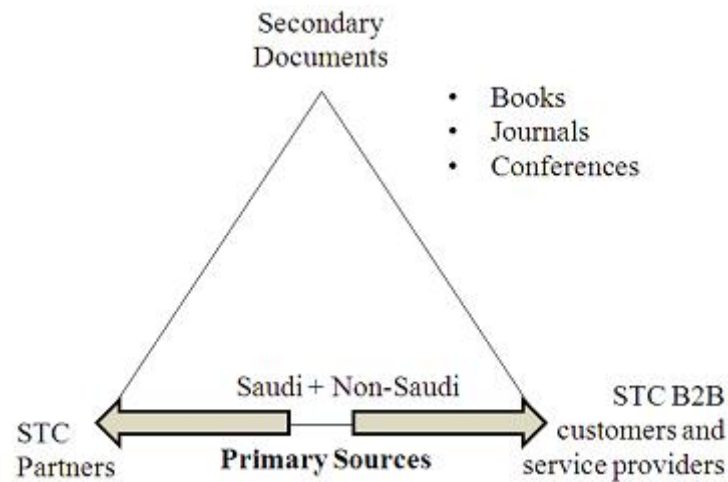
Figure 4. 4: Data collection sources. Source: the researcher.

Given the criteria mentioned above, and considering that STC is one of the most reputable, prestigious and leading telecom companies in Saudi Arabia, primary data collection was drawn from STC. However, Yin (2009) contends that the case study research involves different sources of evidence such as interviews, observation, physical artefacts and archival records. In a similar line, Seale and Kelly (1998) suggest that interviews are not the only source of qualitative data which may also come, for example, from visual images; published texts; historical documents; transcripts of conversations; and field notes of observations during ethnographic work.

To ensure the rigour of the data, case data for this study were collected from multiple sources of evidence including; archival records, interviews and supplementary observations, which were undertaken at different phases. In the first phase, archival records were collected and involved different documents obtained from STC. The overarching aim of these evidences was to understand the current state and practices of STC. In the second phase, semi-structured interviews were conducted with a purposively selected number of STC senior managers. The interviews aimed to understand the influences of culture on B2B relationships of STC senior managers. Along with these interviews, the researcher made supplementary causal observations, which aimed to describe the natural setting in which the interviews took place and to enhance the integrity of

the research. These sources of evidence were suitable for reaching the main aim and objectives by gaining meaningful information about STC. Following this, the data were subject to analysis and triangulation protocols, which were used to ensure the accuracy and rigour of the findings (Stake, 1995). The following section discusses in more detail primary data collection for each source.

4.11. Data Collection: Approach and Techniques

Qualitative data was collected through a survey of STC partners in the business sector and private corporations in three main regions in Saudi Arabia: Riyadh, Damam, and Jeddah. The research focuses on these cities because the vast majority of private businesses and public institutions are located there. The power distance index of Hofstede's theory has also influenced the completion of the questionnaires, as explained in 1.3 and 2.5.

As cross-cultural research requires researchers to translate information from their language to another language (Shiraev and Levy, 2010), the interviews were conducted chiefly by means of a structured questionnaire, which was translated into Arabic, with some of the interviews being conducted in Arabic and some in English, depending on the respondent's command of either. According to Kaplan and Duchon (1988), qualitative methods include open-ended interviewing, observation, participant observation, and analysis of responses to open-ended items on a survey questionnaire. Qualitative methods were employed to collect and analyse data from semi-structured questionnaires (Kaplan and Duchon, 1988). In the case of native Arabic speakers, the survey and interviews were guided by the method developed by Ali (Ali 2009), where to reduce cultural bias the questionnaire and the semi-structured questions for the interviews were rendered from English to Arabic, then the Arabic version was translated back into English by the researcher, and the differences between both two versions were reconciled and refined. The whole interview took approximately 40 minutes and included a questionnaire which consisted of 20 mixed closed and open-ended questions; the interviewees were given 10 to 15 minutes to think about the questions before the interview itself. Data were collected through semi-structured interviewing in one-to-one in-depth interviews which were carried out with a total of 35 STC senior

managers, and 29 STC B2B customers and service providers (as outlined below in 4.11.2. Fieldwork Based on Interviews).

STC have developed a new strategy in order to face the future challenges, such as increasing competition due the entrance of other mobile operators and a new landline operator, the changing international market environment. STC FORWARD strategy for the four years from 2007 to 2010 enabled STC to develop their income and sustain their leading position in the local market, working with greater efficiency through cost optimization and building an organization that focuses on the customer centricity (STC: 2010). The study has, however, focused on qualitative methods which the researcher used in interviewing senior managers face-to-face at STC Riyadh headquarters, and quantitative methods were used to evaluate STC FORWARD strategy.

4.11.1. Interviews

The interview is an essential tool in cross-cultural research, to which this study contributes, as this kind of research depends usually on the efforts of a number of individuals who engage in interviewing, transcribing and coding data (Sinkovics, Penz and Ghauri, 2005). Consequently, the specific orchestration of collaborative efforts is apt to yield to findings that can be generalized (Sinkovics, Penz and Ghauri, 2005). The interview techniques used for this study have benefited from the work of Yin who regards the interview as one of the most essential sources of case study information and it will take the form of guided conversations rather than structured queries (Yin, 2009). It is very important to be aware of the three main interview components: interviewers, participants and questions (Yin, 2009). The items of the questionnaire were developed and drawn from established scales found in the research literature review (Theron, Terblanche and Boshoff, 2009). Most studies of computer systems are based on methods that measure quantitative outcomes (Kaplan and Duchon, 1988). These outcomes can be grouped into technical, economic, and effectiveness and performance measures, characteristics which are indeed exhibited by most evaluations of computer information systems (Kaplan and Duchon, 1988).

Collecting data and information is linked to the sample and the nature of the problem under study (Michel *et al*, 2003). Shiraev and Levy (2010) divide survey methods into two types: direct survey, which is a direct communication (face-to-face or by telephone) with respondents. In a direct survey, the aim is to get the respondents' feedback and to ask additional questions. An indirect survey, on the other hand, is typically written and handed in, mailed, or sent electronically.

Face-to-face interviews, such as those conducted for this study in Saudi Arabia, are always in-depth interviews which are in general either direct personal interviews, unstructured or semi-structured (Malhotra, 1999). A single respondent answers leading questions and a highly skilled interviewer probes him to find out underlying beliefs, attitudes, feelings and motivations in the research area (Malhotra, 1999). Leading questions give a clue to the respondent who should answer yes, no or don't know (Malhotra, 1999). In B2B research, the survey often follows a preparation sequence based on an interview guide, which could be unstructured or semi-structured (Michel *et al*, 2003). Both unstructured and semi-structured interviews guide the interviewer to find out the developed hypotheses, and this is considered to be a qualitative research method; the structured interview offers a range of possible responses with pre-coded answers; this is considered to be a quantitative research method (Michel *et al*, 2003).

The in-depth interview should start with brief notes of events, and reflections and researcher comments including slow stage questions (Beatty, *et al*, 1996). Then the observers will prepare detailed field notes which are usually made before the end of the observation period of approximately 40 to 60 minutes (Beatty, *et al*, 1996). However, the main advantage of face-to-face or direct interview is that the researcher can adapt the questions as necessary, clarify doubts, and repeat or rephrase as well as ensure that the responses are correctly understood (Sekaran and Bougie, 2010). On the other hand, the disadvantages are the geographical limitations as the survey may need to be done nationally or internationally which depends on vast resources (Sekaran and Bougie, 2010), as in government census surveys. Moreover, all interviews conducted face-to-face, by telephone, or online may be unstructured, semi-structured or structured (Sekaran and Bougie, 2010).

Telephone interviews, for reasons that will be explained in due course, have not been used for this study except with five respondents (one in Cairo, two in Dubai, and two in London, all STC partners), although in other contexts in-depth telephone interviews and follow-up personal interviews are used to obtain responses from non-related interviewees, a method the effectiveness of which has been tested and reported in the literature (Beatty, *et al*, 1996). The telephone interview procedure is similar to face-to-face but it is shorter, and both of them may be recorded only if the interviewees agree, and later they are transcribed (Beatty, *et al*, 1996). The main advantage of telephone interviewing is that a number of different people if need be, across the country or abroad can be reached in a short time (Sekaran and Bougie, 2010). However, it is critical in telephone interviewing not to have mixed gender interviews which might require the researcher to depend on both male and female interviewers in the research team (Beatty, *et al*, 1996). It is also possible that the respondents may unilaterally terminate the interview without any warning or explanation, by just hanging up the phone because the caller's ID cannot be verified (Sekaran and Bougie, 2010).

Whatever the means used to conduct an interview, it must be based on purposeful, carefully planned questions, which might be augmented or refined according to the turns the actual meeting takes. Interviews can benefit from questionnaires, which are efficient data collection mechanisms to help the researcher to find the missing data (Sekaran and Bougie, 2010). In the interviews, a pre-formulated questionnaire which has a set of written questions for respondents to answer by choosing from usually closely defined alternatives (Sekaran and Bougie, 2010). Some questionnaires which are administered personally can be mailed to the respondents, or electronically distributed (Sekaran and Bougie, 2010). However, mailed questions do not work with Saudi managers because in their culture it is not acceptable to conduct any interviews by telephone, messenger, Skype or email because of their prestigious and hierarchical position, and this also makes it very difficult to have an appointment with them. Moreover, the researcher may encounter some difficulties relating to access to the company and relevant data, and if so, the researcher must respect the wishes of all concerns (Bryman and Bell,

2007). Sharing this view, Miles and Huberman (1994) contend that qualitative research must heed and be sensitive to the appropriateness of the researcher's behaviour in relation to the research subjects, the agencies that fund the research and the researcher's colleagues.

4.11.2. Fieldwork based on interviews

Fieldwork on this study has made use of in-depth interviews, examples of which are contained in the appendices. As a technique in qualitative research, interviews have proven to be of great value. Their main advantage, as noted by Silverman (2001) is that they allow the investigators to ask the research subjects for more explanations and justifications of their responses. Alternatively, a researcher can raise concerns and seek more information that could enhance and enrich the data. The interview could also be used to uncover things that may not be seen or heard, such as the interviewees' inner state and feelings, as well as the reasoning behind their actions (Seale, 1998). In a similar line, Tellis (1997) maintains that the interviews are the cornerstone of case study information. Tellis (1997) writes that case study interviews could take three forms, namely; 'open-ended', wherein the researcher seeks opinion on events or facts from the research subjects. 'Focused interview', refers to short-time interviews, in which the questions asked came from the case study protocol; and 'structured interviews', which involve some sort of formal survey. The qualitative method adopted in this research is an in-depth interview technique as part of an inductive research design (Harrigan and Hulbert, 2011). The rationale for using this type of interviews is that in-depth interviews should provide the means to understand the reason for interviewees' actions, and to understand the meaning and significance they give to their actions, in such a way that they can tell the interviewer in their own terms (Harrigan and Hulbert, 2011). However, when conducting interviews, any researcher commonly encounters two main questions, namely; the size of the sample and how they will be selected (Silverman, 2001).

In this study, the researcher adopted purposive sampling strategy, which was adopted for locating and selecting informants with a defined profile (Silverman, 2001). Research mostly involved two types of clients: internal and external. In

this research STC managers are the internal clients and STC partners are the external ones (Velde, Jansen and Anderson (2008). As the main aim of this study was to explore the influences of culture on B2B relationship marketing, it was clear that the profiles of the senior STC managers and their partners were more compatible with this study. However, as the main concern was to understand, describe and to collect data that would provide insight into STC practices and experiences, the researcher did not decide how many respondents would be interviewed before the field entry, but rather to what extant new interviews could add new information. Thus, the size of the sample was finalized in the field.

A qualitative methodology was used in the first stage of the research project, comprising face to-face interviews to establish the perceived causes of dissolution in export relationships based on the views of managers (Pressey and Selassie, 2007). Generally, the interviews were useful in examining the B2B relationships and interactions of the different telecom companies with the local environment. This process made it possible to understand both marketing strategies in Saudi Arabia and Western theories and concepts. The targeted respondents were partners in the business sector and private corporations from three main regions: Riyadh, Damam, and Jeddah. The research focuses on these cities because the vast majority of private businesses and public institutions are located there (see the diagrams below). The power distance index of Hofstede's theory has been helpful data collection. Methodology for this study was carried out through qualitative research based on in-depth interviews with senior managers of telecom companies in Saudi Arabia. This exploratory phase aims to identify the key determinants of national and organizational culture as well as cross-cultural issues. It also helps to understand the influences of these key determinants on business relationships. B2B customers were involved in a case study. An interview guide includes different questions and identifies relevant demographics, attitudes; benefits sought and culture behaviours, usage and loyalty.
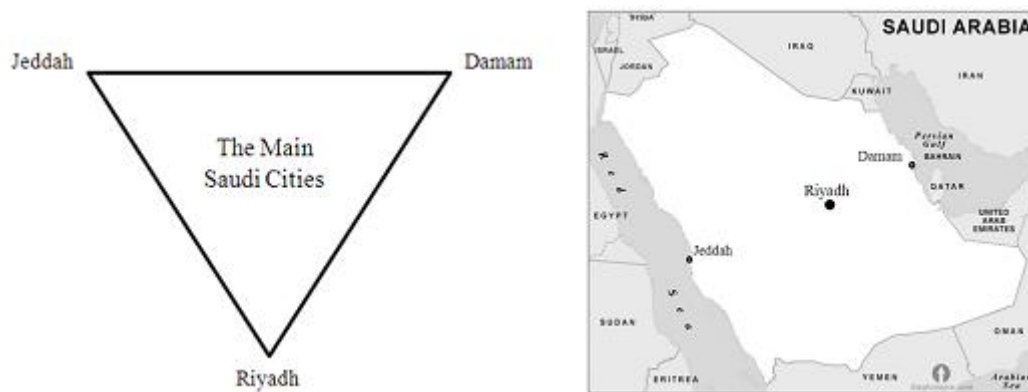
Figure 4. 5: In-depth interviews in three main cities in Saudi Arabia. Source: the researcher (See Appendix 3).

The best way of doing an in-depth interview in qualitative data collection is to ensure familiarity and understanding of the organisation before making any contact; to use existing contacts and to develop new ones; to highlight possible benefits to the organisation; to use suitable language; to facilitate replies; to develop access incrementally; and to establish credibility (Bryman and Bell, 2007; Farquhar, 2012; Lincoln and Guba, 1985). An experience of ten years of work in the telecom industry, following the completion of a Master's degree closely connected with the field, has enabled the researcher to gain close familiarity with the subject as well as with the company on which the case study is based. A Saudi citizen, the researcher has supplemented his familiarity with his native culture by a wide range of background reading of various aspects of business and culture that have a bearing on this study. All these factors have helped him in selecting the right people for the initial batch of interviewees. Understanding the nuances of Arabian culture helped the researcher to avoid blind imitation of techniques used in other cultures, such as conducting interviews by phone, Skype or email. Direct meetings and face-to-face interviews were deemed more suitable to win the sympathy of the interviewees and to show respect to their status and sensibilities. There were loop interviews. Following each interview, the researcher asked the interviewees to recommend other colleagues who could answer the same questions and who might make interesting contributions. It is fortunate that most of the interviewees were academically highly qualified and

had a sympathetic understanding of the value of the study. The interviews were conducted in several stages with a sufficient interval after each stage to allow for an evaluation of the responses obtained, so as to determine which other people need to be interviewed and in which departments or units. It may be worth noting that the researcher, with this study in mind, has taken pains to be properly equipped for the task by attending a number of training courses both at the university and at external training centres (see Training courses list and copy of the certificates, Appendix 8), and these courses included training on research methods, mind-mapping, the preparation of questionnaires and the conducting of interviews. The researcher has, furthermore, attended several conferences related to this study. In June 2011, he delivered a paper at Maastricht University, where he met Geert Hofstede, who showed kind interest in the research and took the trouble to make a number of valuable suggestions.

Figure 4. 6: The Three main themes in the semi-structured in-depth interview outline. Source: the researcher.

The interview questions were drawn from the literature, and were divided into three main themes: Relationship Marketing (RM); Cross-cultural Marketing; and B2B and Telecommunication Industry (as shown in the diagram above), which are all essential to answer the research questions in the various sections. Each section has an average of five questions. Below is an interview guide (Figure 4.7), summarizing the semi-structured questionnaire contained in the appendices.

Relationship Marketing (RM)
- Can you specify the most effective way to describe the relationship with others inside your company?
- How far does the religious and educational system in Saudi Arabia impact on MR in your business?
- Is the internal marketing relationship in your organization different from the external marketing relationship? If yes, please specify how it is different
- What policies have been created by your organisation as a result of marketing relationship differences?
- Are there any attitude problems such as Tribal influence, Resistance to change and Bureaucratic decision-making? Please specify.
- Could you please explain the impact of Saudi Culture on MR in your organisation?

Cross-Cultural Marketing
- When you work with overseas companies, what kind of difficulties have you often faced? (Communication style, Religious beliefs, Language, or Other culture factors)
- Do you think these cultural impacts could affect your strategy? How? Give an example if possible.
- Do you think this strategy works in Saudi Arabia but not in another country? How?
- If you have any international experience with another global company, could you please give me some examples which show how culture has influenced company strategy?
- How can strategy be changed in other countries outside Saudi Arabia as a result of cross-cultural factors?

B2B and Telecommunication Industry
- Could you please describe the marketing strategy between your company and other companies?
- What are the main differences between local and international strategy?
- If your company has global branches, are there any differences between B2B strategy in Saudi Arabia and other countries?
- If your company is a telecom operator or telecom partner could you please describe the relationship between both of you?
- How far can culture affect this relationship? Give examples if possible?
- Any other information?

Figure 4. 7: Interview guide table. Source: the researcher.

The interviews for this research were conducted and encompassed four stages (as shown in diagram below), which contributed significantly to the development of the research design. The first stage was 25 interviews which were carried out from 24 December 2010 to the 5 January 2011, lasting over 10 hours altogether, or 40 minutes each on average. Access to some of the interviewees was relatively easy because of their relationship with the researcher. While questionnaires were useful to send through email, to fax to individuals, or to deliver by hand to some organisations, mailed questions did not work with Saudi managers because in their culture it is not acceptable to make any interviews by telephone, messenger, Skype, or by email, which meant it was also difficult to have an appointment with them. 11 of these participants were senior managers in different departments in STC and fourteen of them were STC partners including KACST, Jarir Bookstores, AL-Riyadh newspaper, Saudi Arabian Airlines, and other Small and Medium

Enterprise partners. The second stage aimed at testing the revised interview schedule and eliciting opinion on the content and wording of the new schedule, with 13 more in-depth interviews with STC senior managers and other 10 STC partners from15 to 20 June 2011. The third stage of the study, which was to refine some of the interview questions, was conducted with five other STC partners, and ten STC senior managers from 20 to 25 June 2011. All previous stages dealt with Small and Medium Enterprise while the final stage, focused on STC major enterprise partners' which includes Intigral and Saleco from 10 August 2012 to end of September 2012.
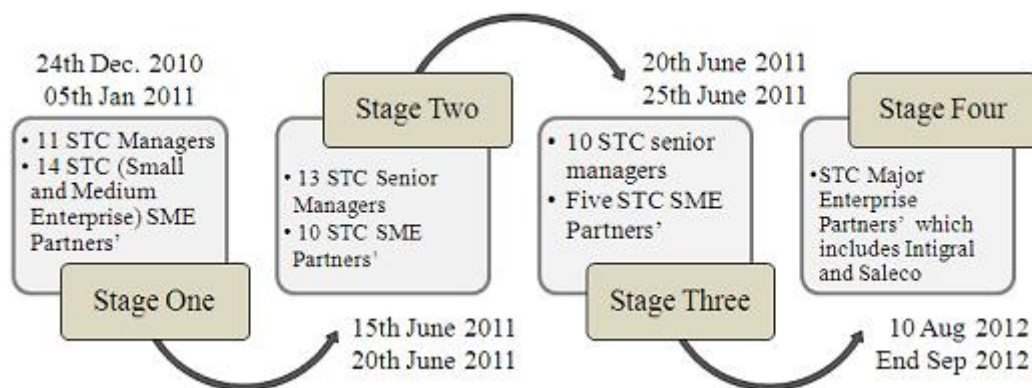

Figure 4. 8: The interviews stages which were developed the research design. Source: the researcher.

Following every interview, the researcher was engaged in collecting supplementary observations, which describes the general environment and the attitude of the respondents. These observations proved to be useful as they provided visual and concrete context of the place where interviews occurred, thus allowing the researcher to perceive moods and states of mind that the words of the interviewees, necessarily formal or at times cautious, may not have revealed.
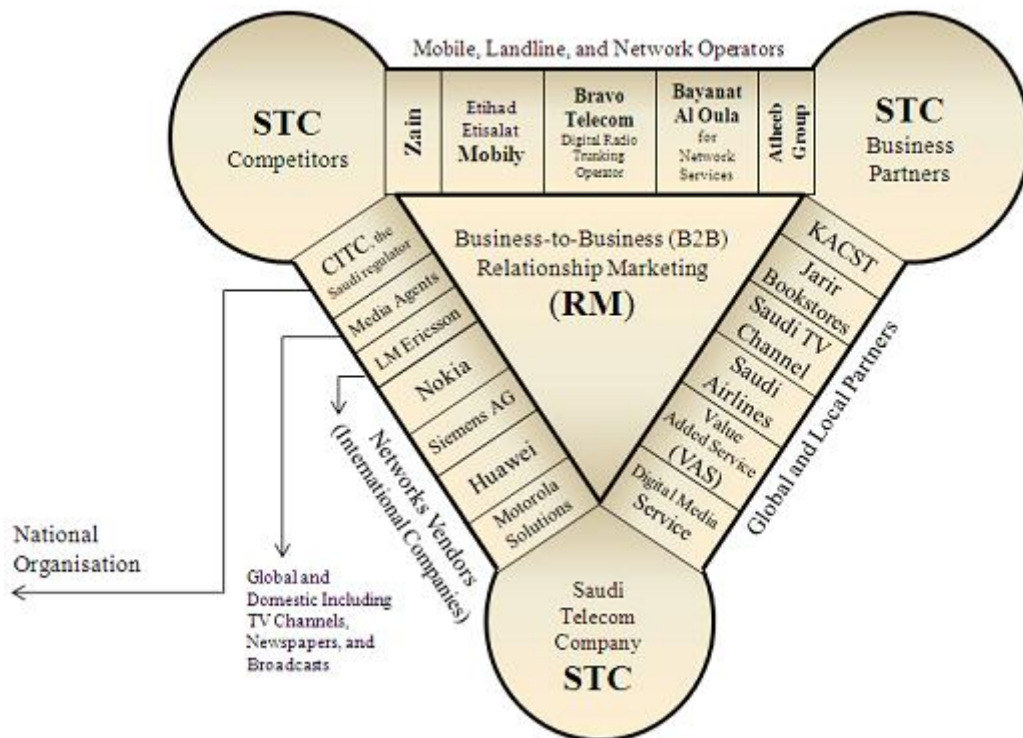
Figure 4. 9: Triangulation method - multiple sources of evidence in STC. Source: the researcher.

The data analysis for this study was initiated at two levels, the first involving case analysis, followed by data triangulation. Generally, the case analysis included a detailed description of STC, together with graphs to illustrate case findings. Describing and identifying the impact of culture on marketing relationships (RM) by investigating B2B relationship is followed by a presentation of data elicited from the interviews.

Consulting, among others, the work of Bryman and Bell (2007) which provides guidance on the main processes in conducting business research, the first stage of this project was devoted to the choice of a viable research area. The second stage consisted of the formulation of the research aim, objectives and questions. Work in the third stage focused on the selection of research methods, which involved the screening of various techniques, selecting the most appropriate ones and weighing their justifiability. This was followed by research design and deciding on the best techniques for data collection. Fieldwork consisted mainly in the collection of the pertinent data, on the completion of which work started on data analysis and

interpretation.   In undertaking the current research study, the researcher has integrated the two suggestions made by Bryman and Bell (2007) and Thomas (2011) to structure and write up the thesis, with slight changes being undertaken of Thomas's (2011) suggestion.

The research subjects were informed about the main aim of the study, and they were encouraged to raise any concern from their perspectives in order to understand fully the phenomenon under study.   People are more likely to trust their fellow countrymen (Velde, Jansen and Anderson, 2008), a fact frequently observed while conducting the interviews.   Non-Saudi STC interviewees seemed less at ease, especially those relating to company strategy or internal company relationships.   On the other hand, it was easier for them to talk about STC partners or external relationships.

Most researchers use a device to record the interviews, which allows them to concentrate on the questions and responses and thereby have more unbiased evidence; other researchers choose more demanding techniques, using their own means of making notes, which may range from an attempt to create a verbatim account to a diagrammatic style that records key words and phrases, perhaps using mind mapping and note-taking (Buzan and Buzan, 2010; Saunders, Lewis, and Thornhill, 2009).   In this study, a systematic approach of data recording was adopted. With the respondents' approval, the interviews would have been audio-recorded, but the data were transcribed manually.   As cross-cultural research requires the researcher to translate the information from their language to another language (Shiraev and Levy, 2010), the questions were translated into Arabic. Interviews were done in Arabic and English as convenient to the respondents. The interviews were conducted in Arabic and translated in two steps taken to reduce cultural bias; the semi-structured questions for the interviews rendered from English to Arabic, then the Arabic version was translated back into English by the researcher, and the differences between the two versions reconciled and refined (Ali, 2009).

4.11.3. Additional Assessment of the Interviewee

Observation is one of the most powerful tools in qualitative research. Some of the advantages of observation are that it allows the researcher to see the world from the research subject point of view (Bryman, 1984). According to Jorgensen (1989), observation facilitates the researcher with an understanding of the phenomenon under study over time, within a real live scenario. It also serves as a platform to explore other parts of reality in a given setting (Silverman 2001). On the other hand, Tellis (1997) raised the main disadvantage of observation: wherein the research is exposed to bias due to the researchers' subjective engagement on what they are observing. However, from the researcher's point of view such shortcoming can be reduced by collecting evidences from different sources and adopting triangulation protocols.

However, to ensure the integrity and possibility for triangulation in this study, the researcher attempted to capitalize on taking supplementary observations while collecting the primary data. For example, following every interview with the respondents, further notes were written down, describing the general environment and the attitude of the respondents. These supplementary observations were useful in spotting on the natural context were the interviews took place, which allowed the researcher to dig deep beyond the words of the interviewees and to discover new layers of the practises and experiences of STC. The researcher adopted a systematic approach for recording and writing down these observations in a notebook. For example, the researcher recorded when and where the interviews with STC managers were undertaken as well as how long the interviews lasted. During the course of the interviews, the researcher observed the respondent body language and wrote some notes explaining their communication styles and patterns. At the end of the interview, the researcher wrote further notes about the quality of the obtained information. While collecting data from these sources the researcher assumed full responsibility for maintaining confidentiality and the anonymity of organisations involved in the research (see ethical issues section 4.9). This attitude allowed the researcher to build trust relationships and mutual understanding with the STC mangers.

4.11.4. Focus Groups

Cross-cultural research of the type to which this study belongs, makes use of focus-groups, whose techniques may have slight variations from context to context, as will be seen from the Arab context mentioned below. The size of the group interviewed collectively for this research is smaller than that defined in the literature, but interviewing has the same use and purpose; interviewing some individuals of a group would have been either impossible or of little value if done separately outside the group, as will be explained in due course. Broadly defined, a focus group is a group of people who are interviewed and discuss a specific topic in-depth together (Wibeck, Dahlgren, and Öberg, 2007). Focus groups are useful to highlight the research progress (Sales, 2008). It is an interview conducted with unstructured questions among a small group of respondents (Malhotra, 1999). It enables the in-depth analysis of the interactive processes rather than interviewing individually on different days; the purpose of the group discussions is to examine the relationship between data sources and its analysis (Edwards and Stokoe, 2004). They are extremely useful for testing new ideas, examining new hypotheses, or evaluating services (Wibeck, Dahlgren, and Öberg, 2007).

Basically a focus group is an interview in a small group of between 6-10 participants excluding the organisers and interviewers (Wibeck, Dahlgren, and Öberg, 2007). This small group may be homogeneous with respect to age, sex, education, nationality, or job to discuss a specified issue under the guidance of a moderator or interviewer (Wibeck, Dahlgren, and Öberg, 2007). The session lasts approximately one hour, if possible including a short refreshment break, or lunch as this is often a convenient time (Edwards and Stokoe, 2004). A focus group should have a clear agenda including: welcoming, introductions, aim of the focus group meeting, ground rules, and finally questions and answers (Edwards and Stokoe, 2004). The discussion should generate no more than 5 or 6 open questions to avoid provoking a set response, but not closed questions, which are of limited use as they often produce a yes or no reply that does not lead to any further debate (Edwards and Stokoe, 2004). According to French (2010), however, cross-cultural research should not be gender free because the gender does link strongly with the

concept of culture in several ways. This stipulation does not apply to the case of STC where, as has already been mentioned, the staffs are exclusively male.

There were instances in STC and its partners where a small group of people worked closely together in a department or an office. Although in numbers a group consisted of three or four employees only (and not the minimum six mentioned in the literature), these people when approached insisted on being interviewed as a group and not individually, insisting that they shared the same knowledge, experience and work culture. This seemed a sound enough reason, although the researcher had the impression that some of these employees lacked the confidence to be interviewed individually, and some would not have been as forthcoming and detailed as they were within the group, where the stimulation of similar minds and comradeship made them active participants.

Widely used in the Western world and increasingly used elsewhere, focus group provides an effective data collection technique in qualitative research (Winslow, Honein, and Elzubeir, 2002). Focus groups have been used to gather in-depth views and opinions, collecting data from members of homogeneous groups of people for developing models, generating data for product development, and evaluating new programs, products and services (Winslow, Honein, and Elzubeir, 2002). In keeping with the tradition of Arab hospitality, it is necessary to provide a comfortable meeting room, unobtrusive recording equipment, with only a central visible microphone, snacks and Arabic coffee (Winslow, Honein, and Elzubeir, 2002). This is generally true, but in the case of this research, none of these features had to be observed, as the groups were met and interviewed in their offices and where they felt comfortable and they played host to the interviewer. Focus group interviews were conducted in Arabic and were translated into English for analysis. It should be borne in mind that the complexities of Arabic grammar, dialect and the challenges of translating words into English normally make it difficult to capture the exact meaning, feeling and experience of the participants (Winslow, Honein, and Elzubeir, 2002), but these difficulties were kept to a minimum in this study.

4.12. Trustworthiness

According to some researches, judging the quality and consistency in qualitative research is problematic due to the researchers' high involvement in collecting and analysing the data (Kirk and Miller, 1986). On the other hand, Silverman (2001) argues that rigour and consistency issues are only needed in quantitative researchers, because they see the natural and social worlds are alike. However, different criteria have been proposed to judge the quality of qualitative researcher such as credibility, transferability, dependability and conformability (Lincoln and Guba, 1985). In a similar line, Yin (2003) identified four validity criteria in case study researches, namely, construct validity, internal validity, external validity and reliability. According to Yin (2003), construct validity refers to establishing sound operational measures for the case under study, internal validity, on the other hand, refers to the process of establishing a causal relationship, whereby certain conditions flow in specified sequences. External validity refers to the process of generalizing the findings into wider settings and cases. Lastly, reliability refers to the process through which the data were collected, and whether it can be repeated, with the same findings. Obviously, Yin's (2003) validity criteria have some similarities with Lincoln and Guba's (1985) criteria. However, this research strives to provide proper understanding and explanations about the impact of culture in B2B international marketing, and hence, this study integrates both Lincoln and Guba's and Yin's criteria for establishing reliability and validity in order to maintain the rigour and consistency of the findings.

4.12.1. Credibility

Credibility (Lincoln and Guba, 1985) or internal validity (Yin, 2003) refers to the extent to which the findings reflect or portray the reality of the phenomenon under study. Data credibility of this research involves different sub dimensions, namely: prolonged engagement, triangulation and persistent observation (Lincoln and Guba, 1985).

Prolonged engagement refers to the adequate time required to collect and check the data (Lincoln and Guba, 1985). As stated earlier, accessing and collecting the

primary data from different sources available at STC such as archival records, interviews and supplementary causal observations, required considerable time and organization. The researcher spent some eighteen months, spread over four stages, holding interviews and collecting these data (see section 4.11.2 above), which enabled him to verify any misinformation that may be detected during the data collection. Moreover, given that the researcher had worked in STC for more than ten years, there was no need for a prolonged engagement to build trust with the research subject and to learn their culture, both of which are generally required for undertaking this type of research (Lincoln and Guba, 1985).

In a case study there will be more variables of interest than data points, which sometimes depend on multiple sources of evidence and the data needs to be converged in a triangulation method, whose use has been mentioned earlier (see section 4.15). A further consideration is the constant checking of the verifiability of the information. Persistent observation refers to the process of spotting only on the information and elements most appropriate to the research question (Lincoln and Guba, 1985). Given that the main aim of this study is to explore the role of cross-culture in B2B relationship marketing in STC, the researcher focused on collecting the experiences and practices from the point of view of senior STC managers. The interviews generated rich and detailed descriptions which were compatible with the main aim of this study. During the interviews, the researcher encouraged the respondents to comment on, voice concerns, or elaborate on any of the issues raised relating to this research. In addition, the researcher repeated briefly the respondents' answers in order to diminish any misunderstanding that may have occurred during the interviews. This checking process allowed the data to be a true reflection of STC experiences and practices. Moreover, as stated earlier, the researcher collected the data from different sources. Following this, the researcher adopted a systematic approach of data analysis by initially reviewing the whole set of raw data, and then editing, coding, reducing, categorizing, establishing meaningful relationships, triangulating and interpreting the data. This helped the researcher to explore and to explain the divergent and similar data in a way that reduced the researcher subjectivity. Furthermore, the

researcher revisited the raw data to verify that the analysis had carefully covered all the obtained evidences.

4.12.2. Transferability

The notions of transferability (Lincoln and Guba, 1985) or external validity (Yin, 2003) refer to the extent to which the findings can be generalized into other settings and context. It is worth pointing out that the external validity is a subject for debate in case study researches (Yin, 2003). This research, however, is concerned with understanding and explaning rather than the generalizability of the data. The rationale is, from the researcher's point of view, that each case is unique in itself. Taking into consideration that the culture brings forth and influences each case, it is thus unwise to claim generalizability in case study research. Instead, the researcher of this study claims that external validity can be established within only similar cases operating under similar conditions and culture. Nevertheless, this research is informed by the western literature and theories, and hence, it offers understanding about the influence of culture in B2B relationship marketing in general terms. It was the context of STC which offered the arena to implement and explore such theories. Therefore, the findings of this study could be explored further by other researchers in other selected cases and contexts, leading gradually to a transferability of the findings. Moreover, if a new case offers support for the current research, it would be possible to transfer the data into other contexts, cases and settings. In light of this, given the fact that the culture is dynamic and human behaviour changes over time, the researcher believes that the findings of any study can be partly rather than fully transferable.

4.12.3. Dependability

According to Lincoln and Guba (1985) and Yin (2003) the notions of reliability and dependability refer to the process of repeating the same study to generate the same findings. Miles and Huberman (1994) suggest one mode in which dependability can be established is by having the data reviewed and checked by a different researcher. Based on that, dependability was achieved in this research by having meetings with the supervisory team, who have experience in case study

research. The supervisors checked on the clarity and soundness of the findings of this research, and changes and modifications were made as required. Moreover, according to Yin (2003), research reliability depends mainly on using case study protocols. For this project, the researcher has demonstrated how these protocols were implemented during the data collection and analysis. In other words, to facilitate the reproducibility of this research under similar contexts and for comparability a detailed account has been given of the processes of data collection and analysis, as well as of the criteria for selecting the case study.

4.12.4. Conformability

Conformability (Lincoln and Guba, 1985) and construct validity (Yin, 2003) are concepts that refer to the neutralization of data and establishing sound operational measures for the case under study. Similarly, Collis and Hussey (2003) hold that conformability implies adequate and detailed description of the research and data collection processes, so as to assess whether the findings arise from, and are a true reflection, of the data. In sum, these opinions concur that conformability can be established by the ability to track the research processes, including, the research method, to state the criteria for selecting sample or case, to describe the data collection process and data analysis. For this research project, the systematic procedures that have been adopted and the specific steps taken have been carefully shown in each section. For example, the main criteria for selecting STC case were the uniqueness of the case, access and geographic proximity (Yin, 2003). Moreover, case data for this study were collected from multiple sources of evidence, including archival records, which were necessary to understand and evaluate the current state and practices of STC. Interviews were subsequently conducted to determine the influences of culture on senior STC managers and B2B relationships. The interviews were supplemented by observing the scene and milieu where the interviews were held, taking notes of the setting and the implications it might have. In addition, the interviews themselves were undertaken at different stages, and at each stage the respondents were encouraged to comment on the overall findings. This approach enabled the researcher to compare and contrast and piece together different opinions and world views. The

first stage of the analytical procedure consisted of preparing and organising the raw material. The second stage included the following steps: data reduction, data display, data drawing and verification (Miles and Huberman, 1994). The third and last stage was the triangulation of the findings to ensure the authenticity of the research, and the combinations of these means helped the researcher establish the conformability of the results with the data.

4.13. Data Preparation and Analysis

The volume of data obtained, and bulk can hinder analysis, which is the heart of building theory from case studies, but is, at the same time, the most difficult part of the process (Eisenhardt, 1989). Theory-building research starts very near to the ideal of no theory under consideration and no hypotheses to test (Eisenhardt, 1989). Furthermore, Eisenhardt (1989) argues that it is impossible to achieve the ideal of a clean theoretical slate. Investigators and researchers should, therefore, formulate the research problem and specify some potentially key variables with reference to extant literature.

A categorization scheme has to be set up before data can be gleaned from the questionnaires, and these can be coded, edited and keyed in. Computer software programs such as N*Vivo, ANOVA, SPSS or similar statistics software like Excel help and support researchers in their analytical process of coding and analysing textual data (Sekaran and Bougie, 2010; Sinkovics, Penz and Ghauri, 2005). For this case study, all qualitative data will be classified and analysed manually, as the relevant data do not lend themselves to significant numerical quantification, nor do they contribute to the narrative evolved from the triangulation technique used in Chapter Five. Moreover, manual analysis allows the researcher an ample scope to use his knowledge of Arabian/Middle-Eastern culture and interpret the nuances of data in a way inaccessible to any software program.

By 'data display' is meant the techniques used in demonstrating relevant data or graphs relating to such data, enabling the researcher to grasp the information presented and drawing conclusions from the diagrammed data (Sekaran and Bougie, 2010). Once the data had been reviewed and after understanding the

scope and contexts of the key experiences under study, editing, and coding provides the analyst and researcher with a formal system to organize the data, uncovering and documenting additional links within and between concepts and experiences described in the data (Bradley, Curry and Devers, 2007). This process includes data reduction, data display, editing, coding, fixed field code, codebook, and variable re-specification. Data reduction refers to the process of selecting, coding, and categorizing the data (Sekaran and Bougie, 2010).

4.13.1. Archival Records

According to Tellis (1997), archival records include different sorts of data such as service records, maps, charts, and survey data. However, while collecting such kinds of data, Tellis (1997) raised caution about the origin and reliability of archival records. On the other hand, (Tellis, 1997; Yin ,1994), identified some advantages and strengths of archival records, wherein that they are stable over time, unobtrusive and available prior to the primary case study, and cover a broad range of authentic data.

In light of these suggestions, reports and archival documents were collected throughout all stages of this research as shown in Figure 4.6. This included different documents obtained from STC such as surveys, brochures, published newsletters and other relevant reports. Use has been made of the STC website which contains valuable data relating to vendor and investor relationship as well as corporate governance. All these data allowed the researcher to understand the current state and trends in STC.

4.13.2. Data Analysis

Data analysis within the inductive approach and qualitative method involves a process of describing, classifying and integrating the findings in order to provide insight into the phenomenon under study (Day, 1993). In a similar line, Yin (2002: 109) writes that data analysis of case study "consists of examining, categorising, tabulating, testing, or otherwise recombining different sources of evidence to address the initial propositions of a study". But, as stated earlier, this research adopts a single case study; hence, data analysis will follow within-case

analysis protocols. The first step in the early phases of the data analysis was the preparation and organisation of data, in order to analyse them in a more systematic and structured way. This was followed by data analysis, which was undertaken basically through data reduction, data display, data drawing and verification (Miles and Huberman, 1994). These stages facilitated the analysis of the raw data in a way that meaningfully reflects what is going on at STC, and made it possible to understand the influence of culture on B2B relationship marketing. The following subsections detail the processes through which the data were analysed.

4.13.3. Data Preparation

As stated earlier, various types of evidence were collected for this research: archival records (STC confidential reports and CITC annual reports), interviews and supplementary observations. The first step in any analysis before coding is to read materials from beginning to end, to get an overall picture (Corbin and Strauss, 2008). Accordingly, in order to manage and understand the whole set of data, analysis began by listening to the recorded interviews and reading the manual transcriptions. This process was initiated during the early stages of data collection, so as to secure capturing a robust picture about the subject under study.

A second step for translating analysis into writing is to produce a workable outline, then to write statements that link the different parts together so that the writer remains clear about the progressive development of the theoretical story (Corbin and Strauss, 2008). The researcher started the process of writing initial notes in the codebook. This process provides a researcher with a formal system to organize the data, showing and documenting additional links within and between concepts and experiences described in the data (Bradley, Curry and Devers, 2007).

4.13.4. Data Reduction

Ghauri and Gronhaug (2005: 206) defined data reduction as 'the process of selecting, focusing, simplifying, abstracting, and transforming the data that appears in the transcription'. Theoretically, data reduction refers to the process of selecting, coding, and categorizing the data (Sekaran and Bougie, 2010). At this

stage in the study, the data were read many times to gain insight into the significance and scope of the data. The next step was to determine the research units of analysis. Units were given codes indicating a specific response to a specific question, together with the data record and column position in which the code would be entered (Malhotra, 1999). Coding, which is the process of breaking down data into component parts, is the starting point for most forms of qualitative data analysis, including ethnography, and it focuses on an extended discussion about some of the limitations of reliance on coding (Bryman and Bell, 2011). According to Bryman and Bell (2011) there are several levels for coding: first, a skilful researcher uses very basic coding which involves quoting directly from the passage; second, he has more awareness of what is said by the language of the interviewees; and third, the researcher moves slightly away from specific utterances of the respondent towards a concern with broad analytical themes. Bryman and Bell (2011) contend that manual coding enables the message content to be coded in a consistent manner with lists of categories that are created for classification of information (Bryman and Bell, 2011).

In this study, to facilitate reference and analysis, a code has been manually assigned to participants: **P** referring to STC partners and **S** to STC managers, as shown in the figure below.
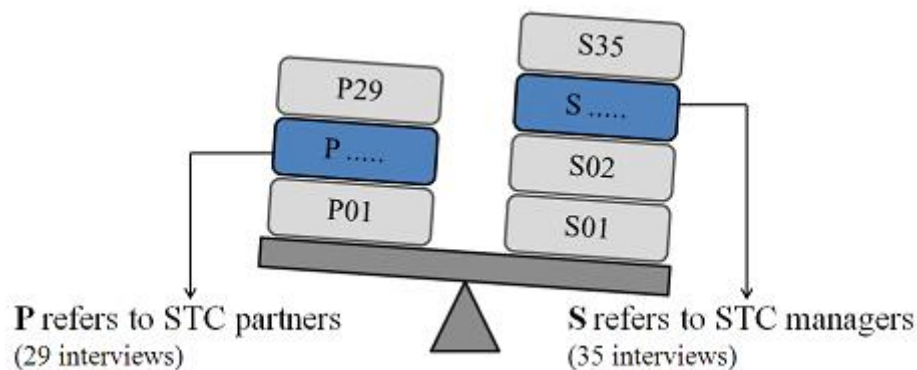

Figure 4. 10: Interviews with STC managers and their partners.

The codes reflected the experiences and practices of STC in Saudi Arabia as well as the influence of culture on STC relationships with their partners. To ensure the consistency of coding, the '*fixed field code*' was adopted, which refers to the code

in which the number of records for each respondent is the same, and the same data appear in the same columns for all respondents (Malhotra, 1999: 424).

This process of data reduction, coding and integrating similar data allowed this study to uncover key themes and categories in the raw data. Categorization, as Sekaran and Bougie (2010) write, is an analytical process that emerges from raw data. Categorization can be typed in after being coded, keyed in, and edited; then, outliers, inconsistencies, and blank responses, if any, have to be handled in some way (Sekaran and Bougie, 2010). In some cases, computer software programs such as N*Vivo were used to help and support the researcher in this analytical process of coding and analysing textual data to be more accessible (Sinkovics, Penz and Ghauri, 2005). However, it must be pointed here out that data reduction overlapped with data preparation, and hence, it was initiated at the earliest stages of this research. The researcher arranged the data into different categories and themes. Data reduction was also operationalized through all stages of data analysis until the final conclusions were crystallized and verified.

4.13.5. Data Display

To facilitate following the arguments and data developed in various chapters of this thesis, graphs and charts were drawn to show the interplay between culture and B2B relationship marketing in the STC context. This process was also useful in structuring and organising data, which allowed the researcher to move forward to the final stage of analysis, namely data drawing and verification. According to Miles and Hubennan (1994), one of the commonly used forms of data display is 'extended texts'. For Miles and Hubennan (1994) data concerns mainly unreduced text, wherein the researcher reads through, codes, and categorizes the raw data. The second type of extended text in a given study involves a case study report. Data display, it must be added, involves ways of presenting a selection of data, a matrix, a graph, or chart illustrating patterns in the data which may help the researcher to understand all this kind of information and to draw conclusions based on patterns in the reduced set of data (Sekaran and Bougie, 2010: 370). During the data display stage in this study, the main concern for the researcher

was to integrate the findings and the interpretation in a way that reflects the uniqueness of the experiences and practices of STC.

4.13.6. Data Drawing and Verification

According to Miles and Huberman (1994), verification can take several forms such as revisiting the field notes or it may be achieved through review and discussion with other researchers, or replicate the finding in another data set. Following data reduction and analysis, the researcher triangulated the data that were selected from different sources. In this stage, data were compared against and integrated with each other. Moreover, in order to enhance the integrity of this research, the findings were interpreted in relation to the relevant literature. The main concern of the research was to clarify the discrepancies and similarity among the different sorts of evidence. To achieve this, as Miles and Huberman (1994) suggest, the researcher revisited the raw data several times to uncover the relationships within and between the main themes.

Analysis must be followed by presenting findings in papers and theses which help clarify thoughts and elucidate breaks in logic (Corbin and Strauss, 2008), as professional knowledge cannot be advanced for practice and theory without writing and presenting (Corbin and Strauss, 2008). These processes of data reduction, analysis and triangulation allowed refining of this study.

4.14. Triangulation Method

In case study research triangulation represents an indispensable method for processing qualitative data; by means of using a variety of approaches and checks, triangulation can ensure the credibility and reliability of the research study findings, and a demonstration of how triangulation is to be accomplished is, indeed an integral part of the data gathering process itself (Farquhar, 2012). As Yin notes, in a case study there will be more variables of interest than data points, which sometimes depend on multiple sources of evidence and the data needs to be converged in a triangulation method which helps the researcher who is using multiple sources of evidence to make data collection and analysis (Yin, 2009). Triangulation is broadly defined by Denzin (1978: 291) as 'the combination of

methodologies in the study of the same phenomenon'. In navigation and military strategy other meanings of triangulation are also used as multiple reference points and to locate an object's exact position using basic principles of geometry, with multiple viewpoints which allow for greater accuracy (Jack and Raturi, 2006). However, the accuracy of findings and analysis can be improved by collecting multiple data for the same phenomenon, and then by use of triangulation it can be traced back to develop the ideas (Jick, 2006).
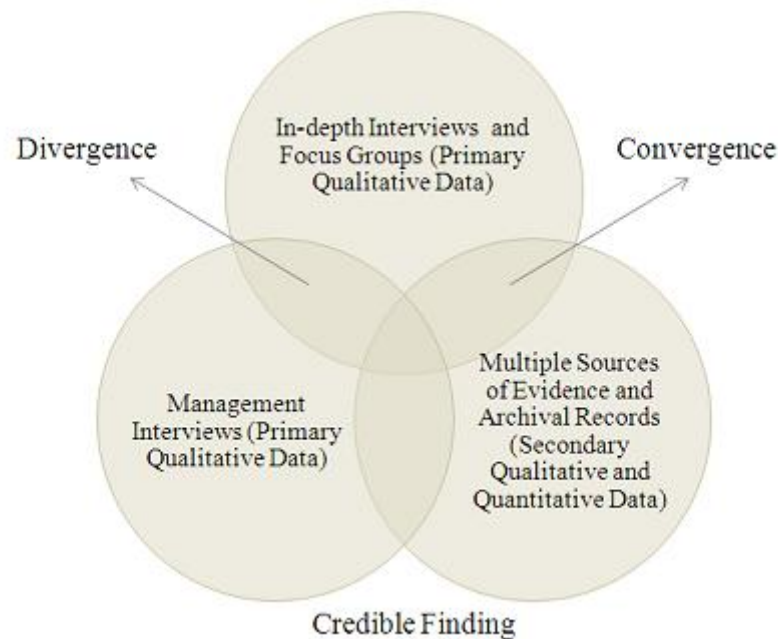
Figure 4. 11: Analysis in triangulation: emergent research themes and a priori variables. Source: Adapted from Farquhar (2012).

The above figure shows that the data collection aims at bringing together various facts to generate a coherent and telling view of the issues involved, highlighting the credibility of the investigation, the relevance of the data to the research question and the sustainability of the research (Farquhar, 2012). Case studies often use triangulation to ensure the validity of findings, and all data items are corroborated from at least one other source and normally by another method of data collection (Keen and Packwood, 1995). The approach to individual sources of evidence is not recommended for conducting case studies and triangulation is the best way to analyse different sources (Yin, 2009). The "within-method" kind

of triangulation uses multiple techniques to collect and interpret data (Denzin, 1978; Jick, 2006). For quantitative methods, it can be taken from multiple scales or indices focused on the same construct. For qualitative methods, it can be reflected in "multiple comparison groups" with participant observations (Clark, and Creswell, 2008) to boost confidence in the emergent theory (Jick, 2006).

Triangulation provides many opportunities; firstly, it allows researchers to be more confident of their results; second, it may also help them to uncover the deviant viewpoints which are likely to produce some elements that may not fit a theory or model, and a thread linking all of these benefits is the important part played by qualitative methods in triangulation; finally, the convergent approach utilizes qualitative methods to clarify behaviour context (Holtzhausen, 2001) where situational factors play a prominent role (Jick, 2006).
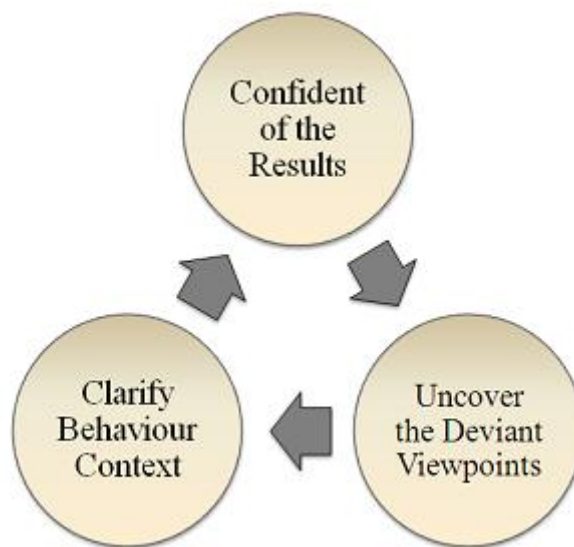
Figure 4. 12: Triangulation opportunities. Source: the researcher.

Triangulation, in sum, is a key concept of case study research, using multiple data sources or multiple methods or a survey, aiming at reaching verifiable and reliable research results; such approaches may be supplemented by in-depth qualitative investigation such as interviews and focus group (Farquhar, 2012).

4.15. Chapter Summary and Conclusion

This chapter, guided by due awareness of the effectiveness of case study research for addressing a research question or problem, has discussed the decisions made with regard to collecting data and providing the evidence necessary for understanding the influence of culture of B2B relationships in STC Saudi Arabia, and has also unfolded an overall research methodology, including research philosophy, research approach, strategy, methods, the process of data collection and the means of verifying the reliability of the study.
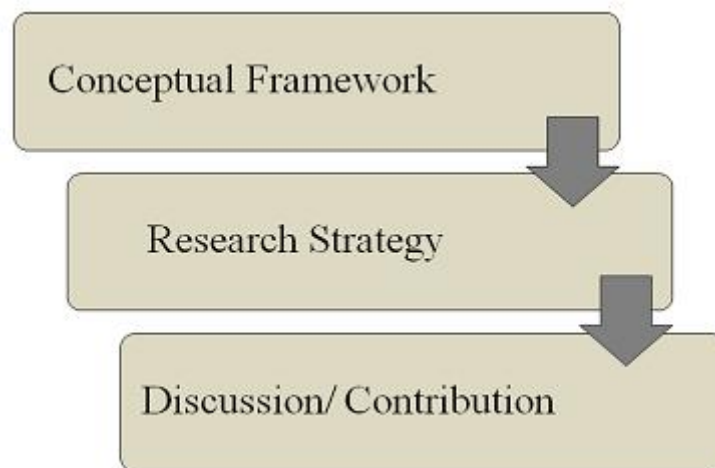
Figure 4. 13: Research tripod for dissertation and thesis. Source: Adapted from Farquhar (2012).

The interpretivist paradigm has, on examination, proved to be the most appropriate approach to use for this study. In order to collect the relevant information, it was decided to adopt a qualitative case study approach. The case was selected to understand and assess the impact of culture in B2B international marketing. After careful consideration, it was found that STC is worthy of case study research suitable for description, explanation and exploratory cross-culture understanding of the telecom market. The case study is based on B2B and B2C operating in Saudi Arabia. STC has developed and maintained relationships with regional and international organisations. Data collection was conducted by tapping different sources of evidence, mainly by using archival records,

interviews with senior STC managers and STC partners, and complimentary observations.   Following data gathering, the researcher adopted a systematic approach for transcribing, coding, analysing, triangulation and verifying the data. Ethical considerations and integrity have been observed throughout the research, and this chapter sets forth and explains the criteria used to evaluate the quality of findings, including measures for gauging credibility, transferability, dependability and conformability.   Chapter Six will present the findings of this research, and this will be followed by general discussion and interpretation. As shown in Figure 4.12, 'the research question/problem has as the core with the spiral encompassing all the aspects of the dissertation or thesis' (Farquhar, 2012; 117)
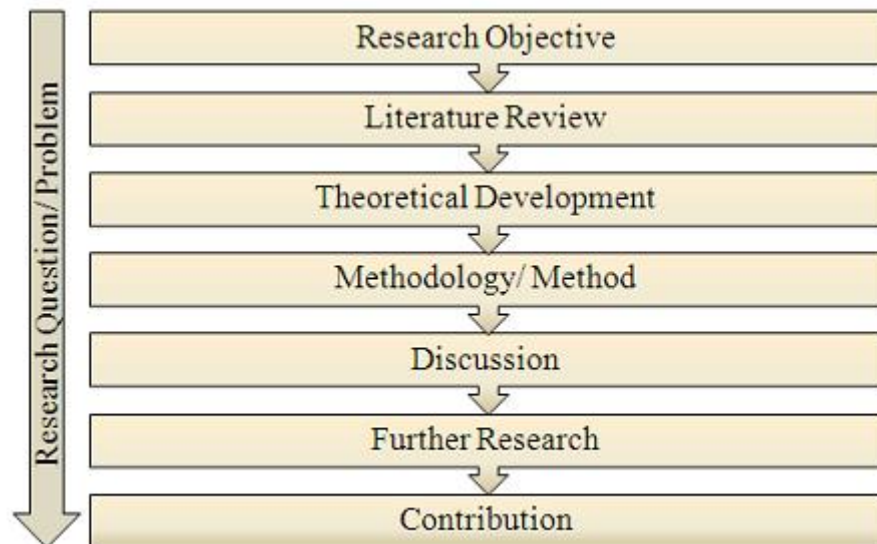
Figure 4. 14: Research core. Source: Adapted from Farquhar (2012).

Chapter Five: Findings and Analysis

5.1. Introduction

Focusing on cross-cultural marketing in B2B Relationship Marketing, this research probes the relevancy and applicability of the cross-cultural marketing theories proposed by Hall's cultural model and Hofstede's Model. Originally developed for B2C, these two models will be studied and evaluated solely in a B2B context. The overall objective is promote a better awareness of the importance of culture in B2B relationships, focusing on Saudi Arabia Middle East telecoms, in particular, in Saudi Arabia by exploring the role of culture in the building of B2B relationships between STC and its partners (as shown in Figure 1.1, Section 1.3: *The influence of culture on B2B relationships, with particular reference to Saudi Telecom organization*). The following figure shows the framework of this Chapter.
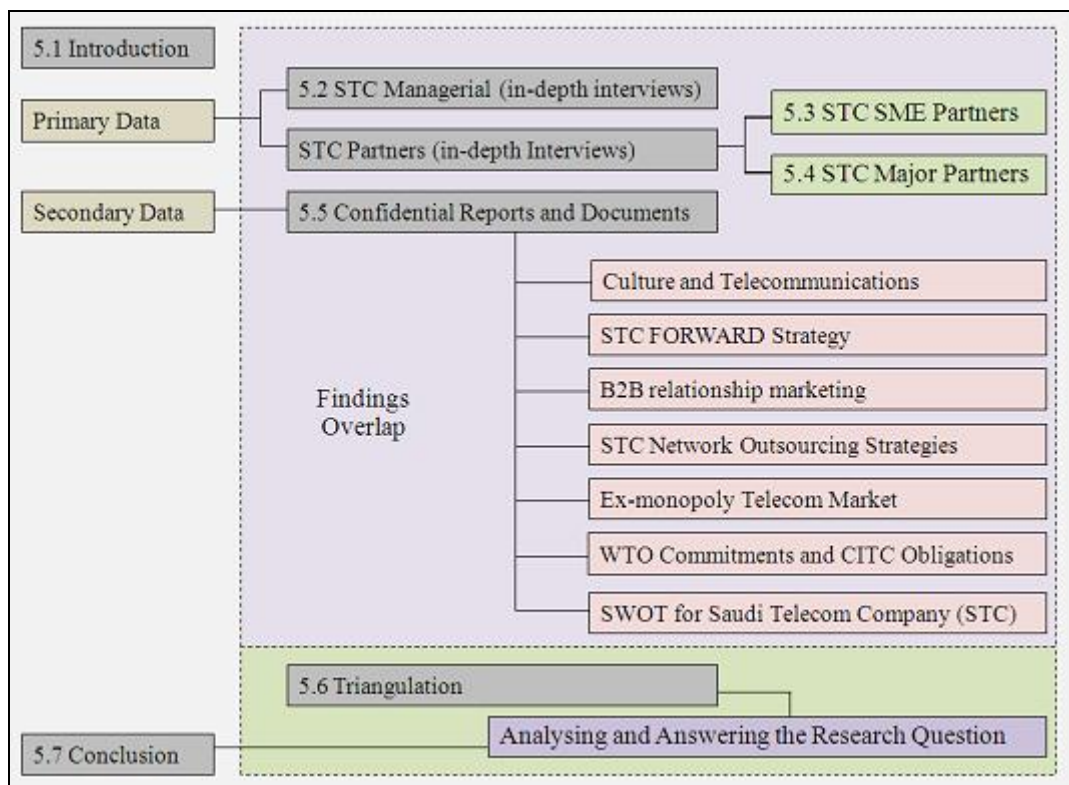
Figure 5. 1: Chapter Five Framework; Handling of Primary and Secondary Data.

Title: The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)

Cultural barriers, being a critical factor in global marketing, and since dealing with them effectively is essential for the successful implementation of the plans and strategies of an organization, implementation (Eid, Trueman and Ahmed, 2002), the emphasis in this chapter will, fall on the interaction between marketing and the surrounding cultural environment. It will look at how an organization must understand and conform to the new values, management processes and communication styles that are being created by new methods of marketing to overcome cultural barriers. This applies equally well to a western marketer looking for opportunities in the Arab World , for example, as well as for an Arab organization that wishes to deal smoothly and successfully with a culturally western-oriented organization. The prevailing B2B paradigm in the West is implicitly based upon a business philosophy that may not have its equivalent in another culture, making it difficult for western B2B relationship strategies to be designed for, or implemented in, other cultures or emerging economies (Hempel and Kwong, 2001). The true case of a Swedish firm on the verge of losing a multi-million dollar deal with a Saudi firm (G. Hofstede; J Hofestede; Minkov: 2010); it is a very illustrative and ubiquitously occurring instance of how a western firm's failure to grasp that in the Saudi cultural tradition personal relations are decisive in business transaction and not just the purely business dimension.

The findings in this research focus on B2B relationship marketing in the Saudi telecommunications industry, noting also how STC handles marketing imperatives and tactics in other Middle Eastern countries (especially Kuwait and Bahrain) where a more relaxed cultural atmosphere prevails, allowing employment for both genders in the same work space, and where women are allowed to drive and to stage TV commercials. In examining the relationship between STC and both its partners, the major enterprise and small and medium enterprise, this chapter builds on previous contributions by the researcher in a number of journals and conferences, including papers and posters accepted for presentation at the Academy of Marketing Conference held at the University of Southampton in, July 2012, as well as on a paper and poster accepted by the Saudi

Scientific International Conference held at Brunel University in October 2012, where the poster contributed won the first prize for being the best of its kind.

This research, seeks to develop a model of high relevance and applicability that shows the impact of cross-culture on relationship marketing, has examined relevant B2B theories and drawn on data collection for primary and secondary data for this study relating to the telecommunications industry in Saudi Arabia. Data collection primary and secondary data possibly have some overlap with the previous findings, the sources of which are shown in Figure 4.4 (Chapter 4, p.122). Both primary and secondary data have been processed and analysed, taking into account the models suggested by various theorists and the specific model this research aims at developing.

This chapter discusses all research findings of this thesis from both primary and secondary data; the primary data was collected from 35 in-depth interviews with STC managers from different levels, including high management levels such as VPs, GMs, Directors, as well as STC partners, by using qualitative methods. STC partners' interviews were divided into two parts: Small and Medium Enterprise (SME) partners with a short-term relationship, and Major Enterprise partners with a long-term relationship. SME data were elicited by interviewing 29 STC business partners and accessing and analyzing secondary data from the company (see Figure 4.10, Chapter 4, p. 145: the interview stages preceding and informing the research design). The Major Enterprise data were collected from two major STC partners, Intigral and Salco, and from Octagon, the Sports Investment Advisor to Intigral and STC. Both Intigral and Salco work with STC as strategic partners in sales, marketing, mobile contents and Value Added Services (VAS), digital entertainment, and Internet Protocol Television (IPTV). All findings to date suggest that as the company grows, it needs to develop B2B cross-cultural awareness at local and global levels.

Generally, the main criteria for selecting the case study were the uniqueness of the case, access and geographic proximity (Yin, 2003). Moreover, the researcher attempts to select STC as a B2B organization that presents itself a suitable unit for

analysis. However, to ensure the integrity and possibility for triangulation in this study, the researcher attempted to capitalize on taking supplementary observations while collecting the primary data. In addition, as shown in Figure 5.1 above, that the following sections (5.2 and 5.3) shows the primary collected data. Figure 5.2 below shows the triangulation analysis themes were used by the researcher to analyze the overlapping the findings for primary and secondary data.
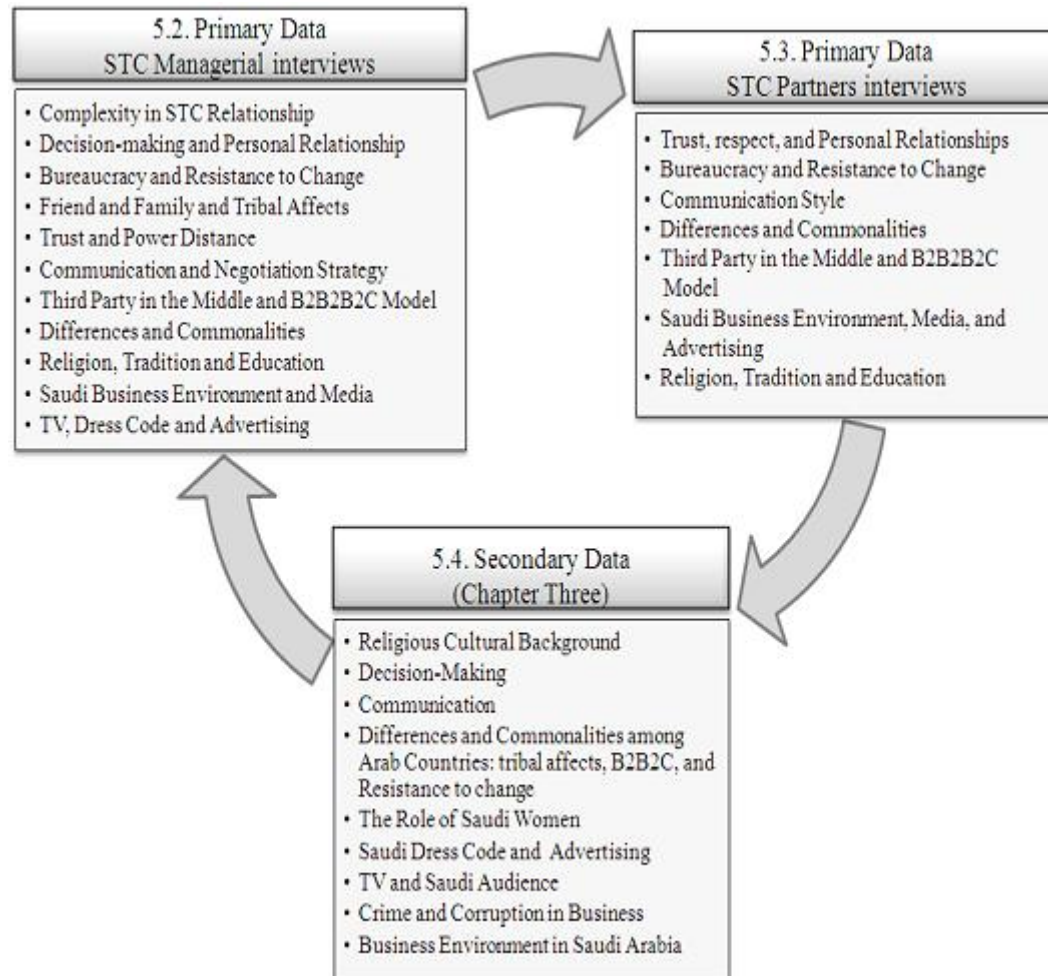

Figure 5. 2: Triangulation Analysis; Themes for overlapping findings were used by the researcher.

The following sections discuss all findings including primary and secondary data. The primary data were collected from STC managers and STC partners by using qualitative methods (in-depth interviews). Secondary data consist of STC documents which were collected from several sources that include confidential reports and studies on STC, and these were useful in preparing the interviews as well as in the discussions with the interviewees.

5.2. STC Managerial (in-depth interviews)

This section reports a single phase of a wider case study investigation into cross-cultural aspects of B2B relationships. It links all secondary data including any reports and scholarly literature of relevance to this research. Key emphasis will be given to the findings of the qualitative primary data, collected as part of the case study strategy, through one-to-one in-depth interviews which were carried out from 24th December 2010 to 30th September 2012 (as shown in Figure 4.8 The interviews were carried at various stages, and were developed in accordance with the research design (Chapter 4, p. 132) with a total of 35 STC managers from different levels of the company from lower level section managers to higher level including VPs, GMs, Directors, and others. According to Strauss and Corbin (1998) research may be conducted on people with personal, technical and professional experience, with the researcher also making use of his own experience. In the interview, the questions should focus on what the interviewees believe; their answers should be able to add to the researcher's own perception or perspective and to his knowledge of philosophical writing and existing theories (Strauss and Corbin, 1998). The interviews covered several STC departments: Personal (Mobile) Sector (Sales and Marketing), Enterprise Business Unit, Networks Sector, Information Technology Sector, Corporate Strategy Sector, Customer Care, Retention and Loyalty, and STC Consultant working with STC internally as one of STC departments or part of it.

To receive various cross-cultural responses, 26 Saudi and 9 non-Saudi were chosen from the different departments mentioned above, which means their responses about cross-cultural marketing are particularly informative depending on their position and their relationship with different partners. Details of the 35 interviewees can be seen in (Appendix 1). The aim of these interviews was to elicit key cross-cultural issues that supported or undermined the building of B2B relationships. This section will also add value to any gap in the primary data to explain any further question which was not covered by the in-depth interviews.

Semi-structured interview questions were prepared in advance but such prepared questions are designed to be sufficiently open that any follow-up questions must

be improvised carefully and thoughtfully (Wengraf, 2001). The term 'semi-structured' as Wengraf (2001) suggests a certain degree of standardization of interview questions with a certain degree of response by the interviewer. Improvisation requires more practice and mental preparation before each interview than simply delivering memorised lines. To be successful semi-structured interviews, compared to structured interviews, require more preparation before the session; more discipline and creativity; and more time for analysis and interpretation (Wengraf, 2001). Information questions have to be designed appropriately in style and language, linked to the research objectives and the central research question by way of theory-questions to ensure that all questions are sufficient (Wengraf, 2001). The style of the research questions is important because it reflects the research methods that are used to answer the questions (Strauss and Corbin, 1998).

The in-depth semi-structured interviews led the researcher to an understanding of the influences of the key determinants on business relationship with an insight into how they were influenced by cross-cultural relationships. The interview material may not always produce a useful answer to a specific interview question, but may still provide very good indicative material for the research question and theory-questions (Wengraf, 2001). Triangulation was used to develop converging lines of inquiry for the research process (Yin, 2009), which helped to analyse the potential problems of construct validity and the multiple sources of evidence in STC, as well as B2B Relationship Marketing. The interviews were conducted using a semi-structured interview outline (as shown in Figure 4.9: Triangulations Methods - multiple sources of evidence in STC; Chapter 4, P.133), including three sections: Relationship Marketing (RM); Cross-cultural Marketing; and B2B and Telecommunication Industry which are all essential to answer the research question, and the researcher used to analyse the multiple sources of evidence in STC). The interview questions were first formulated in English and then translated into Arabic formats. The answers were in Arabic and translated back into English by the researcher (the researcher depended on an Arabic professor in linguistic with perfect English Language to make sure that translations keep the

same meaning).   The interviews lasted approximately 40 minutes.   Normally, all interviews are recorded on audio or video equipment, if the interviewees consent, for later transcription and analysis (Beatty, *et al*, 1996; Hollander, 2004).   In this case, however, in accordance with Saudi culture the informants were not willing for their responses to be recorded. All data was therefore recorded in writing directly by the researcher himself. The findings are presented with reference to the data using **S** to refer to the participant and then a number to indicate which participant.
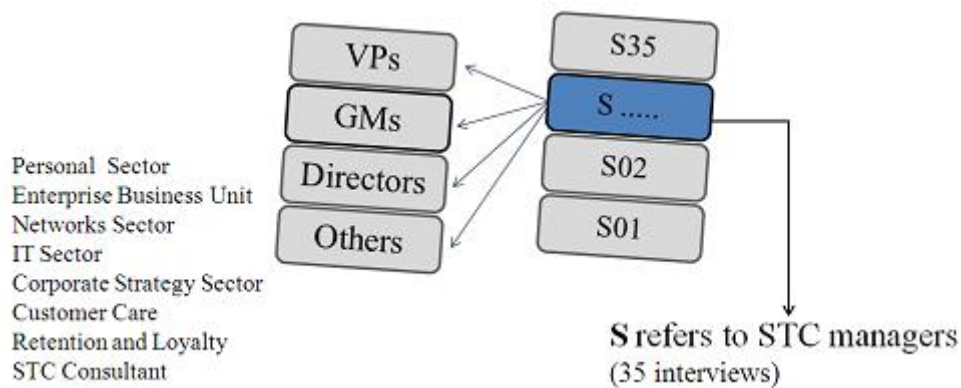
Figure 5. 3: Interviews with STC managers (more detail in Appendix 1).

In the findings the qualitative data gathered and analyzed from the 35 semi-structured STC mangers from different levels and deferent departments are presented. The impact of culture on relationship marketing by investigating B2B relationship is followed by a presentation of data that has been inferred from the interviews. A summary of the in-depth interview answers is found in (Appendix 1) and shows that cultural issues are very important in business RM.

5.2.1. Complexity in STC Relationship

According to Katz (2007) business relationships in Saudi Arabia exist between people rather than between companies. As S01, S02, S03, S05, S06, S07, S08, S09, S10, S11, S12, S13, S14, S16, S18, S28, S29, S30, S32, S33, S34 and S35 agreed, trust, friendship and power distance are the building blocks to establish a close relationship.   Generally the relationship STC is too complex and requires re-structuring (S03, S30, S31); it is not structured and not organized (S01, S03, S13); and each business unit has its independent procedures, business plans or strategy with an obvious conflict of ideas and opinions and strategies (S03). According to

(S03, S06, S08, S09, and S13), relationship within STC is also complex and depends on personal relationships.

Relations with partners are complex and they are rarely based on established procedure but depend on personal relationships and private and financial interests (S09). There is no clear system and personal relationships play a significant role in communication with other people. *The STC organisation structure is complex and too interconnected* (S08). As this structure is too complex, thereby making *it likely to raise emotional issues that often interfere significantly in business procedures* (S12). There is no clear procedure and there is no clear order in STC organizational structure (S13). Procedures are too difficult due to multiple sectors, overlapping tasks, and difficult relationships (S08). While (S16) says that *there are good relations within STC; they are dominated by complex procedures.* On the other hand, *Mobily head hunts top STC managers by offering them high salaries and generous allowances in order to weaken STC and to exploit their experience in the Saudi telecommunications market* (S10). However, *in Zain and Mobily, decision-making is more flexible, while in STC the approval of the Board of Directors must be obtained* (S10). This makes the speed of decision-making with STC rivals faster (S10). *STC is still thought to suffer from government interference, despite many recent changes* (S10).

5.2.2. Decision-Making and Personal Relationships

Decision-making is influenced by Saudi culture and how people like to use the technology (S12). Establishing relationships with others in Saudi Arabia can create powerful networks. Maintaining cordial relations is crucial. Third party introductions can be very helpful as a starting point to building a trusting relationship with a potential partner, especially since Saudis may initially not trust Westerners (Katz, 2007). Although the primary negotiation style is competitive, Saudis nevertheless value long-term relationships. They will ultimately look for win-win solutions and show willingness to compromise wherever necessary. Saudi negotiators may at times appear highly competitive, fiercely bargaining for seemingly small gains. They respect hard bargainers as long as they avoid creating direct conflict (S04, S05, and S13). A counterpart's respect is earned by

maintaining a positive, persistent attitude; it is critically important to remain calm, friendly, patient, and persistent, never taking anything personally (Katz, 2007).

Personal relationships play a clear role in working procedures (S14). There are multiple barriers between the different administrative departments within the different levels, *especially from the lower levels to top* (S01). Personal relationships play a significant role within the company and some work can be done by email within certain decision making limits; *working outside these limits requires consultation with higher decision makers* (S05). Although business communication should depend on one's official position, *in STC it depends on personal relationships* (S02). Relations depend on the nature of the service with the public *as well as the purpose and use of the service* (S05). *Friendship and personal relationships affect policies and objectives and cause pressure within some sectors, which may hinder the implementation of STC targets* (S07). There is a need for proper support for internal communication, *because there are too many different units and sectors in the company resulting in poor communication* (S04). *Some STC staff does not use their authority correctly* (S12).

There is disharmony and lack of interest in the whole organization (S13). There is clearly more interest in the success of individual departments rather than STC as a company (S13). The relationship between STC sectors depends *on profitable business and seeks to reach a unified goal* (S15). This goal is set by the STC's Strategic Investments Unit in its annual business plan by *holding workshops, interviewing managers, and collecting and analyzing STC unit/sector business plans which are themselves affected by the personal relationships* (S15). As a result of this, there is a lack of quality (S15). Managers' personal relationships are necessary to accomplish the requirements of business, and in some departments *it will be easier to communicate depending on the employees or managers relationships* (S11). *There are important factors which are also necessary to accomplish the requirements of business: trust; the personal relationship between managers; the company's reputation*; and its expertise (S12).

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The work environment is *inter-connected* and there is significant impact on personal relationships (S16). These have pros and cons (S16).   In other words, *good relationships produce good results; weak relationships reduce effectiveness* (S16).   There is no clear procedure and there is no clear order in STC organizational structure (S13).   STC Managers need a stronger business commitment with less emphasis on personal relationships (S16).   Horizontal communication between departments is very difficult and depends on personal relationships such as direct phone calls (S02). *One-to-one meetings are the best way, while email is less successful* (S02). There are no standardized relationships and they vary according to interests (S09). There is a '*culture program*' in the Strategic Planning Department (S09). *Relations vary from situation to situation* (*some are complicated*) (S10). Personal relationships play a role in matters that *do not require a high level management decision with any partner* (S10).

STC policies are formulated by individual decision makers rather than institutionally (S05). For example, decisions are affected by GMs or VPs rather than company policy.   Overall, the company is managed in the traditional ideology of a government (S05). *STC follows a profit and risk sharing strategy which stimulates partners to innovate and create more services in order to increase revenue* (S04). The principle of revenue sharing is not clear between STC and its partners, and the partners work with STC as employees and just follows orders (S13). There are two types of contracts: long-term, which are strategic; and short-term, which are project related; Personal relationships play a significant role in the signing of those contracts (S03). The global market is open, and the contracts are based on the personal relationship between the operators and their partner companies (S15). *The choice of partners is sometimes based not on standards of quality but on personal relationships and personal benefits* (S13).

5.2.3. Bureaucracy and Resistance to change

Bureaucracy is the complicated system of official rules and ways that a government or an organization does things (Hornby, 2007). Generally, Saudi company hierarchies can be very rigid and decision making can be a slow and deliberate process (Katz, 2007). The bureaucratic decision-making in STC

influences all agreements and decision makers are usually individuals (S30, S31 S32, S33, S34 and S35). There is no clear management system in STC, and decision-making *depends on the personality of individual managers, his power, his relationship, and his influence* (S10). Because of centralization and limited decision making, flexibility and external negotiation are weak (S02). Saudi culture is highly dependent on trust, favours and personal relationships which make the services or projects based significantly on RM (S01).

Bureaucracy was found to significantly impede decisions (S04). *STC bureaucracy is caused by it being originally a government-controlled organization* (S15). Strong competition in the market requires quick decisions which continually forces STC to modify the organizational structure of the company to speed up the decision-making process (S04). *The appointment of young leaders has helped to overcome this problem and has resulted in more flexible decision-making* (S04). *The main reason for resistance to change and for bureaucracy is the Saudi education system* where people learn to put their own interests before those of their society and any other organization (S09). Saudi Arabia is a conservative Muslim country and the majority of products and services must be advertised in a manner commensurate with Saudi customs and traditions (S04). Religion and education are often taken into account because they directly impact on the market (S04). Another important factor in establishing successful RM, which was highlighted in the interviews, is the level of education. This has a positive impact in all business areas, where well-educated people have a better understanding of new trends and can accept changes more easily (S03, S09 and S16). *Education only trains them to regurgitate what they have learned without getting any new skills* (S09). This in turn creates people who do not have the ability to be creative themselves (S09). Instead, there is *selfishness, self-interest, lack of analysis and reflection* (S09). *People are expected to be given answers rather than finding them themselves* (S09).

Due to a general lack of transparency by managers and central authority within STC, negotiation outside the company is very difficult (S01). For example, *transparency between STC and its partners is missing* in the method of selecting

the names of products, the price of the product, and the companies that work with them (S05). There is a lack of transparency and a conspiracy theory exists which is believed by some people that "*if you are not with me, you are against me*" (S09). Government culture hinders progress, while in the private sector progress is fast and efficient (S16). Within international companies business is harmonious (*run smoothly*) which does not happen in Saudi Arabia because of the difference in government and private sectors (S16). The rate of change is very slow and STC organisational structure changes are *almost always limited to the higher level of management* (S08). The higher levels of management are less affected by personal relationships when they sign contracts, but in the long term good relationships are mostly built with partners (S15). STC organisational structure has been changed *more than three times in less than 5 years* (S08).

The absence of any strategic plan causes *a lack of a clear goal in every sector* (S14). However, there is no clear single goal for STC and there is a lack of integration between *the administrative sectors* (S14). Saudi culture influences the quality of work by turning *a blind eye to any errors as a kind of empathy* (S13). FORWARD is the previous STC strategy, *TRANSFORMATION is the present one which now aims to maintain the customer base and to make the provision of services a priority* (S10). Policies exist but on paper only and there are no consistent standards in practice (S09). *Some managers use excessive force because he is paranoid; this makes him suffer to a great extent after retirement or may force him to leave the company as it develops into a psychological disease* (S10). STC is still managed as a government organization and there is a lack of commercial and investment mentality (S14). There are different steps in terms of delegation *by sharing responsibility, and being accountable* (S16). Some STC consultants slow down the process of the decision making that can be resolved more quickly by STC managers (S15). STC's Strategic Investments Unit works effectively because of its highly qualified and professional staff (S16). *In the TRANSFORMATION strategy, there is also a preference to coordinating the plans of each sector including Personal, Home, Enterprise, Networks and Wholesale* (S10).

There is strong resistance to change (S03). There is resistance to change especially by managers who also worked for STC when it was administered by the government, when it was highly bureaucratic (S02). Resistance to change is evident and is the most significant reason for complexity in STC organisational structure (S08). It is very difficult to achieve any accelerated targets with the existing resistance to change by some STC managers, which causes *embarrassment* to STC within the competitive environment of the telecommunications industry (S15). *Though, some STC managers believe that their company is the leading telecommunications company in the Middle East, it is not* (S03). The most important cultural problems to be addressed are leadership, performance management and planning (S16).

There are several social problems which have affected the ability of staff to accept any change and development such as tribal influence which cause cliques and groups within any organisation, as well as employee resistance against any change even if the changes might be for the better (S19, S22, S23, S24, S25, S26 and S27). The bureaucratic decision-making in STC is influencing all agreements. For example in 2008, Jarir bookstores group signed an agreement with STC to sell a bundle of a USB modem plus STC Internet SIM card in their bookstores, but the bureaucratic decision-making in STC forced Jarir Group not to go further with the deal. In 2009, Jarir Group signed an agreement with STC rival Mobily, it was a successful experiment (S24, S25, S26 and S27). In 2010, STC attempted once more to form a partnership with Jarir Group, but the bureaucracy stopped the agreement again before it even began (S19, S22, S23, S24, S25, S26 and S27).

Other recommendations were suggested by (S09) for overcoming resistance to change and bureaucracy:

1- Create training programs (internally and externally).
2- Be more transparent when dealing with problems.
3- Show patience and try to deal with problems without losing control.
4- Aim for rational goals.
5- Be fair and just.

5.2.4. Friends and Family, and Tribal Effects

There are several types of relationships (complementary - funding - joint venture - acquisitions - partnership) which vary depending on the quality of the project (S16). *Friends and family, and the tribal effect play a major role* within the company (S03). Some STC managers encourage partners to employ their friends and family (S14). The tribal mentality has a direct impact on company relationships (*employment sectors and internal company promotions*), as well as bureaucracy (S10). *The impact of tribe culture determines the quality of relationships*, which is in part reflected in the respect for procedures and regulations (S09). As long as there is a strong unified company goal, any tribal influence will be minimal because everyone in the company seeks to achieve that goal (S15). *There is a misunderstanding in the relationship with our partners as if we are different tribes* (S09). Therefore, STC partners are not treated as full partners (S09). Settling bills and accounts is often delayed (S09). The influence of the tribe has a significant impact on relationships and most decisions, *for example, recruitment from the same tribe as the manager* (S02). In STC there is an inflated administrative structure, which is *hugely influenced by centralization* (S01). This slows down decision-making and hinders flexibility in day-to-day procedures and strategies (S01). Decisions are affected by person-to-person relationships rather than their position in the company; *some managers have a strong influence over corporate decision-makers because of their personal relationships* (S03).

One of the clear influences of traditional Saudi culture on STC strategy is poetry. STC have the largest base of exclusive poets in the Arab world including Nasser Alfra'inah, Turki Al-Muraikhi, Hamid Zaid and others (S15 and S16). In 2009, STC launched hundreds of interactive services under the name 'AlJawal Poets Services' and STC signed an exclusive agreement with the great poet Nasser Alfra'inah on 23rd April 2008 in response to customer demand. When this campaign was launched, and after STC had spent millions of Saudi Riyals in marketing this service, the campaign was stopped because of protests by other tribes who demanded STC to treat their poets in the same way (S15 and S19).

Poets' services do not really depend on the quality of the poetry (S19). SMS and MMS sales figures of *these services had been influenced by the size of tribe that the poet belonged to* (S19).

Since personal honour is highly valued in Saudi Arabia, contracts are usually dependable and partners will strive to keep their commitments. However, business partners commonly expect the other side to remain somewhat flexible if conditions change, which may include agreeing to modify contract terms (Katz, 2007). Some non-Saudi STC partners have made an effort to adapt themselves to Saudi cultural practices in order to be able to communicate and understand their clients effectively (S03, S11, S29, S30, S31, S32, S33, S34, and S35). This might be more difficult for non-Muslims (S33, S34, and S35). As most Saudi people are religious, being a Muslim makes it easier to understand Saudi culture and traditions (S03, S11, S29, S30, S31, S32, S33, S34, and S35). Some interviewees claim that religion should not have any impact on the professional environment, while others say, together with tribal influence, resistance to change and bureaucratic decision-making, it could have an impact on relationship marketing (S03, S11, S29, S30, S31, S32, S33, S34, and S35).

5.2.5. Trust and Power Distance

Business relationships in Saudi Arabia exist between people, not necessarily between companies (S04, S05, and S13). Even with the friendship and trust of a business partner, they will not necessarily trust others from the same company. This makes it very important to keep company interfaces unchanged. Changing a key contact may require the relationship building process to start over (Katz, 2007). *Trust and personal interest plays a major role in communicating with partners outside STC* (S03). High level *directives*, which may sometimes be improvised, *lead to confusing decision making* (S03).

Power distance plays a strong role in internal communication and personal relationships are *the basis of effective coordination and communication between all departments* (S01). Access to STC depends on the strength of relationship and power distance (S05). For example, *it is easier to deal with a small company but*

in dealing with a big name like Google or the like, communication is very difficult and may need a third party mediator (S05). There are communication difficulties with foreign companies which do not have a representative or local agent (S04). Therefore, *all partners run after STC while STC itself run after bigger partners* (S05). Power distance and relationships have a big impact on STC partner agreements; for example, STC signed their partnership agreement with Al-Riyadh Newspaper even before the terms of the contract were discussed (S01, S02, S03, S05, S06, S07, S08, S09, S10, S11, S12, S13, S14, S16, S18, S28, S29, S30, S32, S33, S34 and S35).

On the another hand, *some customers like to complain just for the sake of complaining though sometimes their complaints and suggestions are useful* (S06). As (S06) suggests, the company is part of the community and therefore, the culture of customer affects the company's plans. Therefore, to avoid needless complaints and to increase their trust and loyalty STC should do the following:

- Invite the partners to concerts and public events.
- Invite them to the opening ceremonies of conferences or exhibitions.
- Invite the media and newspapers including Riyadh, Al-Jazeera, Alyoum, Al-Eqtisadiah, and Saudi Gazette.

They may also give occasional gifts (mobiles, i-phones and services) to strengthen the relationship between STC and its partners (S08).

In the Arab Gulf, Saudi Arabia and Kuwait have the most controlled regulatory framework, while Qatar and Bahrain, followed by the UAE, have fewer restrictions on capital transactions (Ramady, 2010). In the third quarter of 2010, mobile subscriptions in the Middle East exceeded 200 million and reached 202 million at the end of September 2010. There are still substantial opportunities for subscription-growth in the Middle East telecom market (Middleton, 2010). In the Arab zone, Qatar Telecom, Etisalat of the UAE and Zain of Kuwait, have 'non-domestic network' because they are either closed to foreign direct investment or their countries are too small to attract the attention of inward investors (Curwen and Whalley, 2008). Culture differences mean that the STC Group (VIVA) has to

adopt different strategies home and abroad in its partnership dealing, advertising, staff recruitment and even office design, which has helped it to establish itself quickly overseas (S29, S30, S31, S32, S33, S34 and S35). STC cannot work outside Saudi Arabia in the same way as *they will not find the same level of government support* (S14). *STC is short of Saudi managers with suitable leadership skills to work abroad* (S14).

As a result of neighbouring Kuwait, STC commands a sizeable market share in terms of managed fund levels (Shoult, 2002). In November 2007, STC won a licence with a 26% stake in Kuwait's telecom market, making it the third telecommunication operator there, with its bid of KD248.7 million. In December 2008, STC's VIVA launched a mobile commerce solution in Kuwait. Since 2010, STC has been operating telecom networks in Saudi Arabia, Turkey, South Africa, Malaysia, and Bahrain (Rasmala Report, 2011; STC online: 2012). There is a clear RM difference and operating style in *Saudi Arabia compared with Kuwait or Bahrain* (S16). In Kuwaiti culture, people desire excellence and request special numbers. This has made STC (VIVA) in Kuwait offer a range of different numbers to them. In Bahrain and Kuwait personal relationship and trust also play a big role in the new branches*; Saudis carry their own customs and traditions with them to other countries* including Malaysia, Turkey, Indonesia and South Africa (S03). Some of these numbers have been distributed to government officials to build special relations with them (S01). In Kuwait power distance, trust, and business relationships are stronger than in Saudi Arabia (S01). In Kuwait and Bahrain, most government officials are foreign and personal relationships play an important part in working with them (S01).

5.2.6. Communication Style and Negotiation Strategy

Dealing with local companies is different from dealing with international ones; operators are less closely involved in the day-to-day running of the business and use common default standards free of cultural obstacles (S01, S03, S05, S07, S18, S19, S23, S26, S30, S31, and S33). Western culture is based on clear and direct communication, while in Saudi Arabia it is more emotional than rational (S01). *Procedures and communication with Western companies are easier* (S07). There

are very clear differences compared with foreign companies for example, Optus, Hutchison, and 3 Mobile in Australia, *in that these companies are more professional* (S03). In Saudi Arabia, decision-making is slow and managers have almost no authority, which means a lot of time is wasted having meetings without any decisions being made. In Australia, *decisions are made faster and time and commitment are very important* (S03).

STC Managers including S01, S03, S04, S05, and S13 responded that dealing with the Saudi marketplace requires a different strategy from other markets and partners cannot apply general concepts and trends which may be effective outside KSA and vice versa, without taking into consideration the impact of Saudi culture. STC external relationships are more structured *and formal, and written communication by letter or email is essential* (S01). In terms of superiority, STC feel they are the most powerful company in the Saudi market (S03). According to (S04), there is a different kind of relationship marketing within STC compared with outside. For example, *Saleco manages STC retail outlets with non-core business to reduce the cost, and with Intigral, which provides and manages the value added services* (S04). The relationship with Saleco and Intigral will be covered completely in Section 5.4 of this chapter.

In Saudi Arabia, STC is being managed in an old traditional (*governmental*) style (S03). Outside Saudi Arabia, STC management is more developed and modern (*more competitive*), *backed by partnerships with companies which are large, strong, and experienced in new markets* including Turkey, Malaysia, Indonesia, South Africa, Bahrain, and Kuwait (S03). This makes STC operation abroad more professional than STC within Saudi Arabia (S03). *There are language difficulties with companies in Iran, Latin America and East Asia, including India, Japan, Hong Kong and China* (S07).

Bravo is a pioneering brand name of a set of innovative wireless communication services launched by Public Telecommunications Company (PTC) in collaboration with STC and Motorola Telecom. With a massive network and services coverage that extends throughout the Kingdom of Saudi Arabia, Bravo

has been established to serve business needs in communication and increased productivity through continuous and uninterrupted communication among an organization's personnel (Bravo, 2012). Push-To-Talk (PTT) communication is one of the most popular services of the technology trend that Bravo provides for customers in all business fields, as it functions on iDEN (Integrated Digital Enhanced Network), designed and operated by Motorola (S21, S22, S24, S25, and S26). However, Bravo is not just restricted to providing PTT services; it also provides efficient cellular services such as voice calls, SMS, video calls, vehicle management and much more (Bravo - Online, 2012).

The objective behind joint venture between Bravo and STC is to provide business sectors with a highly secure, top quality communication standard in communication, and dedicates to providing those services in an all-in-one batch (Bravo - Online, 2012). As STC is well known to be a great Telecom services provider and aims always at attaining telecom reach and coverage throughout the Kingdom, enabling the partnership with Bravo to attain the same qualitative reach ability to all users in particular to enterprise sectors with a high-quality products, advanced services and full solutions for better business communication at the lowest possible costs (S21, S22, S24, S25, and S26).

Bravo also signed an agreement with Huawei for increasing the efficiency of Bravo's operation infrastructure of its strong regional presence with over 500 employees in Saudi Arabia (Bravo - Online, 2012). This agreement stresses Bravo and STC leading position in best serving the needs of the Saudi telecom industry to be more advanced, competitive and profitable through Huawei advanced solutions and systems with next generation Business Support System (BSS) solutions to increase its revenue, reduce costs, improve efficiency, and optimize their overall business processes (Bravo - Online, 2012).

STC may often be a customer of global network builders such as Huawei, Nokia (NSN), Sony Ericsson, and Motorola (S10). STC interest is in quality and price dealing with highly experienced global companies such as Nokia, Siemens, and Huawei (S15). The Huawei network offers STC very good prices and has a lot of

experience in the region (S05). Another example of exchanging benefits is Huawei who replaced 300 Mobile Phone Towers with Base Transfer Stations (BTS) for free (S10). In exchange, their interest from this service was to advertise the new BTS and *to sign spare parts and maintenance contracts with STC* (S10). Despite having lower specifications than European companies, *Huawei is a more flexible company* (S10) than Nokia or Ericsson, who, despite their excellent quality, are difficult to deal with in terms of flexibility, amendments, timeliness and price. *Chinese flexibility in the contracts is greater than that of Western companies* (S05). Huawei reflects Chinese culture, which is *more open to accepting amendments, changes and delays as well as giving gifts to STC managers, which cements a strong relationship between the companies* (S05). There are language difficulties in particular *communicating verbally with Indians, Chinese and Korean speakers but communication via email is easier* (S13). There are *difficulties dealing with Chinese managers* (S10) hence some companies employ Arabs or foreigners, who speak English fluently, to coordinate with the Chinese managers so as *to translate and to facilitate communication* (S10).

Moreover, with international companies such as Orange, T-Mobile, and Vodafone communication is *clearer, and easier but not flexible* (S06). The *emotional character of East Asians* makes communication easier than with Westerners (S06). The majority of STC staff do not speak English very well (S14), and they acknowledge that their foreign language ability is often lacking. As a result, responding to emails can be slow and may take longer to deal with. Native English speakers or non-natives with very good English, *such as this respondent, do not face any communication problems with foreign companies* (S03).

There are also difficulties with foreign companies when inviting STC managers to presentations and reviews of new services (S03). From another point of view, there is no difficulty communicating with non-Saudi partners, but there are some problems such as lack of respect for time, the way some problems escalate, and poor English language skills in communication (S03, S11, S29, S30, S31, S32, S33, S34, and S35). Many of them do not attend these because of poor English skills or because they do not have any personal interest or involvement with those

departments or agencies (S03 and S11).   This poor attendance causes embarrassment to STC, as when *STC started dealing with Customer Relationship Management (CRM) Systems and there was a lack of commitment by many STC employees to attend the training program* (S03).

A multi-national creates a better exchange of expertise in the telecommunications market but *there is sometimes a lack of experts in the field* (S04).   There is a mistake in the way partners are perceived, and it is not clear who needs who (S09). The relationship between partners must be clearly defined (S09); but *this perspective is not standardized and is not clear* (S09). However, the relationship between STC and other companies such as the network builder company (Ericsson) is to exchange benefits, to increase profit at a good price and maintain high quality (S10).   In addition, within Saudi Arabia, *STC is attracting other companies who are looking for business with them, while abroad it is STC who are looking for business with new partners* (S03). Some partners work with STC as *external staff*, which makes the relationship with them more flexible (S05).

Most of the work which requires negotiation and making concessions is linked to a win-win system and varies from culture to culture (S06).   There is great flexibility when dealing with the Gulf countries, including some Arab countries like Egypt, and interdependence is stronger (S07). In America, for example with the AT&T Company, negotiation is very fast and straightforward (S06, S07). In Egypt, for example, Vodafone depends on a friendly style of negotiating, and relationships play a big role to complete the negotiation (S06, S07). In Indonesia Axis and Indosat are easy to negotiate with because of the religious respect that regards Saudi Arabia as the leading Muslim country (S06, S07).

The negotiation with NTT and Do Como (Japan) is not easy because of language difficulties and the human aspect is missing because they are rigid, inflexible, and work like robots. The best way to negotiate therefore is by email, which is a more logical way to deal with them (S06, S07).   In Morocco, Maroc Telecom is affected by virtue of proximity to Europe and negotiating a deal with them is rigid and inflexible (S06, S07).   Although Iran is isolated from the world due to

political circumstances, Iranian pilgrims are targeted in the Hajj and Umrah season by STC, but there is difficulty in negotiating a relationship with Iranian companies due to caution and concern to keep their distance from Saudi Arabia, which is predominantly Sunni (S06, S07). In Syria, roaming is prohibited because of political circumstances, so the negotiation with Syrian companies or partners was stopped (S06, S07). Roaming has been suspended in Bahrain because of the political situation which has made it impossible to collect payments from other operators (S06, S07).

Today, many countries have six or seven mobile operators in the same market because of the dynamic growth of new technologies (Middleton, 2011). However, for several reasons (cultural reasons in particular), the world's leading telecommunications company, Vodafone Group, failed to gain market share in Japan and it was still far behind its rivals (Kotabe and Helsen, 2011). Operators need to do their best and to deal with their customers' requirements by connecting more people, more quickly, and with more than one viable solution to solve their business problems so as to enhance their market success (Brda, 2010). According to Curwen and Whalley (2008) many American mobile operators faced cultural challenges in the Middle East and have returned back to their home market. Recently, consumer relationships of mobile operators have been threatened by handset vendors and over-the-top service providers in terms of competitiveness (Harriman, 2010).

STC is the first telecom company to be established in Saudi Arabia and the largest one (S15). *The company seeks to be a global company by targeting new markets* (S15). STC is seeking to invade new markets through access *to new operating licenses using new market standards* (S15). There are high employment opportunities with high penetration of the market (S15). *STC Group has become the leading Telecommunications Company in the Middle East and has been able to attain many licences for mobile operators* (S15). Basic telecom services (phone calls and text messages) are available everywhere, and Value Added Services (VAS) vary from country to country in terms of the types and quality of services which are offered depending on individual cultures (S15). This causes

one company to have different targets in different countries, working with different partners in each country (S15). *Some foreign companies are afraid of Saudi culture, believing it to be closed, and initially they are very cautious when dealing with Saudi managers, avoiding any joviality* (S09). They soon realize this is not the case (S09). Dealing with local companies is an important aspect of building a good relationship between partners and operators (S19, S23, S29, S30, S31, S32, S33, S34 and S35). Foreign companies recognize the value of dealing with STC and as a result they pay over the odds for a contract (S09). *Contracts are modified to accord with Islamic law such as the requirement to avoid paying interest* (S06).

Customer corporate enterprise is classified according to income, company size, public, or private and is based upon different contracts (*key accounts, small-medium enterprise accounts, or short project accounts*) (S04). There is a problem with training courses which are not included in some contracts when some hardware is delivered to STC (S12). It may embarrass STC partners when they are asked by STC managers to provide free training courses which are not always mentioned in the contract (S12). Partners are attracted by the corporate strength of STC and some partners prefer to work with STC only (*STC Monopoly*) but they do not find the expected support (S13). Contracts with large companies are better than with small companies which may not cover the entire project, but only a part of it (S11). The cost of the contracts is always higher to allow for free extra services which STC usually add on (S12). The majority of contracts are signed with partners based on personal recommendations of the private contractors which are sometimes owned by STC managers themselves (S13). However, trust and confidence are generated by the good relationship between STC partners and individual STC staff (S14). *These relationships may be broken or disappear when any of these employees leave STC* (S14).

5.2.7. Third Party in the Middle and B2B2C Model

Establishing relationships with others in Saudi Arabia can create powerful networks; maintaining cordial relations is crucial, and this relationship is too difficult to be built and to be communicated with the Saudi Managers. As a

result, third party introductions can be very helpful as a starting point to building a trusting relationship with a potential partner, especially since Saudis may initially not trust Westerners (Katz, 2007). This difficulty in communication with representatives of some foreign companies *from the Far East, in particular with Chinese companies, often necessitates a third party in the middle for effective negotiations* (S01). There are differences in Chinese and Western companies (S05). Negotiation with European companies and with delegates who speak English fluently is easier (S01). *An example of miscommunication with the Chinese is in body language when they appear to shake their head approvingly but they are merely being polite, which makes the STC manager think they have agreed, but in fact they are not in agreement* (S01). *For example, in Chinese "No" does not always mean "No" and it could mean "Possibly", while in Western countries "No" definitely means "No"* (S05). However, *Some Chinese companies have assimilated into Saudi society to the point that some people have become Muslim, eat Saudi food and wear traditional Saudi clothes*, while European integration is still difficult (S10). On the other hand, there are some other foreign STC partners who have adapted themselves to the Saudi culture to be able them to communicate with their clients effectively (S03, S11, S29, S30, S31, S32, S33, S34, and S35).

Regularly in the telecommunication industry, the description of the relationship is B2B2C in which most of the operators need several partners to deliver significant services to their customers. However, as mentioned before, the difficulty in communication with representatives of some foreign companies from the Far East, in particular with Chinese companies, often necessitates a third party in the middle for effective relationship.

A very helpful way to build a trusting relationship with any potential partner is through a third party intermediary and this is what happens in the majority of companies in Saudi Arabia (S06, S09, and S12). Because having the third party is so crucial to maintain cordial relations, it may be difficult for some foreign companies to enter the Saudi market without one (S06, S09, and S12). In a STC B2B relationship, a third party is often required (S06), which makes the

relationship more complex and it creates a complex B2B2C model.   STC's partners know that a strong relationship with STC is vital and this relationship is further strengthened by working through a third party mediator so as to facilitate smoother communication (S09). There was a problem with a contract project *for virtual sales and vending machines when STC dealt with a third party who did not have any authorisation to provide training or maintenance services* (S12).

Katz (2007) notes that, establishing relationships with others in Saudi Arabia can create powerful networks. Over the past 20 years, the culture of Saudi society has changed somewhat and has become more open-minded about dealing with foreign partners in Saudi Arabia (S15, S17, S19, S23, and S24). STC Customer Care Centre (902) provides services for other STC branches, including Kuwait and Bahrain (S15 and S17). For this reason, in 2010, STC established a partnership between Inge's (India) and STC Customer Care Centre (902) *with a 50-50 ownership, and the Indian partner having total responsibility for training, employment, and managing call centres in Saudi Arabia* (S15).   The Indian company was selected because of their experience which may help in STC strategic plan to create a central call centre for banks, airline companies, and all utility services in Saudi Arabia (S15).

STC offer their customers a range of services through the 902 Customer Care Centre number. Customers may call to request any service through an interactive voice recorder or through any of STC customer service representatives (S17 and S18). Saudi people dislike talking to machines and prefer to deal with people directly and spend time talking to each other, and therefore they find it difficult to respond to the answering machine or voice services provided through the 902 (S17 and S18). *For the same reason STC voicemail service was not successful in either the personal sphere or business sector* (S28). This kind of service is more successful in Western countries than in the Middle East, Saudi Arabia in particular. Outside Saudi Arabia, people prefer to use credit cards and self-service facilities while in Saudi Arabia neither of these is successful because people distrust them (S15, S17 and S23). As a result, sales costs are higher (S15 and S17).

Despite this potential demand for customer care personnel, *STC unfortunately mishandled the situation by failing to respond to customers' needs and instead granting annual bonuses to senior grade staff* (S17). In March 2011, as a result of this unfair treatment, the first industrial action in Saudi Arabia took place by STC customer care help desk employees, an unprecedented event in Saudi Arabia (Shaheen, 2011). In a rare move in Saudi Arabia, more than 1,000 employees of STC went on strike demanding bonus payments and some of the strikers also called for the resignation of the company chief (Shaheen, 2011). *The strike led to the halt of services provided by customer care help desks* (S17). The employees were angry after the company took a decision granting annual bonus to senior grade staff whilst depriving low-salaried workers of some incentives they have been getting (17 and S18). Employees have been talking about a contract with an Indian company within which STC wants to transfer large number of employees to the contracting company (S17 and Shaheen, 2011). Later the company chief sent a message to the employees promising that the annual bonus would be paid and urged them to double their efforts to realise excellent results in 2011. It was reported that STC management tried to persuade employees to return to work but failed (Shaheen, 2011). As seen from the example above, a third party may not add value, which in STC's case is the result of not choosing the correct third party or mediating partner.

5.2.8. Differences and Commonalities

Culture issues are also very important on relationships in business marketing (S01, S02, S03, S05, S06, S07, S08, S09, S10, S11, S12, S13, S14, S16, S18, S28, S29, S30, S32, S33, S34 and S35). It is widely believed by most of the STC partners that dealing with the Saudi market is different from other markets and partners cannot apply general concepts and trends which may be effective outside KSA and vice versa, without taking into consideration the impact of Saudi culture. Dealing with the Saudi operators is different from dealing with international ones (S01, S02, S03, S05, S12, S14, S18, S28, S29, S30, S32, S33, S34 and S35). With international ones, operators are less closely involved in day to day running of the business and use common default standards free of cultural obstacles; while

with local companies these aspects are often lacking between partners and operators, to build a good relationship (S03, S05, S12, S14, S28, S29, S30, S32, S33, S34 and S35).

STC Vision is to provide timely integrated telecom solutions that provide optimum value to all stakeholders, and their Mission is to enrich people's personal lives and contribute to their business success by offering high quality communication services that resonate to their true needs (S22 and S28). STC continues to provide services to satisfy business units' customer requirements including Business Mobile Service which STC reduced cost plan that allows the business sector to communicate with their companies at lower prices, MVPN which a service designed especially for companies and institutions linked to their private mobile numbers in a private network and allows them to communicate with each other via short numbers with a discount of 30% on calls tariffs, special Net Service which enables the business sector to access the Internet at a competitive price, Data SIM Service (*a mobile SIM used only to transfer and exchange information/data*), and Blackberry service for business (S21 and S27). Pricing and tariffs vary from one country to another, as does the method of sale (S15). "*Web Conferencing*" is another example of a service offered by STC for business sector firms in cooperation with Cisco international, which has received wide acceptance in such firms as the service enables clients to prepare, schedule and organize their conference and send invitations to all persons required to attend the conference anywhere (STC Web Conferencing, 2010). The "*Events Centre*" enables companies to transfer details of their events and seminars to attendants everywhere on the planet in a direct way simultaneously via the internet. Consequently, visitors can participate, follow up and benefit from the event as soon as they click its e-link (STC Web Conferencing, 2010).

In the global market, it makes no difference for customers to deal directly with operators or their sales partners whereas Saudi customers prefer to deal only with operators (S15). Consequently, it is more successful for STC to have sales partners in Kuwait, Bahrain, and Malaysia, for example, than to have them in the domestic market (S15). STC VIVA initially decided not to enter into a price war

with competitors, but *after entry they found themselves in a price war because of the free services offered by their competitors* (S05). STC's position in the Bahrain market is very strong because of their developed network and high speed broadband service (S05).

There is a different STC recruitment policy in Saudi Arabia compared with their strategy in Kuwait or Bahrain. In Saudi Arabia the employment of women in the company is not allowed whereas in Kuwait and Bahrain women are allowed to be employed. Because of this difference in the culture, STC adopts different strategies in advertising, staff recruitment, and office design (S24 and S22). There are other significant differences such as STC target in Saudi Arabia is only to provide the customer SIM card including communication services but there are other targets in Bahrain as well as Kuwait where the company offers a bundle including SIM card plus phone advice for Samsung, Blackberry, or iPhone etc. The Internet services in Saudi Arabia are controlled and some websites are banned by the government but not in Bahrain and Kuwait (S21 and S27). The competition is more organised in Saudi Arabia by the Communications and Information Technology Commission (CITC) while in Bahrain and Kuwait, there is more freedom and the market is more open.

International contracts in the country usually include 'offset' requirements, which are spelled out by law. As compensation for the gains the foreign company expects to receive from the business deal, it is required to support efforts from which the local economy will benefit, such as training local staff or transferring technological know-how. Saudi law also requires having a local representative on a continuous basis (S01, S02, S03, S05, S12, S14, S18, S28, S29, S30, S32, S33, S34 and S35). It is strongly advisable to consult a local legal expert before signing a contract. However, it is not advisable that an attorney be present at the negotiation table. Saudis tend to read the attorney's presence as a sign of mistrust (Katz, 2007). Although business people in the country understand the role of contracts well, they may view them only as general guides for conducting business, expecting that both parties are willing to change terms if there is a change in conditions (S3, S11, and S12). Writing up and signing the contract is a

formality and written contracts are usually at kept a high-level, capturing only the primary aspects, terms, and conditions of the agreement (S3 and S12). *Saudis believe that the primary strength of an agreement lies in the partners' commitment rather than in its written documentation* (S3). Accordingly, it is not advisable to propose an overly detailed contract since that may be misconstrued and hurt feelings (Katz, 2007).

Recording and exchanging meeting summaries can be an effective way of verifying and understanding commitments. While these serve as tools to improve the communication and strengthen commitments, they should not be taken as final agreements. Any part of an agreement may still change significantly before both parties sign the final contract. Agreements are only final when the participants part. Until then, the Saudi side may unilaterally abrogate them, possibly even if they were already signed. Oral agreements are not binding under Saudi law (Katz, 2007).

In Saudi Arabia, the telecom operators are the leaders; their partners are always the followers. Partners play an essential role like an arm to STC managing its Value Added Service (VAS) and digital media service (these are discussed in section 5.3 under STC SME partners and 5.4.1 Major Enterprise: Intigral). Some STC partners who were interviewed do not deal with other STC competitors in Saudi Arabia, and those partners try to develop their business and establish cooperation with STC and with other STC partners in all aspects. However, some overseas partners do work with other operators. Both with STC and overseas operators business is usually based on a variable revenue sharing model.

Despite most mobile operators aiming to attract high value business by encouraging their customers to take up their mobile services, those customers are still critically using their own mobiles comfortably but less confidently before they take on more services (Curtis, 2007). *STC may lose more customers than Zain and Mobily day by day* (S03). STC is losing a large number of customers and *in future may even lose partners who have better deals, relationship, and communication style with the new operators* (S03). STC hierarchies can be very

rigid, and people expect to work within clearly established lines of authority, and that makes their decision-making very slow (S01, S02, S03, S05, S12, S14, S18, S28, S29, S30, S32, S33, S34 and S35). STC strategy is based on action and reaction (S03). Overall, the company's competitive position is good and they can face the competition in the market because of governmental support (*70% state-owned*) (S03).

The main point is that partners value business with STC as they learn how to deliver their services to STC customers through STC (S09). However, there is sometimes a delay in delivering the services due to unplanned changes to implementation schedules (S09). *Transactions include tendering offers and making requests for projects* (S10). For example, *when the network is obtained, it is then assessed technically and commercially for approval or rejection* (S10). However, the problem is that there is insufficient attention to after sales services (S13). The reason for this is there have been no competitors for many years during which time leaders have not been created to deal with future phases (S13).

STC should finalize and close the deal before launching any new promotion, such as free international roaming, as some operators refuse to participate in the promotion (S07). Roaming is linked to travel seasons and tourism, so STC make contact with travel agents to obtain information about the most popular travel destinations for Saudi students, tourists, and businessmen (S06, SM7). *Tourist offices and travel agents provide useful information for the STC roaming department about new Saudi travel destinations such as Guangzhou in China and the Maldives* (S06). In some countries such as *Kuwait, the per capita annual is high which results in higher spending on communications* (S15), so VIVA Kuwait design and launch specific services and promotions which are different to those offered in VIVA Bahrain or STC in Saudi Arabia.

Although the pace of business is accelerating, decision making can be a slow and deliberate process in Saudi Arabia (S01, S28, S29, S30, S32, S33, S34 and S35). Decision makers are usually individuals who consider the best interest of the group or organization and may consult with others in the organization. When

making decisions, Saudi business people may not rely much on rules or laws. They usually consider the specific situation rather than applying universal principles. Personal feelings and experiences weigh more strongly than empirical evidence and other objective facts do. Saudis are often reluctant to take risks. If they are expected to support a risky decision, it may be necessary to find ways for them to become comfortable with it first. One is much more likely to succeed if the relationship with one's counterparts is strong and thus managing to win their trust (Katz, 2007).

There is a gap between the leadership and staff which causes a delay in decision-making (S16). In STC, *Senior management interferes too much in the details of specific projects, making it impossible for project managers to do their job while in Australia*, for example, there is greater confidence in staff and project managers (S03). There is little delegation of responsibility which further increases the gap, which always Echo the slogans, but without the application (S09). There are also responsibility difficulties, for example, *STC do not care about how the concerns of the staff's parents reflects on them or about how their managers are perceived*; this causes family problems that are reflected in the work environment (S16). Change is required and therefore the STC Strategic Investments Unit is in the in the process of re-organizing its structure to a high level of performance (S16). This performance is closely linked to clear indicators which can more accurately measure management performance (S16). By developing leadership and behaviour management, the work environment will be improved (S16).

5.2.9. Impact of Culture on Customer Experience and Loyalty

Saudi Business Machines Ltd (SBM), STC's partner dealing with virtual sales and vending machines, is flexible because they know Saudi culture and STC communication style because SBM believes that personal relationships with STC directors and managers are required and as a result a contract with STC is rarely terminated (S11). *There is fierce competition from Mobily and Zain, who are trying to catch up with STC's virtual sales in different ways even by signing a contract with the same supplier or same factory* (S12). In order to preserve the confidentiality of new projects, the same project manager from network builder

partners such as Huawei are not allowed to deal with STC and other operators at the same time (S10). However, *it is allowed for a different project manager to be sent to the competitors* (S10).

There are STC virtual Sales outlets in a variety of locations including: sales machines found in markets, public places, airports, as well as sales offices to print monthly bills, to make a payment of services fees, to activate new services, to issue a replacement SIM card, to establishment new mobile SIM cards and to introduce vouchers for their reward points in the Qitaf scheme. Another virtual Sales service is 'STC Online' through the STC website (www.stc.com.sa) which from a total of 18 million STC mobile phone customers currently has only one million subscribers. Customer Care Centre (902) and SMS text messaging by sending short codes are other virtual sales services. However, despite all these new virtual sales options, the regular STC retail shops are still the most commonly used because in Saudi culture people do not like to talk and deal with machines (S18, S19, S23).

To build up STC Virtual Sales customer trust, STC should improve customer awareness, increase the number of advertising campaigns, offer more rewards, and provide their customers with new services and alternatives that cannot be obtained by the customers themselves especially except when they are using self-service and virtual Sales. *Virtual Sales devices are being made available from suppliers and STC partners* (S23). Power distance, trust and Relationship Marketing have strongly affected STC decision-making to select any of these devices (S23).

Another example of culture impact was when Blackberry services were launched in 2009 specifically for the business sector, but it was more successful for personal use than for business because of its chat feature (S18 and S28). In 2010, Blackberry services were suspended by Gulf States including Saudi Arabia. The service was banned and stopped temporarily by government regulatory requirements to protect the "security and privacy" of consumers (Telecoms News, 2010). The reasons for this were unclear to the customers who did not accept them, with the result that the service was resumed. *Some services have not*

succeeded, as happened with LBS because customer preference was to ask other people for information rather than using the technology (S02). *Saudi people do not like to deal with machines and electronic devices*, but the virtual sales and vending machines are more commonly used in the Western Region of Saudi Arabia (S12). However, in Saudi culture, people are suspicious of paying without a physical receipt which adversely affects STC virtual sales strategy (S12). For this reasons above, *STC have to raise awareness of using LBS services or STC virtual sales, some vending machines and are made available within STC outlets so customers can get any help from STC staff* (S11).

In December 2004, Saudi Telecom launched a points-based collection loyalty scheme 'Qitaf' for its whole customer base, but revisited the reward basis in 2006 with a new focus on points awarded for registration into the scheme, recharge levels and tenure with the operator (S18). *Points can be redeemed in blocks of 100, with a maximum of 500 redeemed in any 60-day period* (18). Redemption can occur only within the validity period of the prepaid customer's network access. Qitaf is a loyalty program that enables STC customers to collect points through subscribing to services, consumption and regular payments (S18). STC customers can redeem their points for a variety rewards such as free SMS or free minutes; transfer points to their friends and family; and they are able to enjoy shopping using Qitaf vouchers at any of *the 2400 STC partner outlets* (S18). These partners include car rental agencies, restaurants, bookshops, electronics, fashion and perfumes shops, as well as travel and tourism agencies (S18). As mentioned earlier power distance and personal relationships have a big impact on STC partner agreements which obviously cleared with their partnership agreement signed with Al-Riyadh Newspaper even before the terms of the contract were discussed (S01, S02, S03, S05, S06, S07, S08, S09, S10, S11, S12, S13, S14, S16, S18, S28, S29, S30, S32, S33, S34 and S35).

Qitaf also continues to provide a variety of benefits to the business sector (S18). Moreover, other benefits of Qitaf include the Qitaf Islamic Credit Card, a joint venture with the National Commercial Bank and STC (S18). STC won, through its "Qitaf" program with the Commercial National Bank, the World Excellence

Award offered by the International Master Card management (S18). The Award went to STC as an appreciation of their salient role and distinguished efforts in issuing the Qitaf Islamic credit card, the first of its kind in the Middle East (S18). The continuous cooperation between STC and NCB has resulted in delivering superior quality and exclusive services to Qitaf Credit Card subscribers in Saudi Arabia (STC News, 2010c). Such joint ventures between STC and their partners allow customers to convert their points to vouchers and there is a mutual advertising of STC and its partners. For example: Al-Obeikan bookshops add STC logo in their advertising each term whenever students go back to school; Domino's Pizza print the STC logo on their packaging; and Al-Hokair Group do the same on Al-Hokair Land theme park tickets. *Sometimes the agreement includes a discount rate of 50% up to 70%* (S18).

The advantages of the Qitaf scheme are that it is considered to be the most popular loyalty scheme in the Saudi telecom market, which prompted STC competitors including Mobily to launch a similar scheme "Neqaty" (S18). Another benefit of the STC scheme is its impact on the way people shop by spending their vouchers. The most important benefit is to increase STC customer loyalty because of the multiplicity of options and ease of use of the scheme. *The disadvantages of the scheme are that points expire, the difficulty and unfamiliarity of using vouchers, as well as the restriction of points per month* (S18). However, only 68% of customers benefit from the scheme. Although this scheme costs STC millions, the main purpose is to keep customers and increase their loyalty.

International companies such as Orange offer a magic number service which allows Orange customers to call another Orange customer free (S23). On the other hand, STC offer a 25% family discount for a monthly subscription. Offers with free text messages tend to be preferable to those with free minutes for STC customers (S23 and S24). In 2008, STC gave their customers 500 extra loyalty points for each year with STC to mark their 10th anniversary since the establishment of the company. Despite the existence of this scheme, it is very difficult to maintain customer trust easily (S18, S19, S20 and S23). Qitaf do not

provide special services for business sector while *Mobily does provide distinctive benefits* (S18).

In 2009, STC lost more than 2 million customers when they switched to their competitors in less than two months due to a billing system (CRM) mistake (S18 and S19). The STC loyalty schemes are affected by Saudi culture because the majority of STC SIM cards are registered in the names of husbands, brothers or fathers. Therefore, the statistics for women are inaccurate. STC customers do not miss out on any call when their mobile is switched off during prayers, outside coverage, busy or travelling and they can receive SMS messages with details of missed incoming calls (S03, S05, S06, and S07). The caller's number cannot be hidden from the receiver in the Saudi telecom market to safeguard customers.

In 2010, a problem with the billing system caused many customers to switch to other operators and led to a drop in trust. *As a result STC seeks to improve its image and is trying to increase STC customer loyalty* (S08). For example, the "*Easier Life*" promotion provides multiple options for the client with more profit for the company (S07), and most of this promotion required new kind of relationship between STC and new partners to manage these packages and services (S21). *STC provides concierge service together with Saudi Airlines for VIP customers with special offers and priority bookings* (S07). STC Global Tamayouz Concierge program is designed for special STC customers to enjoy a world of unique services and privileges locally and globally in cooperation with Saudi Air Line and Travel and tourism services include travel packages, hotel reservations (STC Online, 2012). *Most of STC services become as a business terminology which is like a common language* (S05).

What helped STC to deploy quickly in Kuwait and Bahrain is the entry to those markets as a new competitor and the people do not have any negative perception, while in Saudi Arabia they have a wrong historical impression of the company from the pre-privatization legacy, as well as negative feedback from other customers (S25, S26, and S28). According to (S16) there are some reasons for liking/disliking STC as shown in the following table:

Reasons for disliking STC	Reasons for liking STC
Wrong historical impression about the company	National operator (Saudi)
Pre-privatization legacy	Known since childhood
Negative feedback from other customers	Credibility
The memory of the high 1998 SIM cost (SR 10.000)	Transparency
The mobile phones regulations (still in their infancy)	Respect for Islamic culture

Table 5. 1: Customers' reasons for liking/disliking STC.

5.2.10. Religion, Tradition and Education

Religion does not affect the internal relationships but the majority of services are provided to customers affected by religion (S15). There is no impact of religion in the network operation (S10). *There is a significant respect for religious belief in all the services that were provided by STC to their customers* (S02). There are no conflicts of religion in dealing with others inside or outside the company. As a Christian he did not face any obstacles or problems because of religious differences (S03). Religion affects the decision-making process, but not always (S16). For example, *Saudi culture does not affect the banking system* (S16). Due to working to different calendars and religious holidays such as Ramadan and the Hajj, scheduling meetings and corresponding with companies may lead to confusion and frustration (S02). Similarly, the weekend, globally Saturday and Sunday, in Saudi Arabia is Thursday and Friday, which reduces the opportunity to communicate with foreign companies to only 3 days a week (S02). This difference in the working week between Saudi Arabia and other countries reduces communication time to three days only; Monday, Tuesday, and Wednesday (S07).

The political situation plays a significant role in the type of contracts because of possible conflicts of interest, especially after the recent political crisis in the Middle East (S05). Bahrain's regulations are very strong (S05). The 2011 revolution in Bahrain caused tension within most companies. For example, *since the revolution most Shia'h customers now use Batelco, while Sunni use STC (VIVA)* (S05). The religious content in Saudi Arabia is based on the Sunni faith whereas in Bahrain it is on Shia'h faith (S19 and S20). In addition, Ring Back

Tone (Sada) in Saudi Arabia, people prefer poetry and religious content, while in Kuwait and Bahrain the focus is on songs and music (S19 and S20).

As Islam is the religion of Saudi Arabia, being a Muslim helps to understand Saudi culture and traditions more simply (S03, S11, S29, S30, S31, S32, S33, S34, and S35). This might be more difficult for non-Muslim partners. Some non-Muslim STC partners try to understand the Islamic cultural and Saudi tradition by asking about the culture and its details so as to be able understand their clients and to communicate them effectively (S03, S11, S29, S30, S31, S32, S33, S34, and S35). Some interviewees including S03, S11, and S31 claim that religion does not have any impact on STC relationship marketing, while others (S15, S29, S30, S32, S33 and S34) say the impact of tribal influence, resistance to change and bureaucratic decision-making is greater than religion on the RM.

STC depends on celebrities to market their new services, and it is influenced by Saudi culture whether positively or negatively (S19 and S20). For example, when STC launched the mobile to children '*Jawaly*', they used the character actor 'Fahd Al-Haian' who is loved by children and the advertisement was successful even though the service itself is not particularly good enough. On the other hand, some services are more successful, despite the fact that people disliked the advertisement (S19 and S20). Some people objected to the advertisement for 'Broadband Jood Plus' starring 'George Kurdahi', the host of the Arabic version of "Who wants to be a millionaire" on the MBC channel, for two reasons: his nationality and his religion (S19 and S20). By contrast people accepted "Mustafa Aga", a Syrian national and host of the popular sports program 'Sada Al Malaeb' because of his religion. STC focus their commercials on the most popular channels such as Saudi TV, Al-Majd and MBC, and avoid the less popular ones like 'Funoon'. Because this channel is owned by a Shia'h, the majority of STC customers demanded that the company to stop these advertisements (S19 and S20). *Corporate Communication at STC plays an important role in the media while respecting Islamic religious customs and traditions, which increases the popularity of STC* (S08). In Ramadan breakfast is a peak time for Saudi families to watch TV. Therefore, STC exploits this time to launch new services and

campaigns during some popular religious programmes presented by Al-Shugairy, Al-Awadi and Al-Suwaidan, and some soap operas such as 'Tash Ma Tash' (now in its eighteenth series) (S19).

Since sports, especially football, have an immense appeal Saudi youth, STC has sponsored all the 14 league clubs in Saudi Arabia (S18, S19, and S20). Real Madrid and Manchester United both have sponsorship contracts with STC (S19), which enables STC to update customers on the latest relevant news, events and photos (S19, and S20). Visits to Real Madrid and Manchester United are arranged for groups of 12 to 16-year-old fans and they can get training at an Academy with the world's best coaches through this sports program (S18, S19, and S20). However, when the rival *Mobily signed a deal with Barcelona and Al-Hilal, the most popular club in the Kingdom, STC lost more than 2 million customers because they switched to Mobily* (S19). In 2009-2010 another STC rival, Zain, sponsored the Saudi league competition itself, now known as the 'Zain Saudi Professional League', and since then their customers can vote on the league, teams, and players (S19, S20 and S23).

A religious leader 'Mufti' of Saudi Arabia issued a fatwa to prevent youngsters from participating in the STC trip, so *STC invited some people from his office to attend the program and evaluate its activity* (S19). As a result, the Mufti accepted that it was a similar program to scholarships offered by the government for students to study abroad (S19). However, STC aims to target the younger segments of society, which are often keen to embrace new technologies and services. STC anticipated a total of around 2.1 million regular 3G users by the end of 2007, accounting for 8.8% of the total mobile user base (S19, and S20). By the end of 2011, STC forecast this figure to rise to 33%.

Saudi youngsters tend to use specific services such as text messaging, MP3, chat rooms and upgrading handsets (S19, and S20). There is a need for tools that address the limitations of social interaction (S19). For example, *young people are misusing Bluetooth in Saudi Arabia to facilitate dating and social interaction beyond the watchful gaze of society and parents* (S19). There are some STC

services directed in particular to young people and STC exploit the peak time broadcasts of football matches, which are followed widely by younger people by showing commercials before the matches, at halftime and during the post match analysis (S19, S20, and S23). STC also allow fans to send free text messages when they view the match at the stadium (S18, S19, and S20).

Saudi Arabia National Day, holidays, and Eid festivals are also of interest to STC, which offers special promotions for these social events such as free SMS, toll-free calls, or free weekend minutes (S19). However, by introducing telecom and technology services, STC contribute to changing Saudi culture and not vice versa (S15). For example, *in the past, people used to spend more time visiting family and friends, but nowadays texting is the most popular way to greet each other* (S15). Advertising is also affected by the social habits of Saudi families, and therefore STC show their advertisements in the newspaper heavily during the week and less at the weekend while the peak in radio and television is at the weekend between 5pm and midnight (S19, and S20).

The level of education must also be reckoned with (S09). The more educated clients tend to be more open to new trends changes easily. As with religion, education has an equally huge impact on RM (S09). Due to inadequate education, there is a kind of selfishness in society (S09). *There is little faith in fair competition when applying for jobs because of a belief in favoritism* (S09).

The marketing methods of STC are also affected by the education system in Saudi Arabia, which is based on the segregation of boys and girls (S01, S05, S18, S19, and S20). When STC have to exhibit and market new services at women's universities they hire trained female representatives to market these services (S19, and S28). The representatives are required to wear a specific uniform (no trousers or short skirts), and the use of cameras is not permitted (S19). STC have had to deal with external agencies to hire female representatives as STC employees are all male (S19, S20 and S23).

5.2.11. Saudi Business Environment and Media

According to (S08), STC should strengthen their personal relationships with partners and speed up the process; *personal relationships cannot affect the price of advertising and publicity*, which is usually fixed, but there is some flexibility with the media (S08). For example, previously agreed advertising in newspapers may be cancelled, changed, swapped with other material or urgently printed (S08). Service messages must be appropriate for customers and should not be detrimental to moral and religious values (S05). STC Relations Public Affairs and Media and Culture they communicate the designed services and set out a mixture of affected customers serving government customers and business partners B2B (S15). STC try to respect the traditional culture of Saudi Arabia in their Press Release (PR) by choosing their words carefully to avoid possible customer criticism and misunderstanding, for example, by not using expressions like "double your chances of winning a car" which may have connotations of gambling (S19, S20, S23, and S28). STC also avoid, for moral reasons, making any price comparisons with competitors. They focus on quality rather than engaging in a price war even when their competitors use such a policy in their advertisements (S18, S19, and S20).

5.2.12. TV, Dress Code and Advertising

In 2010, STC hired external experts as technical support for Customer Service Centres (902), especially to train STC maintenance employees in broad-band services, as well as in N-Vision services (Video and TV on demand) (S17). However, a selection of N-Vision TV channels in particular was determined by customer demand. Observing the culture and traditions of Saudi Arabia, STC selects channels with utmost care to avoid possible customer criticism (S19). Television advertisements, for example, observe strict dress code, which in other Arab countries, such as Egypt or Lebanon, may be quite liberal in some channels (S19, S20, S21, and S22). Culture certainly plays a big impact on STC strategy (S02). For example, *the presence and daring portrayal of women in the media and advertising is globally acceptable but it is banned in Saudi Arabia* (S02).

Restrictions imposed by social customs and traditions on the quality and method of commercials include clothing (the veil), presentation (words and tone of voice),

and music (S01, S05, S18, S19, and S20). STC is very careful not to damage their reputation by keeping to these guidelines and as happened in 2010 it suspended some of its commercials as a result of criticism in the press by the Minister of Labour for using Indian actors in the campaign for its Budget Control Service (BCS) (S19, and S20), the point of the criticism being that the advert might be seen as a slight on that nationality. Another campaign '*Jawal Packages*' was similarly criticized in the press *in 2009 and was stopped because the dress code was contravened* (S19).

Saudi society is affected by cultural attitudes to the opposite sex, and whereas Saudi women trust men more than women in the field of technology and telecommunications, figures show that men are more influenced by female voice and vice versa (S01, S05, S18, S19, and S20). GITEX Technology, is the largest ICT Exhibition in the Middle East, it includes GITEX Business Solutions, Gulf-communications, and Consumer Electronics. Saudi culture and tradition influence the policy of STC, even the way of participation in exhibitions, conferences, pavilion design and reception counters (S18, S19, and S20). For example, the distance between the representatives and the customers, especially if they are women, is considered. Moreover, last year special days were allocated for men only, and for women and families (S18, S19, and S20). Therefore, for this reason STC dealt with that requirement and special training for staff involved in the exhibition was arranged. STC also shows consideration towards disabled children who have special needs and show them interest at all the exhibitions by offering special freebies, promotions and gifts, to increase STC social standing (S18, S19, and S20).

Marketing is linked to social, cultural and religious restrictions, *especially in advertising, which should respect local customs and traditions* (S01).   In advertising and other commercial aspects, STC has key account contracts with local agencies but it is looking for an international agency to be responsible for STC group (VIVA) expansion globally (S08). Key accounts, small-medium enterprise accounts, or short project accounts depend on the budget or the annual target and should follow particular specifications (S10). There are also different

policies for STC in Saudi Arabia compared with overseas branches in Kuwait and Bahrain (P17 and P21). Television advertisements, for example, have specific dress code; they are more conservative in Saudi Arabia (S19, S20, S21, and S22).

The Saudi culture has become more open-minded and more receptive to foreigners than it used to be (S19, S23, S31 and S33). Indeed the recent STC strategy adopts a policy of cooperation with external partners in advertising as a creative agency, which costs the company more and more every year. The budget would be less if STC relied on internal employment of specialized staff, but in this case there would be less creativity, because STC policy depends on dealing with new partners every year for innovation and creativity to generate new ideas, new spirit, and new advertising style (S19, S31and S33).

5.2.13. Assessment of STC Managerial In-depth Interviews

Managerial interviews, on examination, stress the need to understand cross-cultural awareness in B2B which should be based on trust and strong ties that have been established over time with business partners as well as clients. Personal relation, trust and power distance play an important role inside STC. This is very tangible through selection of their business partners and was noted the researcher during the interviews and pilot study. Because of the air of superiority, prestige and hierarchical that characterizes the culture of Saudi managers, it is difficult to get an appointment with them, and unacceptable to make any interviews by telephone, messenger, or Skype.

Although, as has become clear from the literature review, there is a lot of valuable work on cross-cultural management and marketing, most studies are Western-oriented, produced and validated according to Western standards. Therefore, significant gaps exist with areas uncovered in the Arab world and even less focus on Saudi Arabia (Abbas *et al*., 1995; Darwish, 1998 and 2001). As Eid, Trueman and Ahmed (2002), culture is based on old beliefs and corporate values that often are no longer appropriate or useful in the new environment of doing business, Herbig and Hale (1997) state that providing information will be desired by a variety of people with different needs and tastes will encourage a mix of

nationalities and cultures. However, the differences between Western culture and Arab culture are significant (Abdel-Khalek and Korayem, 2007). Arab society is very traditional in many respects, for example in displaying generosity, offering hospitality and showing great respect for parents and elders (Kalliny, Cruthirds and Minor, 2006).

In this light, Saudi culture has a positive impact on relationships style because it is based on personal acquaintance and strong communication (S04). According to (S03), there are several important points for STC to take into account in the future:

1. Accord more respect for partners. In Arab culture generosity and respect are shown to guests in the home, but in the work place this generosity and respect is sometimes lacking.
2. Refrain from giving more preference to a local partner because of personal relationships or nepotism than to a foreign partner.
3. Give more attention and respect to time and punctuality.
4. Company decisions and policy should not be changed by individual managers.

In RM research, the results might not reflect RM implementation and customer relationship development nationally or internationally; and the findings may not be generalised (Wang and Bowie, 2009). However, the suggestions for further research in B2B include: a relative study to explore the extent to which revenue management affects on B2B relationships using various case studies in different companies, organisations, industry settings, or governments (Wang and Bowie, 2009). Furthermore, such literatures examine management relationship development between buyer and supplier in a B2B context, and its applicability to the service industry requires further research (Wang and Bowie, 2009). Employees are not familiar with all that goes on in the company. Even project managers are sometimes the last to know and are surprised by higher level decisions. Service or project managers in the same department may work alone on the same project without knowing what the other managers are doing. This means work may be duplicated and when problems arise the project or service managers are blamed.

5.3. STC Partners (In-depth Interviews), SME/ Short-Term Relationship

This section reports a single phase of a wider case study investigation into cross-cultural aspects of B2B relationships.   As part of the case study strategy, qualitative data was collected through interviews with 29 STC Small and Medium Enterprise (SME) partners in the business sector as well as with organisations having short-term relationship with STC, such as Saudi Airlines. To explore the different responses, 14 Saudi and 15 non-Saudi partners were chosen in three main regions in Saudi Arabia: Riyadh, Jeddah and Damam. The research focuses on these cities because the vast majority of private businesses and public institutions are located there.   Some of the STC partners have their head office outside these three cities in Makkah, Dubai, Cairo, and London, which means their responses about cross-cultural marketing are particularly informative. Details of the 29 interviewees can be seen in Figure 5.4 and Figure 5.5 below.

Interviewee Nationality	Saudi	Non-Saudi	Total
STC's Partners	14	15	29
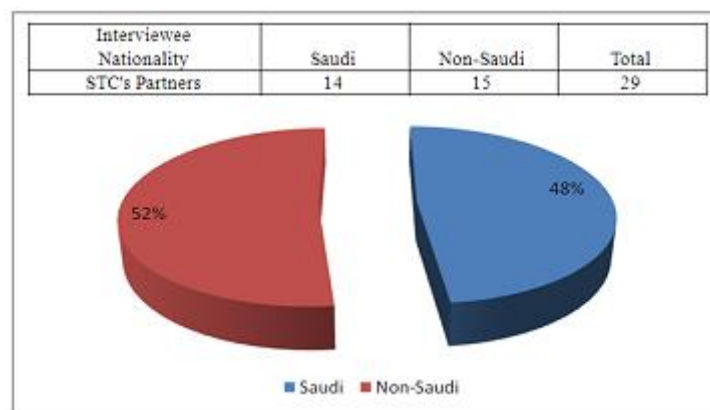
Figure 5. 4: Details of the 29 interviewees' nationality. Source: the researcher.

Nationality Location	Saudi	Non-Saudi	Saudi	Non-Saudi	Saudi	Non-Saudi	Total
	Riyadh and Amman		Jeddah, Makkah and Cairo		Damam, Dubai and London		
STC's Partners	8	11	4	2	2	2	29
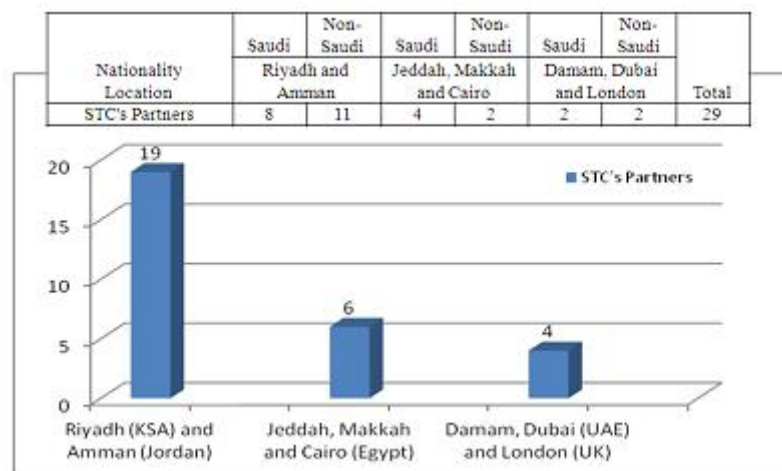
Figure 5. 5: Details of the 29 interviewees' location. Source: the researcher.

The aim of these interviews was to elicit key cross-cultural issues that supported or undermined the building of B2B relationships. The in-depth semi-structured interviews led to an understanding of the influences of the key determinants on business relationship with an insight into how they were influenced by cross-cultural relationships. Triangulation was used to develop converging lines of inquiry for the research process (Yin, 2009), which helped to analyse the potential problems of construct validity and the multiple sources of evidence in STC, as well as B2B Relationship Marketing. Figure 4.9 (Chapter 4, p.133) shows the relationship between STC, its partners and competitors by using triangulation methods as multiple sources of evidence in STC. Figure 3.2 (Chapter 3, p.68), on the other hand shows the influence of Hofstede's Model within Saudi culture illustrating three different triangulation methods which the researcher used to analyse multiple sources of evidence in STC, the three main themes in the semi-structured in-depth interview outline.

The interviews were conducted using a semi-structured interview outline as shown in Figure 4.4 (Chapter 4, p.122), including three sections: Relationship Marketing (RM); Cross-cultural Marketing; B2B and the Telecommunication Industry, which are all essential to answer the research question. Each section has an average of five questions. One-to-one in-depth interviews were carried out from 24th December 2010 to 25th June 2011 (Figure 4.8. Chapter 4, p.132) with a total of 29 STC B2B customers, partners, and service providers including KACST, Jarir Bookstores, Saudi TV Channel, and Saudi Arabian Airlines. The interview questions were first formulated in English and then translated into Arabic. Informants' answers were in Arabic and translated back into English by the researcher. The interviews lasted approximately 35-45 minutes. All interviews were to be recorded on audio or video equipment only if the interviewees agreed, for later transcription and analysis (Beatty, *et al*, 1996; Hollander, 2004). The informants were not willing for their responses to be recorded. All data was therefore recorded in writing directly by the researcher himself. The findings are presented with reference to the data using P to refer to the participant and then a number to indicate which participant.

Title: The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)
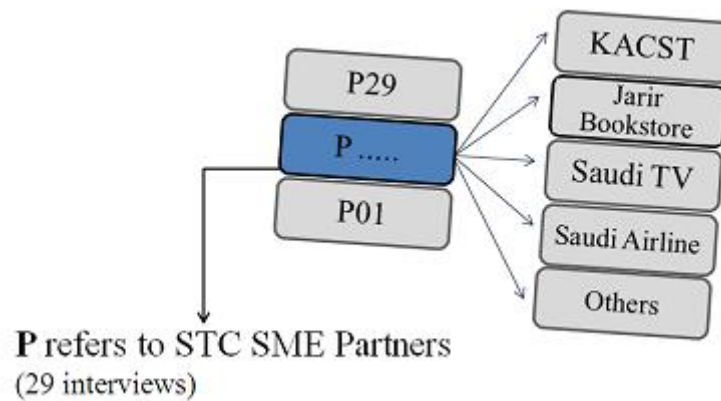
Figure 5. 6: Interviews with STC SME Partners.

The findings present the qualitative data gathered and analyzed from the 29 semi-structured STC business partners' interviews.   The impact of culture on relationship marketing by investigating B2B relationship is followed by a presentation of data that has been inferred from the interviews. A summary of the in-depth interview answers is found in (Appendix 2) and shows that cultural issues are very important in business RM. According to Katz (2007) business relationships in Saudi Arabia exist between people rather than between companies. As P04, P05, P07, P09, P14, P15, P18, P20, P21, P25, P26 and P28 agreed, trust, friendship and power distance are the building blocks of a close relationship.

5.3.1. Trust, respect, and Personal Relationships

In a previously-issued international report, Eng. Saud Al Daweesh, Executive Chief of the STC Group, was classified among the 100 most influential personalities in the international Communications Sector due to their active participation in this field. This classification put Al Daweesh among the pioneers in the Middle East and North Africa region who have implemented a new strategy of development that adopts the newest and the latest developments in the communications' market (STC News, 2010b). Despite this, STC is still governed by old-fashioned system which trusts, respect, and personal relations are important to manage any agreement with their partners.

According to P04, P06, P07, P16 and P29, the relationship with their clients is most important, and there are two kinds of relationships in business marketing with STC: the first is very family-like, where people feel they are in the same boat and should pull together to help each other; the second relationship is strictly business and does not go beyond the office. Some other partners (P04 and P05) think this kind of relationship is governed by old-fashioned trust and respect. Both of these relationships can co-exist and all the partners who were interviewed agreed that some relationship strategies are only applicable in Saudi Arabia but not in other countries such as Bahrain, Kuwait and UAE. Some interviewed partners (P01, P10, P14 and P23) never face any difficulties in working with overseas companies.

In Saudi Arabia, the telecom operators are the leaders; their partners are always the followers (P12 and P13). For example, in the 2009-2010 football seasons, 13 out of the 14 league clubs in were sponsored by STC and the company established special Value Added Services (VAS) to update their customers with the latest photographed details (STC Online, 2010). Partners play an essential role in sports services, helping STC to manage their VAS and digital media services (P12 and P13). Some STC partners (P11, P17 and P29) do not deal with other STC competitors in Saudi Arabia, and those partners try to develop their business and establish cooperation exclusively with STC and their partners. Here, again trust and personal interest play a major role in business relations. In contrast, some overseas partners do work with other operators (P11, P23 and P24). Business as conducted by both STC and overseas operators is usually based on a variable revenue sharing model (P05 and P21).

5.3.2. Bureaucracy and Resistance to change

Saudi companies' hierarchy is very rigid and also its decision making is a slow and deliberate process (Katz, 2007) which, in general, is in line with the highly bureaucratic nature of STC as well. This bureaucratic decision-making process which in STC is usually in the hands of individuals, impacts on all dealing and agreements (P04, P09, P17 and P18). For example, *in 2008, Jarir Bookstores*

Group signed an agreement with STC to sell a bundle comprising a USB modem plus STC Internet SIM cards in their bookstores, but they could not go further with another deal because of the bureaucracy involved (P04). *In 2009, the Group signed an agreement with STC rival Mobily, which was more successful because the decision-making process was more efficient* (P04). *In 2010, STC tried to re-establish their partnership with Jarir, but bureaucracy stopped the agreement again before it started* (P04). Saudi businessmen are reluctant to take risky decisions, and believe that agreements depend more on commitment than on the written document, consequently, contracts tend to be somewhat flexible and, may be modified if conditions change (Katz, 2007), which some partners consider unacceptable (P05, P15 and P22).

In 2005, STC launched Location Based Services (LBS) in a joint venture with King Abdul-Aziz City for Science and Technology (KACST), the first telecom company to launch such a service in the Kingdom (Baghdadi, 2010 and P05). In this agreement KACST provides digital maps (Baghdadi, 2005; Baghdadi, 2006, Baghdadi and Farquhar, 2011, and P05). There are different LBS applications which vary from country to country depending on physical, cultural and economic factors (Baghdadi, 2011b). LBS services require certain cultural, technical and functional aspects to be successful and to make high-income profits (Baghdadi, 2011a). However, *the services are more successful in Kuwait, Bahrain, and UAE because of the high number of foreigners in those countries (P05 and P06). STC spent millions to run* (P05) and market this service but it did not make sufficient profit. STC and KACST were both highly bureaucratic which, when dealing and managing the project, stopped the agreement from going further in Saudi Arabia or any other country.

5.3.3. Communication Style, Differences and Commonalities

STC partners including P02, P03, P11, P12, P16, P17, and P21 responded that dealing with the Saudi marketplace requires a different strategy from other markets and partners cannot apply general concepts and trends which may be effective outside KSA and vice versa, without taking into consideration the impact of Saudi culture. Communicating with local companies is also different compared

with the international companies; operators are less closely involved in the day-to-day running of the business and use common default standards free of cultural obstacles (P21, P23 and P24). It is important to deal with local companies so as to build a good relationship between operators and their partners; for operators to listen carefully with respect, and for partners to feel that the operators are always at their service (P02, P05 and P13). Partners P08, P10, P11, P14 and P16 acknowledge these aspects are often lacking.

5.3.4. Third Party in the Middle and B2B2C Model

P09, P15 and P18 agree with Katz, (2007), that establishing relationships with others in Saudi Arabia can create powerful networks. Over the past 20 years, the Saudi society has changed somewhat and has become more open-minded about dealing with and trusting foreign partners (P06 and P18). A very helpful way to build a trusting relationship with any potential partner is through a third party intermediary and this is what happens in the majority of companies in Saudi Arabia (P02, P11 and P21). Because having the third party is so crucial to maintain cordial relations, it may be difficult for some foreign companies to enter the Saudi market without one (P02, P22, P23, and P26). An example of this cooperation with external partners is an overseas agency working through an advertising agency which already has strong links with a foreign party (P14 and P21).

5.3.5. Saudi Business Environment, Media, and Advertising

As a result of culture differences in the Arab Gulf region, STC Group (VIVA) adopts different dealing strategies with their partners at home and abroad including VAS services, advertising style, campaigns, office design, and even staff recruitment, for instance, the employment of females in overseas branches, so as to help the company establish faster abroad (P16 and P17). In advertising, there are different policies for STC in Saudi Arabia compared with overseas branches in Kuwait and Bahrain (P17 and P21). *Television advertisements, for example, have specific dress code; they are more conservative in Saudi Arabia, more liberal in other countries* (P28).

5.3.6. Religion, Tradition and Education

Some non-Saudi STC partners have made an effort to familiarize themselves with Saudi cultural practices in order to be able to communicate with their clients effectively (P16, P19, P27 and P28). As Islam is the religion of Saudi Arabia, it may be more difficult for non-Muslim partners to adapt themselves. *Sometimes being a Muslim helps partners to understand Saudi culture and traditions more easily* (P13).

In addition, some interviewees (P11 and P16) agree that religion should not have any impact on the professional environment, while others (P02, P09 and P10) say that they have not faced any problem, and that religion impacts the RM in the same way as tribal influence, resistance to change and bureaucratic decision-making. Another important factor in establishing a successful RM, which was highlighted in the interviews, is the level of education. This has a positive impact in all business areas, where well-educated people have a better understanding of new trends and can accept changes more easily (P03, P13 and P29).

5.3.7. Assessment of STC (SME) Partners In-depth Interviews

The findings based on the interviews with partners and reviewed above highlight the need to understand cross-cultural awareness in B2B which should be based on '*strong ties and long-term relationships*' (Ellis and Ybema, 2010: 294) with business partners. There are two kinds of relationships in business marketing with STC. The first one is very family-like, where people feel that they are in the same boat and should hang together and maintain a spirit of unity and solidarity. The second relationship is strictly formal and business-like, confining itself to office life and not treading beyond the boundaries of business to the realm of friendship or personal relations. Some partners think that this kind of formal relationship is governed by old-fashioned trust and respect. Both these types of relationships can exist side by side and all the partners interviewed agreed that some relationship strategies are only applicable in Saudi Arabia but not in other countries. Most partners have made it clear that they do not face the same level of difficulties when working with other, non-Saudi, overseas organizations. It is to be noted that

the interviews with the partners have reinforced the results obtained from the interviews with the managers, both indicating the strong role that power distance and personal relations play in business activities in Saudi Arabia.

5.4. STC Major Enterprise partners/ Long-Term Relationship

All previous primary data dealt with Small and Medium Enterprise (SME) or short-term relationships while the following focuses on STC major enterprise partners with long-term relationships which includes Intigral and Saleco from 10 August 2012 to the end of September 2012. The Major Enterprise data were collected from two major STC partners; from Intigral and Saleco, as well as from Octagon, the latter being the sports investment advisor to Intigral and STC. Both Intigral and Salco work with STC as strategic partners in sales, marketing, mobile contents and Value Added Services (VAS), digital entertainment, and Internet Protocol Television (IPTV). All findings to date suggest that as the company grows, it needs to develop B2B cross-cultural awareness at local and global levels.

5.4.1. Intigral, Mobile and Digital Experience

In 2009, Intigral was established as an end-to-end digital media content services and Value Added Services (VAS) solution provider focused on delivering to regional telecommunication operators offering a one-stop shop for the Middle East (Intigral, 2012). STC and All Asia Networks (ASTRO) signed a joint venture aiming to enhance the digital experience of consumers' irrespective mobile access channels including IPTV and web (Intigral, 2012). Intigral was 71% owned by STC and with their partner Astro Malaysia has a fact based understanding of consumer segments which leads the integrated consumer media entertainment group in Malaysia and Southeast Asia with operations in four business key areas: video on demand, Subscription TV; Radio; Publications; Applications and Mobile Content and Digital Media (Astro, 2012). Astro have a customer base of 3.1 million residential customers with 50% penetration of Malaysian TV households offering 156 TV channels, including 68 Astro created and branded channels and 22 HD channels delivering direct satellite TV to home, IPTV and OTT platforms (Astro, 2012). However, this experience is enough to

deliver all of these services to the region as a lack understanding Middle Eastern culture. As a result, STC launched Intigral with their office based in Dubai to take this responsibility, so all content is filtered, translated and redesigned to be suitable for the Arabic users and particularly for the Saudi people or the people now living in Saudi Arabia.

5.4.1.2. Digital Business Relationship Overview

Intigral are quickly become leaders in digital content services in the Middle East which are delivered across multiple platforms (Rasmala Report, 2011). The digital entertainment industry is now advancing at lightning speed as a result of which Intigral helps SME content providers, individual content owners and Intigral Telecom operators and partners to create an additional revenue streams (Intigral, 2012). Nowadays, there exists a need for a vital link and strong B2B relationship marketing between telecommunication companies, media content producers, and end consumers which is exactly Intigral's role to provide STC clients with VAS, content and digital services which is B2C relationship module, while its relationship is B2B with STC and Asrto. The final module shape is business-to-business-to-consumer B2B2C (See Figure 5.7 Below).
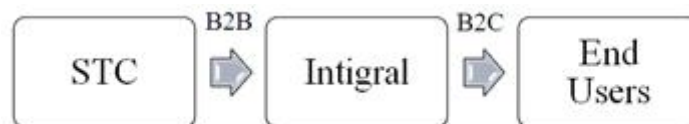
Figure 5. 7: STC B2B2C Business Model, adapted by the researcher.

5.4.1.3. Mobile Solution

Digital content is a key differentiator for operators in the hypercompetitive mobile industry. Intigral offers their operator partners, and STC in particular, a spectrum of content and VAS, which relevant content aggregated to the culture from hundreds of local and global content suppliers and service providers. For example, Intigral design and develop interactive and enriched content like STC sports contents and applications for Manchester United, Real Madrid, local teams which the STC FORWARD strategy supports within its sports responsibility and

mobile social networking application for Youth across the different mobile channels, including SMS, MMS, WAP and more (Intigral, 2012).

Islamic services are another kind of Mobile contents solutions that under the name of *Deni-Yaqeni* contains the largest Islamic content library, comprehensive religious services such as prayer times, Ramadan and Eid information, as well as a wide range of audio-visual Islamic content (STC Online, 2012). The application also provides an interactive space to communicate with religious leaders (Sheikhs), religious and social consultations, ringtones, and Islamic poetry (Intigral, 2012). In addition, '*Hajji App*', is the pilgrims' companion on their journey to the Holy Mosque, available in English and Arabic. This application is compatible with most mobile devices and provides step-by-step instructions and pictures (STC Online, 2012). '*Al-Motawif App*' offers the pilgrim to the Holy Mosque the opportunity to have a guide and make their journey easier, and explain anything they might want to know related to Hajj. This App comes with most mobile phones (excluding iPad and iPhone) in 16 languages (Intigral, 2012).

Asrar is an application for woman which provides a wide-range of female content including: Beauty Tips; Fashion; Home Decoration; Food Recipes and Dietary Advice. Asrar is a powerful tool that allows women to have their 'own private corner' where they are able to access travel news, entertainment services, and content directly from their handset (Intigral, 2012; STC Online, 2012). All these applications are introduced to STC customers in accordance with respect for Saudi culture.

Speed/Motor Show is an application which delivers Motoring content on regular basis via SMS, MMS and WAP Push channels and it hosts the first Motoring show in five TV stations including Al-Jazeera, LBC and MBC (Intigral, 2012). Music Services including SULTN is a state-of-the art music portal that serves as a one-stop destination to enjoy unlimited entertainment collection of songs, music videos and imagery of all genres and all local, regional, and international music labels (Intigral, 2012). 'Your-Health' is an application that provides customers with regularly updated health topics, divided into two main categories: Women

and Children's Health, and Men's' Health (Intigral, 2012). At the end of 2012, STC Mobile Team announced the launch of the brand new and exciting STC App Shop with localized applications for STC customers on all devices, which is the richest catalogue of applications in Middle East in Arabic and English; compatible with most mobile devices and mobile operating systems including iOS, Android, Symbian, and RIM (BlackBerry) that fit to Saudi needs (STC Online, 2012).

Internet Protocol Television (IPTV) is an essential service that allows operators to monetize and exploit their investments in broadband infrastructure (Intigral, 2012). Intigral enabled STC to launch the first advanced interactive TV service in Saudi Arabia (N-Vision), based on Intigral's IPTV capabilities in a specific Saudi Culture firm which went through the more popular channels which respecting Saudi market demand (STC Online, 2012). STC and Intigral believe that their B2B relationship marketing strategy is crucial for operators in order to monetize their investments in infrastructure, to create brand differentiation and protect the consumer relationship to span multiple platforms and categories, and also works with regional bodies including educational and scientific institutions to create and foster a favourable environment to encourage the growth of contents and VAS in the market parallel with the Saudi culture (Intigral, 2012). Due to STC social responsibility, they enable and promote the development and management of *App Developer Communities* to promote and to encourage the growth of a regional developer community (Baghdadi and Farquhar, 2012b; STC-My Link, 2012). According to Intigral HR VP, *most of the Non-Saudi Staff find it hard to deal with the Saudi culture; as a result, many Saudis were employed to coordinate with them so as to hit STC targets.*

5.4.2. Octagon, Sports Experience

According to Intigral Marketing VP, the British company, Octagon, *is the number one commercial team in sport, works with rights holders to create sports strategic solutions for VAS, contents, and sponsorship.* In 2012, they became an asset and a partner for Intigral and STC that delivers results by using the value of their sports experience and rights around the world. They have a track record of delivering for some of the biggest brands and rights holders across a variety of sports, music

and entertainment in a host of different countries (Octagon, 2012). The agreement between Intigral and Octagon, as the Intigral CEO said, is *to create a B2B relationship leveraging their unrivalled experience and relationships to secure creative and unique business opportunities for their clients* which in this case is STC, which enjoys more honours than any other company in Saudi Arabia.

In 2011, Octagon presented the first British act in music; they won both the BBC Sports and BBC Young Sports Awards (Octagon, 2012). Octagon's tried and trusted methodologies ensure that their clients get the results they need, whilst their global network enables STC, through Intigral, to deliver sport, music and entertainment services. Octagon worked alongside HSBC to create and deliver their market-leading grass-roots golf programme; has activated NatWest's award-winning cricket sponsorship for more than ten years; had strategic partnerships with Vodafone, Samsung, and Bebo (Octagon, 2012). Despite, their creativity and unique understanding of fans in the UK, *there is a lack of understanding of the Saudi sports culture* which, as Intigral CEO said, *makes their job too difficult*.

Octagon quantitative and qualitative research has identified the specific factors that define fans' emotional connection with sport, music and entertainment, enables brands to develop marketing and sponsorship programmes that resonate with their target consumers (Octagon, 2012). Octagon has unparalleled industry expertise in marketing research and sports investment; and this gives them a unique understanding of their partners needs in sports, music and entertainment. It demonstrates that they faced a big problem in hitting STC targets and in debating the key issues across the Saudi marketing and Sports sponsorship in Saudi Arabia, from a lack of understanding of this market. Thus, as Intigral Marketing VP notes, *it takes longer to make any final decision with Intigral, because they need to spend extra time analysing the Middle Eastern culture*.

5.4.3. Saleco, Sales Experience

As a result of the growth rate in the Saudi mobile market, several sales offices and retail shops have been upgraded to meet STC customer needs (STC Confidential Report, 2009). Salco is the Major Enterprise partner for STC retail outlets with

non-core business and works with STC in wholesale so as to reduce costs. Sale for Distribution and Communication Co. Ltd. (Salco) was incorporated in February 2008 as a closed Joint Stock Company, to lead distribution services, to refine distribution of STC Services (Recharge, Electronic Recharge and STC SIM Cards) and to gain from economies of scale for STC by leveraging its positioning and capabilities to drive growth, serving over 20 million STC subscribers (Saleco, 2012; STC Confidential Report, 2009).

Within just a year of operation, they are aggressively rolling out a retail network of over 200 stores whilst focusing on consolidating their distribution channel and virtual sales, driving growth and profitability of STC Saudi Arabia and for VIVA Bahrain. The telecom sector in Saudi Arabia is dynamic and fast growing. Its multi-channel business model enables the Retail and Distribution of STC's varied products and services with highest efficiencies (Baghdadi and Farquhar, 2012b; Saleco, 2012). As at 2010, 11 Wholesale and 24 Direct Distribution offices provide service to over 20,000 locations across Saudi Arabia and aim to have more than 200 stores operational (Saleco, 2012). Saleco is operated by a team of 2,000 professionals with high work standards and, by creating opportunities for Saudi nationals endeavour to be the employer of choice in the Kingdom (Saleco, 2012).

Salco developed their B2B relationship with STC by ensuring seamless delivery across Saudi Arabia, by investing heavily in logistic turnkey solutions comprising warehouses, a fleet of 300 vehicles for the retail operation, and outsourcing deliveries to professional partners like DHL and Federal Express. This has led to a step change in managing cost and retail availability (Saleco, 2012) whilst keeping in step with the Saudi Culture, which Saudi customers appreciate, deliver STC services to their home through the support of Saleco retail and distribution channels (STC Online, 2012).

Saleco Bahrain for Distribution and Communication Co. was incorporated on the 10th August 2009 as a Single Person Company, to lead distribution and retail services for VIVA Bahrain aims to refine distribution of VIVA (Recharge, Electronic Recharge and SIM Cards) by leveraging its positioning and capabilities

to drive growth. Within a few months of operation, it was serving over 320,000 satisfied subscribers (Saleco, 2012). According to Saleco Marketing GM, their leading STC brand is respectful of individuals and cultures which is immediately evident to everyone dealing with the company. This is further clear from Saleco's clients, employees and prospective customers to B2B relationships. For example, there are different policies for Salco and STC locally compared with overseas branches such as VIVA Bahrain. The design of the retail outlets is also affected by culture by providing separate entrances for men and women or families. In Saudi Arabia, the company is 100% male, and the employment of women in the company is not allowed, whereas in Bahrain women are employed. Because of this difference in culture, STC and Salco adopt different strategies in staff recruitment, and office design.

5.5. Confidential Reports and Documents (Secondary Data)

Secondary Data including confidential reports and archival documents were collected throughout all stages of this research as shown in Figure 4.6. This included different documents obtained from STC such as surveys, brochures, published newsletters and other relevant reports. Use has been made of the STC website which contains valuable data relating to vendor and investor relationship as well as corporate governance. All these data allowed the researcher to understand the current state and trends in STC.

5.5.1. Culture and Telecommunications

As mentioned earlier, European and Asian investments, which have been flowing into the Middle East particularly in the last three decades, faced cultural challenges in the Middle East and were forced to return back to their home market. Owing to the time, effort and money required for cultural adjustments, investors intending to expand abroad, especially those who wish to operate in Saudi Arabia in culture-sensitive fields such as telecommunication, should understand the cultural implication involved.

The Saudi telecommunications industry merits investigation, owing to its massive scale and the volume of investment involved. STC therefore presents itself as an

appropriate case for detailed study due to its expansion from a largely domestic operator to an aspiring international one, collaborating with a number of international players in a cross-cultural B2B relationship marketing context.

STC has developed a new strategy in order to face the future challenges, such as increasing competition due to the imminent entrance of a third mobile operator and a second landline operator, the changing international market environment, such as the consolidation of companies and the technological changes in communication networks and services. STC finalized and launched operation FORWARD, a four-year (2007-2010) corporate strategy, designed to increase their income, to sustain their leading position in the local market, to work with greater efficiency through cost optimization, and eventually to build an organization that focuses on the customer and customer centricity (STC Online: 2010). This strategy respects and takes into account many aspects of Saudi culture; it has influenced STC agreements, services, and STC relationship with their partners. The detailed discussion of STC FORWARD in section 5.5.2 aims at enabling researchers to understand how culture can influence the strategy companies based in the Middle East and also its impact on STC partner relationships and on STC B2B relationship marketing.

5.5.2. STC FORWARD Strategy and B2B relationship marketing

STC developed its four-year FORWARD strategy, beginning in 2007 in order to face the future challenges in the telecom market, such as increasing competition due to the imminent entrance of a third mobile operator and a second landline operator in the local market, the changing international market environment witnessing companies' consolidation and the technological changes in services and telecommunication networks. This strategy was, moreover, in harmony with the Saudi culture and all B2B relationship marketing was influenced by it. Part of STC's efforts is to offer its clients optimum services by means of committing the company to the fulfilment of specific objectives related to its four-year strategy, these objectives are based on seven fundamental axes known collectively as "FORWARD", within which STC also has a number of programs covering

several aspects of Saudi culture. The discussion below will show how each theme covered by the acronym FORWARD is closely linked to B2B relationship marketing.

Figure 5. 8: Concept of STC FWRWARD Strategy.

This strategy embraces a new organizational structure for all business units and company sectors based primarily on customer centricity, relying on in-house national resources and the support of global consulting firms. The seven main FORWARD strategies have influenced all STC agreements and their B2B relationship marketing (Confidential Report, 2009) as shown in the following:

1. Fulfil Personal Communication Potential: by broadly deploying 3.5G technology, expanding convergence offerings and providing top-class customer experience. As a result STC has grown and improved its partnership with global companies such as Ericsson, Nokia, and Motorola.

2. Offer wholesale services: by pursuing wholesale growth opportunities while expanding and broadening service offered in both the national and regional markets. STC signed a new partnership agreement with Salco to increase its sales in the markets.

3. Re-invent Home Communication: by offering advanced video and information communication services by promptly introducing retail broadband to the residential sector via rapid deployment and multi-play applications. STC launched IPTV through its partner Intigral.

4. Win Enterprise Customers: by achieving distinction across the business sector and broadening enterprise customer base through tailoring integrated and managed communication solutions.

5. Achieve External Growth: by having confidence in achieving external growth through pursuing telecom-related non-organic growth opportunities inside and outside Saudi Arabia.

6. Re-align for Customer Excellence by building customer-centric operating model integrating people, processes and systems.

7. Derive Operational Efficiencies: by optimizing costs and improving efficiency through the implementation of shared services together with manpower, network and IT optimization, through the injection into the company of foreign expertise to work alongside local staff.

The Company promoted the concept of shared services as part of their FORWARD strategy and introduced administrative, technical and cultural change in order to increase investment revenue through reducing costs and adopting supplemental programs such as the cross synergy program and the uniform international procurement project. The STC FORWARD strategy has assisted in the continuity of the Company's role and continues to assist the company in leading the telecommunications market in Saudi Arabia and it is expected to continue and positively reflect on achieving optimum value for the company's shareholders and maximize their rights in their internal and external investments to expand their business around the world, while maintaining the company's lead and competitiveness at home. FORWARD also enabled the company to have the initiative and precedence in providing innovative offers and services to customers (STC Confidential Report, 2009). Guided by this strategy, STC signed many agreements and created several partnerships with many global companies.

5.5.2.1. Fulfil Personal Communication Potential

The Company aims to continue developing the personal communication market by widely deploying 3.5G technology, by expanding convergence offers and by providing top-class customer experience. Coinciding with the substantial investments injected by STC for the development of the high-speed third generation network, and in continuation of the unprecedented large-scale growth witnessed by the company on the regional level, the number of mobile phone customers has risen to more than 19 million, while the number of high-speed 3.5G users exceeded 2 million, a high record in the number of users of this service on the level of mobile phone operators in the region. This confirms the success of the strategy applied by the company to win new customers and keep the loyalty of current customers by providing distinctive services to all (STC Confidential Report, 2009).

In addition, the pre-paid Blackberry service was launched and it contributed to an unprecedented rise in the number of Blackberry customers. Further, the number of internet package customers increased to a high percentage reaching 225% so that the number of customers of Internet packages in addition to Easy Net reached more than 4.6 million customers (STC Confidential Report, 2009). On the other hand, after many years of no competition, during which STC dominated the mobile market with their high prices and lack of applications, the entry of Etihad Etislat's 'Mobily' into the market in May 2005 created a refreshing change for customers and benefited from its status as a newcomer (CITC Online, 2012). STC had been operating for five years and was officially licensed in 2003 by the recently national telecom regulator (CITC). A third licence was awarded by the regulator to Kuwait's MTC 'Zain' in March 2007 (CITC Online, 2010). Mobily was the first to offer BlackBerry services in Saudi Arabia, initially to the corporate market and then to individual consumers (CITC Online, 2009). In 2007, Mobily launched a new unlimited package for mobile television, following on from the success of its unlimited flat rate mobile internet package, and has also launched a number of promotions to increase data usage, such as a 50% discount on video calls (CITC Online, 2009). The growth in the Saudi market creates a

strong B2B relationship marketing opportunity between the operators and international mobile phones producers.

In 2010, STC and the Canadian company Rim, which produces Blackberry mobile phones, concluded an agreement of co-operation and partnership (STC Blackberry, 2010). Rim saw the advantage of strengthening its B2B relationship marketing with STC as the first operator in the region with a huge infra-structure that enables it to initiate and develop new ideas. STC established other relationships with Apple and Android, which enabled STC's customers to benefit from such services as Conference Manager (via iPods and smart phones like iPhone and BlackBerry) in addition to Android and Symbian smart phone operating systems (STC Web Conferencing, 2010).

5.5.2.2. Offer Wholesale Services

STC pursues wholesale growth opportunities by expanding reach and broadening the range of services offered in both the national and regional markets (STC Online, 2010). The Company, widely regarded as the most advanced in the region, has a leading role in the extension of marine cables, and is a pioneer in building global network (STC Confidential Report, 2009). STC increased the capacities of the third and fourth marine cables, and when the fifth marine cable was completed, the total capacity of all cables was more than 100% of their previous capacities (STC Online, 2010). This success and experience, together with effective use of modern technologies, led other operators in neighbouring countries to arrange with STC for the provision new fibre optic networks. STC's range of relationships and partnerships makes it the best choice for companies to deal with in the region.

5.5.2.3. Re-invent Home Communication

STC accelerates retail broadband adoption through rapid deployment and multi-play applications. STC endeavoured to accelerate the distribution of broadband by providing high-quality, multi-purpose bundled offers (STC Online, 2010). It provided advanced video and data services to build a wide and powerful infrastructure for fibre optic networks and build more developed electronic cabins

for landlines in all Saudi cities (STC Online, 2012), which required strong relationships with network partners. The growth rate of broadband was more than 30% throughout the year, and several sales offices and retail shops have been opened to meet STC customers' needs (STC Confidential Report, 2009).

5.5.2.4. Win Enterprise Customers

Attending to the needs of their business customers, STC increased the percentage of sales to medium and large-size companies (STC Online, 2010). The Company developed points of sales network designed to facilitate purchase and sales processes at shopping malls (STC Confidential Report, 2009). In addition, as a continuation of its spread and expansion plan at both regional and international levels, STC have direct and indirect shares in AXIS Company in Indonesia and Aircel in India (STC Online, 2010). STC's relationship with AXIS was extended to include VIVA Kuwait. This relationship witnessed later a further extension, embracing nine countries in three continents. STC started reaping the fruits of this expansion as shown in the vast revenues realized and reflected in the budget indexes; and it was at this stage that STC and Axis agreed to found a content company, Intigral, in conjunction with a number of strategic partners (Al-Daweesh, 2009).

5.5.2.5. Achieve External Growth

Moving from 'inside' to 'outside', from a local service operator to one of the largest operators in the Middle East, STC established a network of business and investments in nine countries outside Saudi Arabia, namely, Bahrain, Kuwait, India, Indonesia, Malaysia, Turkey, South Africa, Jordan and Lebanon. This global expansion enabled STC to cater for some 100 million customers all over the world (Al-Daweesh, 2009). STC's active B2B relationships led to signing a number of agreements, the most important of which are the partnership with MADA Company in Jordan, and service agreements with Epslon in Britain, Aircel in India, Qtel in Qatar, STC VIVA in Bahrain, du in UAE and QNET in Kuwait (STC Confidential Report, 2009).

5.5.2.6. Re-align for Customer Excellence

STC have been keen to apply the concept of customer centricity, and to provide positive services through its customer retention program 'Qitaf', which is the largest and most famous loyalty Program in the Middle East (STC Qitaf, 2010). 16 million STC customers joined the Qitaf Program in addition to 27 strategic partners who represent 120 trademarks (STC Confidential Report, 2009). For example, the Swedish furniture chain store IKEA signed an agreement with STC to be one of STC's Qitaf program partners, which allows customers to exchange Qitaf program points with e-vouchers from IKEA stores in Saudi Arabia (STC Qitaf, 2010). This B2B relationship marketing made Qitaf a unique program providing ideas and practical solutions of home furnishing at reasonable prices for STC clients.

5.5.2.7. Derive Operational Efficiencies

STC managed to increase operational efficiency and reduce costs through applying the concept of shared services, as a result of its FORWARD strategy and introduced administrative, technical and cultural change in order to increase investment revenue through a reduction in costs and the adoption of supplemental programs such as cross synergy program and the uniform international procurement project with Maxis and Oger Groups to optimize costs and to improve efficiency through shared services implementation, manpower, network and IT optimization. STC also created a new company 'Intigral' to launch mobile contents and Value Added Services (VAS), digital entertainment, and Internet Protocol Television (IPTV) for their customers in Saudi Arabia and in the Globe (STC Confidential Report, 2009).

5.5.3. STC FORWARD Strategy and B2B Cross-culture

STC FORWARD strategy has a big influence on B2B's relationship marketing with their partners. The following examples show how STC partnerships developed in accordance with that strategy.

5.5.3.1. Relocation of Internet Gateway from KACST to STC

According to the Council of Ministers decree No. 229 issued in October 2004, stipulating the restructuring of the internet services in KSA, STC took over from King Abdul-Aziz City for Science and Technology (KACST) and assumed internet operation responsibilities (STC News, 2010a). A co-operation agreement in the field of technology incubators and database was signed between STC and KACST to invest in establishing Telecommunications and IT sector (KACST Online, 2012). This partnership became global when STC and KACST and the University of California San Diego signed an agreement for the development of advanced communication and information technology systems in Saudi Arabia. This agreement aims at developing advanced communication and information technology systems in the health, traffic, Hajj, and tourism sectors to serve all parties working in those sectors (STC News, 2010a). The systems will cover B2B private and public partners including all hospitals in Saudi Arabia such as King Faisal Specialist Hospital, Saudi Red Crescent; all parties working in the traffic sector; all service parties operating in the Hajj season; and the Saudi Commission for Tourism and Antiquities (STC-My Link, 2012).

In 2005, STC launched Location Based Services (LBS) in a joint venture with KACST, the first telecom company to launch such a service in the Kingdom (Baghdadi, 2005; Baghdadi, 2006; Baghdadi, 2010). In this agreement KACST provides the digital maps (Baghdadi, 2005; Baghdadi, 2006; Baghdadi, 2010, Baghdadi, 2011a). There are different LBS applications which vary from country to country depending on physical, cultural and economic factors (Baghdadi, 2005; Baghdadi, 2011a; Baghdadi, 2012a). LBS services require certain cultural, technical and functional aspects to be successful and to make high-income profits (Baghdadi, 2005; Baghdadi, 2011c; Baghdadi and Farquhar, 2012a).

Many LBS applications were launched including: Automatic **Vehicle** Location (**AVL**); information guide (yellow pages and places of interest such as hotels, hospitals and petrol stations); traveller services on inter-city highways; and finding Qiblah (Muslims' praying direction). The increasing interest in tourism in the Kingdom and the road network linking Saudi cities and villages have caused

LBS services to become more valued by receiving SMS or MMS with a map of the desired location (Baghdadi, 2006; Baghdadi, 2010; Baghdadi, 2011a).

Despite the various LBS service features, such as free subscription and free monthly fees, a choice of Arabic or English content and easy-to-use numbered maps with any mobile device, it did not succeed in the Saudi market because people generally do not like dealing with map services (Baghdadi, 2006; Baghdadi, 2011a; Baghdadi, 2012b). They find it easier to stop and ask each other or call friends to get the information that they need. However, in Kuwait, Bahrain, and the United Arab Emirates the service is more successful because of the high number of foreigners in those countries. It seems that STC spent millions to run this service and to market it but it did not make sufficient profit. '*Friend Finder Service*', which made it possible for users to locate other customers, met the same fate, as the majority of customers were reluctant to accept what they considered intrusion of their privacy.

5.5.3.2. Increasing Operational Efficiency

Led by the FORWARD strategy, STC managed to forge ahead with major enterprises to make inroads in new markets in the Gulf and East Asia regions. In an endeavour to diversify sources of revenue so as to offer subscribers optimum value, STC won a number of foreign investment opportunities in Malaysia, India, Indonesia and Kuwait in 2007, and purchased in the same year 25% of MAXIS, operating in Malaysia and India, 51% in the Indonesian PT Natrindo Telepon Seluler Company 'NTS'. Turning to the Turkish market in 2008 STC acquired 35% SR9.6bn (US$2.56bn) of Oger Telecom. STC also won the third mobile phone licence in Kuwait for SR3.4bn (US$906.6mn) through a global auction, marking significant era in the history of Saudi Telecom, while still seeking for new ventures to boost their leadership domestically and internationally in what is considered to be the fastest growing market. The foreign investment of STC is estimated at more than SR11.4bn (US$3.05bn) (El-Quqa *et al.*, 2008).

Many experts have lauded the outstanding achievements of STC in general, a report was published in *Forbes* (2011), where STC was named the first, best and

most successful telecom company in the region and the fourth biggest business (Forbes, 2011; Gatsiounis, 2010). STC played a vital role in initiating and implementing social responsibility programs in collaboration with other companies, achieving unprecedented record results. STC has been listed (as shown in appendix 7) in the Guinness World Records as the biggest sponsor of sports clubs (Guinness Online, 2013), and additionally plays a prominent role in social responsibility through a number of specialized programs such as the Al-Wafaa Program, covering education, sports and health (STC-My Link, 2012).

5.5.3.3. STC Social and Cultural Responsibility

STC continues to maintain excellence and superiority among telecommunication companies in the local market, as demonstrated by the company's achievements and its positive role in promoting the Social and Cultural responsibility program.

5.5.3.3.1. Serving Pilgrims

STC assists pilgrims every year through the various telecommunications services, which contributed to the success of an available capacity of STC network in Mecca and the Holy Sites covering more than 7 million cell phones with manuals in various languages; more than 1.2 million gifts were distributed to pilgrims, including suitcases, umbrellas, and water. STC also coordinates with strategic partners and subsidiaries to sell numbers and SIM cards to pilgrims in their countries so that they can get their numbers before leaving home, so as to make it easy for the pilgrims' families and relatives to communicate with them while they are in Saudi Arabia (STC Confidential Report, 2009). Some services which are exclusively associated with religious events, such as Ramadan and Hajj, are launched by Intigral, the major STC partner for Mobile contents and Value Added Services (VAS). Assistance given to pilgrims and facilities offered during religious occasions, besides being charitable, help STC to promote its image and reap the highly competed-for seasonal profits, such as those obtained from international calls made by users of STC's services.

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5.5.3.3.2. Social Sponsorship Programs

STC has undertaken the sponsorship of collective marriage ceremonies, which aim at providing assistance with marriage, and family guidance, for 1,000 couples; sponsorship of the first marriage ceremony for people with special needs (especially for people with mobility problems); sponsorship of the ceremonies of women's charities; and sponsorship of the World Day for People with Special Needs (STC Confidential Report, 2009). All these activities were performed by STC and their partners in different fields.

5.5.3.3.3. Religious Programs

Religious programs, which are a very important part of Al-Wafaa activities are worthy of attention as they touch the beliefs of society, its values, principles, and culture. These programs have included sponsorship of '*Al-Rahman Tables*' for breaking fast during Ramadan and are considered to be the largest campaign for providing food for fasting people (STC Online, 2010). STC also sponsored '*The Khairu Umma Forum*' which is one of the key religious forums in Saudi Arabia and sponsored the publication of useful and authentic religious books on Islam. The company's non-Muslim staff had also access to programs on Islamic culture where they could discuss matters of interest in seminars and lectures led by prominent scholars and religious preachers, all of which led to a better understanding of Islam and better adaptation to the cultural environment in which they worked (STC Confidential Report, 2009).

5.5.3.3.4. Health Programs

The most important activities of Al-Wafaa Health Program focused on the establishment of many health centres in remote villages in different areas of Saudi Arabia and the sponsorship of many health-related events and conferences such as ophthalmology and disabled patients care conference, highlighting care for kidney patients, drugs awareness campaign, awareness of Swine Flu and blood donation campaigns and so on (STC Confidential Report, 2009), which was part of Al-Wafaa Health Program in cooperation with the Ministry of Health (Al-Daweesh, 2010). STC donated SR100 million for building and preparing 28 clinics in

different regions of the Kingdom, and focused on people with special needs through the assistance and rehabilitation (Al-Daweesh, 2010).

5.5.3.3.5. Educational Programs

When STC adopted Al-Wafaa Educational programs, it began with building strong relationship with the Ministry of Education, creating programs for talented students, which benefited more than 100 such students. STC went on to sponsor a distance-learning exhibition and equipped resource rooms and classrooms for male and female students with hearing impairments; implemented a training and rehabilitation programs for Saudi youth in vocational fields for the private sector enterprises; it distributed about 5,000 fully-interactive training toolkits at reduced, affordable prices to help in self-education; and also held ceremonies for honouring distinguished students (STC Confidential Report, 2009).

5.5.3.3.6. Sports Programs

Because of the importance of sport in contemporary Saudi Arabian culture (sections 5.2.10 and 5.3.1) it is worth noting here that STC has achieved a new world record number in the area of Al-Wafaa Sports, being the first corporation worldwide to sponsor all soccer league teams within a single country, thereby earning itself a listing in the Guinness World Records (STC Online, 2010). STC has also launched a vital tool in bolstering communication among teams and fans through various techniques and 3G services, achieving significant success in raising public sports awareness (Baghdadi, 2011b). Services also comprise exclusive broadcasting of soccer events and all news related to the sports (STC Confidential Report, 2009). The investment in this domain proved sufficiently worthwhile for STC to collaborate with a number of competent partners, such as Octagon, a British advisory firm specializing in sports investment.

5.5.3.3.7. Cultural Activities and Events

STC launched many cultural activities including the Mathematics Olympiad Competition in Saudi Arabia, which is considered an outstanding competition in mathematics, implemented the program of developing mathematics and science teaching and learning for male and female teachers, and the Second National

Competition program for designing Small Enterprise action plans and sponsored the proceedings of many domestic summer festivals (STC Confidential Report, 2009). These activities included many awareness campaigns, such as STC's sponsorship of '*Businesswomen Empowerment in the Banking and Financial Sector Forum*' and '*Positive Persons*' (STC Online, 2010).

5.5.3.3.8. Participation in the National Days

The National Day of Saudi Arabia is an event of great popularity and it has been the practice of STC to actively participate in it, treating both citizens and residing expats to free mobile or landline calls across Saudi cities throughout the day (STC Confidential Report, 2009). Similarly, in the National Days of foreign residents, STC offers discounts for international calls to their country or free minutes for local calls and free text messages. In celebration of religious occasions, STC also offers special promotions to both individual and corporate customers.

5.5.4. STC Network Outsourcing Strategies

The attractiveness of the Mobile Market in Saudi Arabia has naturally made it highly competitive for all vendors. Cisco has the leading service infrastructure revenue share but it is essentially generated through the enterprise segment (Rasmala Report, 2011). Ericsson, Nokia Siemens and Alcatel are fiercely competing for leadership in this market, with NEC still holding a challenger position particularly in mobile network-related services but under pressure from Huawei, which have been the most dynamic company in the sector (Rasmala Report, 2011; STC News, 2010d; Telecoms news, 2010). However, all contracts and agreements with these partners are influenced by Saudi culture. For example, STC signed a funding agreement compatible with Sharia Law with Huwaei Technologies, a large international company operating in the Gulf and Saudi Arabia, and which provides infrastructure, expertise and technical services in the field of telecommunications (Rasmala Report, 2011; STC News, 2010d).

This agreement corresponds to the aggregate amount actually spent by operators worldwide in network outsourcing and represents less than 3% of the total available marketing opportunity; As the services involved in these agreements are

purely technical and there is little social interaction in the process, the cultural dimension is not eminently present and has no significant relevance here (Rasmala Report, 2011; STC News, 2010d). The relationships style between STC and international telecom partners will be addressed in this chapter in the context of discussing the in-depth interviews held with SME managers and partners. It is worth noting that Arab Gulf Countries have large numbers of working expatriates which substantially increases the number of working adults and, consequently the potential number of DSL consumers (Abdul-Gader, 1997). The supply of digital subscriber lines in Saudi Arabia could not easily meet the demand in good time, and once this problem was solved the country witnessed a massive uptake of the service in 2007 (Abdul-Gader, 1997; Shaheen, 2011; Telecoms news, 2010). This opportunity engenders renewed fierce competition, which forced STC to enlist new partners to support it in the struggle to win a large share of the widening market and to deal with the competition.

One dominant feature of culture that must now be addressed is language. Being the most essential medium of communication, when dealing with local or international customers, with partners or with competition, language plays an essential role in the success or failure of transactions at various levels of dealing with others. It is rightly considered as a part of organisational culture and as a significant part of cultural studies (Alvesson, 2011). Arabic Language is a fundamental part of the culture in Saudi Arabia, influencing all services and technical programs, which in turn impacts STC's agreements with its partners. Almost half of the corporate organizations have their own websites, and as one would expect this is influenced by the size of the organization, the larger ones being more likely to have one. While most decision-making officials perceive the internet to provide information in simple and convenient manner, internet penetration is only moderate among Saudi companies (CITC Online, 2010). Websites provide information about the organization including news, events, products, services, as well as webmail, which is a popular service (Al-Daweesh, 2009). 51% of websites are hosted in English only, while 36% use both English and Arabic languages and 13% use Arabic only (CITC Online, 2012). Since 2007

there has been a slight shift from English only to English and Arabic where Arabic is the preferred language for the operating system (CITC Online, 2009).

Interpersonal skills are important in successful cross-cultural B2B relationship marketing, and include learning about the host country, studying the language and socializing with host nationals (Thomas and Fitzsimmons, 2008). Arabic is the prevailing language spoken in Saudi Arabia; nearly three quarters, 70%, of Saudis and 64% of expatriate Arabs use Arabic in their operating system; one in five Arabs uses both English and Arabic; Arab males are more open than females to the use of the English language either exclusively or together with Arabic (CITC Online, 2010). However, in the corporate sector, 45% use Arabic exclusively, while another 43% use it along with English. 13% of all companies use English language either exclusively. It is evident that the larger proportion of big companies use a bilingual operating system (62%) compared with only 32% of small companies (CITC Online, 2012).

Educational institutions are keen on promoting Arabic and, naturally, show unequivocal preference for adopting it in their operating systems, 83% of them using it on an exclusive basis; 16% in combination with English; and only 1% using a version of English (CITC Online, 2010). The majority of universities (69%) operate bilingually; similarly, large institutions show a preference for bilingual operating systems; less than 40% of educational institutions host a website; over 60% of the elementary, primary and secondary schools do not have a website, whereas 72% of colleges, universities, and technical institutes contacted do (CITC Online, 2010). Furthermore, it was observed that these sites were mostly in Arabic; however, most universities had their sites in both Languages; website is predominantly used to provide information about the educational establishment or institute and to provide applications for work. In the education sector, the hosting of a website is almost confined to colleges and universities, while most of lower grade education institutes do not host a website (CITC Online, 2012).

As for E-Learning, it is not very popular in the Saudi education institutes (CITC Online, 2009), and institutions would use a website mainly to publicise itself or to provide information about its functions and services. It is the government, in fact, which figures prominently in the use of website, the sourcing and communication of information being the most popular activities undertaken by government departments (STC Online, 2010). Research shows that most Saudi decision-making officials perceive the Internet as an ideal means for providing information in simple and convenient accessible manner (Al-Gahtani, 2003, CITC, 2010). However, the use of mobile internet in government departments shows only a very slow increase, from 5% in 2007 to 14% in 2008 (CITC Online, 2012).

Operating systems that use English exclusively do not exist in Saudi government organizations, the majority of them (56%) using Arabic only, and the remaining 44% using Arabic and English (CITC Online, 2012). Employees and administrative staff largely prefer Arabic while almost 43% of the middle and senior management shows a preference for English as the language for the operating system (CITC Online, 2012). Further, it was observed that the majority of sites are in Arabic; however, a third of universities websites are hosted in both English and Arabic (Al-Daweesh, 2010). All these facts affect STC electronic B2B relationships, and the company has found it both necessary and effective to use a bilingual Arabic-English website, the management and updating of which have been contractually assigned to professional website consultants to ensure the highest possible standards of service and maintenance.

5.5.5. Ex-monopoly Telecom Market

Market behaviour of the incumbent (ex-monopoly) STC, in light of its dominant position, requires careful regulatory controls to ensure fair and equitable competition, to safeguard against anticompetitive practices or unfair exploitation of market dominance, and to protect both the consumer rights and the public interest, and when policies are drawn, they have to take into account the impact of culture in the Saudi Market. Communications and Information Technology Commission (CITC) made regulations for consumer protection, covering

consumer complaints, tariff regulation, service quality, and media and public activities (CITC Online, 2012).

Competition in the mobile telecommunications market, which started in 2005, has resulted in major developments in terms of service offerings, quality of service, customer care, reduced prices, and subscriber growth (CITC Online, 2010). The total number of mobile subscriptions grew to around 44.8 million by the end of 2009, up from only 2.5 million (when CITC was established in 2001) to around SR48.8bn (US$13bn), in 2008, mobile services revenues represented around 79% of all telecom sector revenues in the Saudi market (CITC Online, 2010; STC Confidential Report, 2009). In addition, to revenue from the domestic market, investment by Saudi licensed telecom companies in foreign telecom markets including Malaysia, Indonesia, India, Turkey and South Africa, have led to a rapid growth of revenue for the sector from foreign operations, from zero in 2006 to SR455 million in 2007; from SR455 million in 2007, to more than SR10 billion in 2008, and to around SR14.5 billion (US $3.9 billion) in 2009 (Rasmala Report, 2011; STC Confidential Report, 2009). Domestic revenues accounted for over 78% of the total telecom sector revenues of SR67bn (US $17.9bn) in 2009 (Rasmala Report, 2011). However, domestic revenues still represent around 83% of the SR58.9bn (US$15.7bn) total sector revenue in 2008 (Rasmala Report, 2011; STC Confidential Report, 2009).

5.5.6. WTO Commitments and CITC Obligations

Saudi Arabia joined the World Trade Organization (WTO) as the 149th member on November 11, 2005 (Rasmala Report, 2011). The CITC studied the WTO implications in detail, and participated in negotiations leading to complete requirements for WTO Accession in the telecommunications sector to encourage investment and competition in the sector (CITC Online, 2010). WTO Accession generally opens doors for more opportunities for foreign investment in the country by removing trade barriers which is committed to some general obligations: providing non-preferential treatment amongst the other WTO members; ensuring transparent processes, regulations, operations; and that domestic regulations are objective and impartial; ensuring that monopolies operate in a manner consistent

with WTO commitments; and opening its business practices for review by others for possible modification (CITC Online, 2009). Joining WTO provided full market access for STC's telecommunications services and allowed an increasing level of foreign participation from 2005 until today, which created hundreds of B2B relationship marketing between STC with new partners.

5.5.7. Entry of Foreign Investors into the Saudi Market and its Impact on B2B Relationship Marketing

In September 2005, the Saudi government announced that foreign business would be authorized to own up to 70% of the equity capital of telecommunications operators in Saudi Arabia (Rasmala Report, 2011). Many Middle Eastern mobile markets, even those with sophisticated mobile networks, still have a severe shortage of broadband lines due to insufficient infrastructure (Forbes, 2011). This market is a diverse one, characterized by varying growth level potential in terms of subscribers across different countries. Saudi Arabia has the second-largest network in the region (CITC Online, 2009). The Kuwaiti group MTC won the third Saudi mobile licence, while three consortia have each been awarded licences for the provision of fixed-line services, ending STC's monopoly (Forbes, 2011).

As competition increases in Saudi Arabia, operators are looking for new ways to attract customers by doing business with new partners and in joint ventures. STC rival *Mobily* is planning to focus on the mobile internet and other value added services to retain a competitive edge. The Saudi mobile-content market is still very immature, even though Saudi Arabia is one of the Major 3G markets in the Middle East. The youth market, aged between 18 and 25, was targeted in several ways, such as by having access to TV channels, video calls and the internet over mobile handsets, all of which will benefit STC in terms of revenue growth (CITC Online, 2012).

In January 2007, STC borrowed SAR6bn (US$1.6bn) to finance their first acquisition, which was loaned equally by Al Rajhi Banking and Investment, National Commercial Bank and Banque Saudi Fransi, SAR2bn each (STC

Confidential Report, 2009). This loan financed the purchase of a 25% stake in the Malaysian operator Maxis, which also has operations in Indonesia and India which borrowed up to US$14bn to fund overseas acquisitions (Forbes, 2011). This was part of STC's FORWARD strategy to achieve 10% of revenues from international markets by 2010 (Rasmala Report, 2011). STC has a 36.5% Joint Venture interest in ArabSat, which offers regional mobile services, TV and radio broadcasting in the region (STC Confidential Report, 2009). STC also has a 40% stake in the Arab Submarine Cable Company, a joint venture with Sudan Telecom and the Arab Investment Company.

5.6. Triangulation

The practical implications of the research methodology as reflected by the collected data, primary and secondary as well as the analysis methods included the triangulation method used in this research, [as mentioned in Chapter 4] provide powerful tools for researchers in management, PhD and business subjects (Gummesson, 2000). As the aim of this research is to explore the role of cross-cultural B2B relationship marketing, this section analyzes the overlap of findings within the primary and secondary data depending on the triangulation analysis themes as shown in Figure 5.2 above.

5.6.1. The Presence Impact of Religion, Tradition and Education

Religion has a significant impact on Arab culture, lifestyle, and business dealings (Usunier and Lee, 2009). Religion and tradition has been addressed, particularly in the context of different cultures (Standifer, Evans and Dong, 2010). As well as education, both religion and tradition have an influence on B2B relationship marketing (Lee and Carter, 2005). Table 5.2 shows that there are direct and in-direct impact of religion, tradition and education on STC B2B relationship marketing; with the direct impact coming from Islamic law that pervades and dominates Muslim culture, lifestyle, behaviour and business transactions (Usunier and Lee, 2009).

**Title:** The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)

The Impact of		Participants Comments and Feedback	Number and Code of Participants	
Religion	Direct Impact	➤ Contracts are modified to accord with Islamic law. ➤ Islamic religion affects the decision-making process. ➤ STC always respect Islamic culture. ➤ Frankly STC is open-minded and respects all religious issues in STC services. ➤ Islamic services are another kind of Mobile contents solutions that under the name of *Deni-Yaqeni* contains the largest Islamic content library, comprehensive religious services such as prayer times, Ramadan and Eid information, as well as a wide range of audio-visual Islamic content. ➤ Saudi people sensitive to religious. ➤ Being Muslims helps to understand Saudi culture.	(6)	S06, S16, S29, S30, P13, Intigral CEO
	In-direct	➤ Religion is highlighted. ➤ Understanding religious influence impact on VAS and mobile contents.	(2)	S04, P09
	No Impact	➤ Religion should not have any impact on the professional environment. ➤ Religion does have an impact on the RM in the same way as tribal influence, resistance to change and bureaucratic decision-making. ➤ Religious issues have not any communication barriers or any negative impact on relationship.	(5)	S31, P10, P11, P12, P16
Tradition	Direct Impact	➤ Traditional Arab society and Saudi culture in particular are not easy to accept overseas investors in the local market ➤ STC always respect Saudi tradition and culture in their services to avoid any possible criticism as well in their Press Release (PR) by choosing their words carefully to avoid misunderstanding. ➤ There is different impact of Saudi culture to accept working with non-Saudi and the relationship style ➤ Some strategy can be fit only for Saudi culture. ➤ Saudi culture has big impact in Intigral especially in the Mobile department where both the majority of clients & employees are Saudis. ➤ It takes longer to make any final decision with Intigral, because they need to spend extra time analysing the Middle Eastern culture and Tradition ➤ STC is high in masculinity and female not allow working in retail shops except through Salco.	(12)	S29, S30, S31, S35, P01, P03, P12, P14, P15, Octagon, Intigral, and Salco
Education	Direct Impact	➤ Level of education is highlighted and important. ➤ The education level has a positive impact in all business areas. ➤ Well-educated people have a better understanding of new trends and more open-minded. ➤ The education level has a positive impact in all business areas. ➤ STC strategy affect by the education	(4)	S04, P03, P13, P29
	In-direct	➤ Arabic Language is very important factor to communicate with STC managers. ➤ There is a lack of English Language skills. ➤ The Education level in all environments has positive impact on RM. P12	(9)	S11, S14, S30, S31, P11, P14, P15, P16, P24

Table 5. 2: The impact of religion, tradition and education on B2B relationship marketing.

The following Figure (5.9) shows the Triangulation analysis theme of religion, tradition and education impact on B2B relationship marketing.
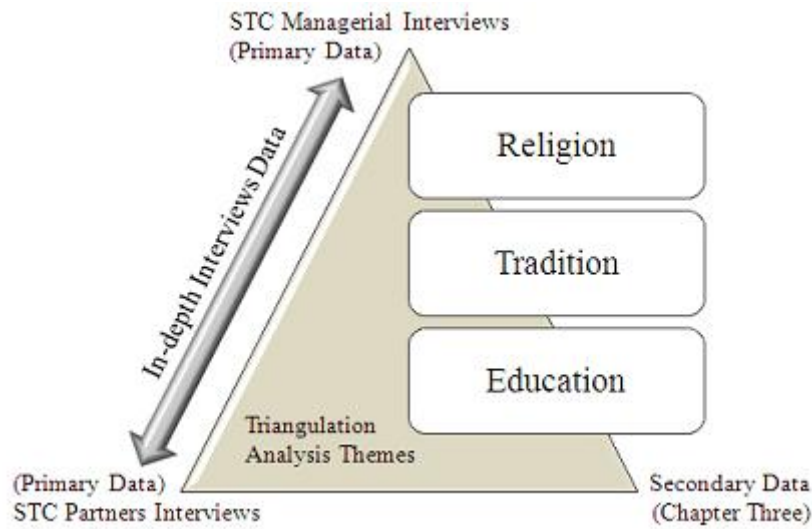
Figure 5. 9: The triangulation analysis theme of religion, tradition and education impact on B2B relationship marketing.

Contracts are modified to accord with Islamic law such as the requirement to avoid paying interest (S06). For example as mentioned in section 5.2.5, STC signed a funding agreement compatible with Sharia Law with Huwaei Technologies (Rasmala Report, 2011; STC News, 2010d). *There is no impact of religion on communication* (S31, P10, P12, P12, and P16).

Saudi culture and tradition has a significant impact on relationships in B2B marketing in business, especially in the telecommunications industry (S29, S30, S35, P01, P14, and P15). It seems from the table above that the direct impact of tradition is more significant than religion and STC FORWARD strategy has a number of programs covering several aspects of Saudi tradition (see section 5.5.2). Arabs have many common traits; they also differ in numerous respects such as their education level (Lamb, 1987: Kalliny, Cruthirds, and Minor, 2006). The *level of education is highlighted and important in STC* (S04); the *education level also has a positive impact on all business areas* (P03 and P12). *Well-educated people have a better understanding of new trends and are more open-minded* (P03, P13, P29). An in-direct impact of education is *the impact a lack of English Language skills* has on communication (S11, S14, S30, S31, P11, P15, P16 and P24). For this same reason, as noted by Intigral's HR VP, *most Non-Saudi Staff members find it hard to deal with some Saudi Managers.*

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5.6.2. Existence of Bureaucracy, Resistance to Change and Lack of Transparency

As discussed earlier, *Bureaucracy* is a complicated system of official rules (Hornby, 2007) and it exists strongly in STC. Generally, Saudi company hierarchies can be very rigid and decision making can be a slow and deliberate process (Katz, 2007). Also, that bureaucratic relation had an influence on decision making and deliberate producers and process (S22, S24, and 26). Analyzing the data from all sources (Figure 5.10), reveals that the impact of bureaucratic decision-making is in fact greater than that of religion. Analyzing the data from all sources (Figure 5.10), reveals that the impact of bureaucratic decision-making is in fact greater than that of religion. Some interviewees, including S03, S11, and S31, claim that religion does not have any impact on STC relationship marketing compared with high level of bureaucratic and lack of transparency, while others (S15, S29, S30, S32, S33 and S34) say the *STC has a governmental management style, resistance to change and bureaucratic decision-making* which make it difficult to deal with STC for any overseas investors until they have complete knowledge about this environment.

Participants Comments and Feedback	Number and Code of Participants
Existence of Bureaucracy ➢ STC more rigid compared with other and bureaucracy is found and the relations with partners are complex. Bureaucratic relations influenced on decision making. ➢ Saudi company hierarchies can be rigid, bureaucratic, individualism; masculinity can be deliberate slow process. ➢ The bureaucratic decision-making in STC influences all agreements and decision makers are usually individuals and slowly as well as its hierarchies can be very rigid and deliberate producers and process. ➢ The bureaucratic decision-making in STC caused loses a lot of opportunity. ➢ Decisions can be a slow by STC bureaucratic decision-making which is usually individuals, old-fashioned trust and respect and cause weakness against competition. ➢ Bureaucratic decision-making impact on VAS and mobile contents. ➢ In Europe SME never face difficulties with overseas companies compared with those which happened by the bureaucracy. ➢ Tribal and family effect as well as power distance caused the bureaucratic.	(24) S04, S09, S10, S15, S22, S24, S27, S30, S32, S33, S34, P02, P04, P05, P09, P10, P15, P17, P18, P19, P23, P25, P27, and Intigral
Lack of Transparency ➢ There are multiple barriers between the different departments within different levels (from lower to top). ➢ There is a lack of transparency in B2B relationship marketing. ➢ One of the main reasons for disliking working with STC in B2B is that sometimes there is a lack of transparency with their partners.	(6) S01, S05, S09, P01, Intigral and Salco
Resistance to Change ➢ There is high resistance to change in Saudi Arabia. ➢ STC has governmental management style, tribal influence, resistance to change and bureaucratic decision-making. ➢ The resistance to change have affected on RM between STC and their partners as well as resistance against any change even if that changes might be better for both STC and their partners. ➢ Religion does have an impact on the RM in the same way as tribal influence, resistance to change and bureaucratic decision-making.	(11) S12, S19, S22, S23, S24, S25, S26, S27, P02, P03, and P10

Table 5. 3: The existence of bureaucracy, resistance to change and lack of transparency
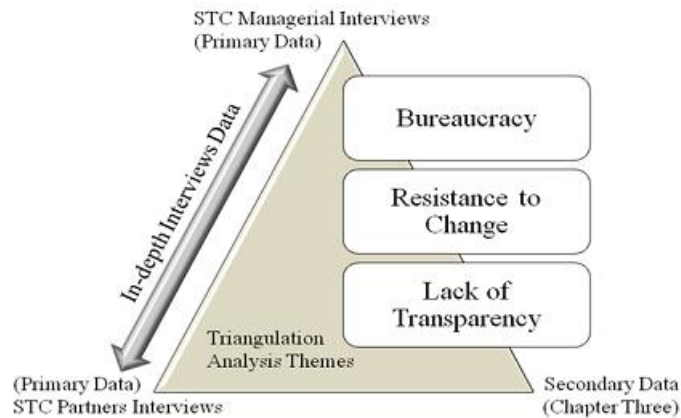
Figure 5. 10: The triangulation analysis theme of the existence of bureaucracy, resistance to change and lack of transparency.

5.6.3. Differences in Communication Style, Media, and Advertising

Hall's Cultural Model used the concept of context to explain differences in communication styles among cultures (Hall and Hall, 1995). Hall categorized cultures on a scale from high- to low-context which presented the communication style in High-Context Countries including China, Egypt, France, India, Italy, Japan, Lebanon, Saudi Arabia, Spain and Syria; and Low-Context Countries such as the UK, the US, Australia, Canada, Denmark, Finland, Germany, Norway, Sweden, and Switzerland (Hall and Hall, 1995). In a high-context culture, such as that of Saudi Arabia, it is characteristic that most of the information is either in the physical context or internalized in the person. This model is completely correct with regards to Saudi Arabia as is indicated in Table 5.4. However, *Business communication in STC depends on personal relationships* (S02). There is, generally, a *lack of good communication* (S29 and P11) *and communication with Western companies is easier than that with the local ones* (S07). Non-Saudi STC partners have made an *effort to adapt themselves to Saudi cultural practices* in order to be able communicate and understand their clients effectively (S31, S34, P16, P19, and P28).

Advertising style is different in Saudi Arabia which, for example, women are mainly only used when their presence is essential and related to the advertised product and services (Usunier and Lee, 2009). Advertising is censored by mores, culture, and religion, and focuses on the information rather than on any kind of

suggestive meaning which is considered to be inappropriate such as women appearing on TV semi-naked washing their hair (Usunier and Lee, 2009). Thus, *Saudi TV Channels respect the Saudi culture and STC prefer to introduce their advertisements, for example, have specific dress code; they are more conservative in Saudi Arabia, more liberal in other countries* (P28). Any other advertising with includes messages which may be considered as deceptive by religious standards is also not allowed (Usunier and Lee, 2009). *STC respect Saudi culture in this regard as well as in their Press Release (PR) by choosing their words carefully to avoid misunderstanding* (S29, S35, and P14).

STC Group (VIVA) has to adopt different strategies home and abroad in its partnership dealing and agreements, advertising, staff recruitment and even office design (S31 and P16). Both local and multinational advertising and media creative agencies are aware of acceptable concepts of social, traditional and cultural aspects (Shoult, 2002). *There are different policies in advertising for STC in Saudi Arabia compared with overseas branches in Kuwait, Bahrain or United Arab Emirates* (S32, P17, and P21). For example, *STC cooperation with external partners deals with an international advertising agency which already has strong links with a foreign party* to deal with these differences (S29, S35, and P14).

Participants Comments and Feedback		Number and Code of Participants
Communication Style	➢ Formal and written communication by letter or email is essential. ➢ Saudi culture is more emotional than rational. ➢ Business communication in STC depends on personal relationships. ➢ Personal interest plays a major role in communicating. ➢ Procedures and communication with Western companies is easier than the local one. ➢ Lack of good communication. ➢ Non-Saudi STC partners have made an effort to adapt themselves to Saudi cultural practices in order to be able communicate and understand their clients effectively. ➢ Big lack of professional communication style between the different sectors inside STC. ➢ Cultural barriers in the communication styles. ➢ In the day-to-day running with overseas company, it easier with Western than Asian such as Chinese and Japanese because of communication difficulties.	(19) S01, S03, S04, S07, S29, S31, S32, S33, S35, P01, P08, P10, P11, P13, P14, P16, P17, P18, P24
TV and Media	➢ Television advertisements have specific women dress code in Saudi Arabia. ➢ STC respect Saudi culture as well in their Press Release (PR) by choosing their words carefully to avoid misunderstanding. ➢ Saudi TV Channels respect the Saudi culture and STC prefer to introduce their advertisements, for example, have specific dress code; they are more conservative in Saudi Arabia, more liberal in other countries. ➢ Saudi culture impact on VAS and Mobile to TV services as well as mobile contents is too complex in the Middle East.	(8) S20, S21, S29, S35, P13, P14, P,22, P28
Advertising	➢ In advertising, there are different policies for STC in Saudi Arabia compared with overseas branches in Kuwait, Bahrain or United Arab Emirates. ➢ STC Group (VIVA) has to adopt different strategies home and abroad in its partnership dealing and agreements, advertising, staff recruitment and even office design. ➢ An example of STC cooperation with external partners is as an international agency is working through an advertising agency which already has strong links with a foreign party.	(8) S29, S31, S32, S35, P14, P16, P17, P21

Table 5. 4: The differences in communication style, media, and advertising.
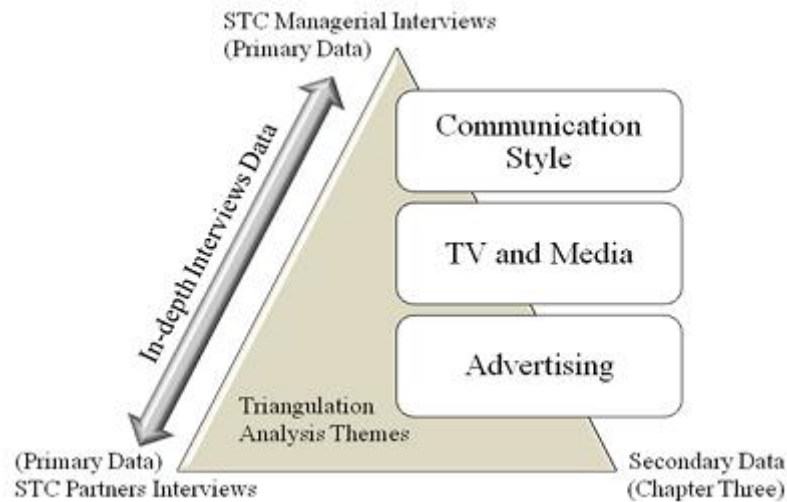
Figure 5. 11: The triangulation analysis theme of differences in communication style, media, and advertising.

5.6.4. The Impact of Trust and Personal Relationships on Decision-Making

The outcomes from the triangulation analysis shown in Figure 5.12, demonstrates the impact of trust and personal relationships on decision-making. Moreover, Table 5.5 indicates that most of interviewees agreed with Johnson and Cullen (2002) in that trust and personal relationship are particularly crucial. Achieving customer trust represents a central goal for relationship marketing in services (Berry 1995). The issue of trust in cross-cultural exchange arises and gains significance when there is a business plan to expand into overseas markets (Brencic, and Zabkar, 2002; Johnson and Cullen, 2002). However, *Personal relationships also play a clear role in working procedures* (S14). According to (S03, S06, S08, S09, and S13), *relationship within STC is also complex and depends on personal relationships*. Some STC partners (P04 and P05) think *this kind of relationship is governed by old-fashioned trust and respect*. Within STC the work environment is *inter-connected* and there is significant impact on personal relationships (S16). Personal relationships play a significant role within the company and some work can be done by email within certain decision-making limits; *working outside these limits requires consultation with higher decision makers* (S05).

Trust and personal relationships play a role in matters that *do not require a high level management decision with any partner* (S10).   The Strategic Investments Unit addresses this in its annual business plan by *holding workshops, interviewing managers, and collecting and analyzing STC unit or sector business plans which are themselves affected by the personal relationships* (S15).   As a result of this, there is a lack of quality on some STC launched services (S15).   According to P04, P06, P07, P16 and P29, there are two kinds of relationships with STC: the first is very family-like, where people feel they are in the same boat and should pull together to help each other and this depends on their personal relationship and trust; the second relationship is strictly business and does not go beyond the office.   Some other partners (P04 and P05) think this kind of relationship *is governed by old-fashioned trust and respect*.   Both of these relationships can co-exist and all the partners who were interviewed agreed that some relationship strategies are only applicable in Saudi Arabia but not in other countries such as Bahrain, Kuwait and UAE.   Some interviewed partners (P01, P10, P14 and P23) noted that they never face any difficulties in working with overseas companies.

Participants Comments and Feedback	Number and Code of Participants
Impact of Trust ➤ Trust and confidence are generated by the good relationship. ➤ Trust and relations affected on STC decision-making and STC RM. ➤ Un-respecting time cause some company to loss their trust and respect. ➤ It is important for huge agreements to build a good relationship between partners and operators with respect and trust between each other. ➤ Old-fashioned trust and respect cause weakness against competition. ➤ Trust can create powerful networks. ➤ Trust and RM have strongly affected STC decision-making. ➤ Investors face challenges and trust is important for foreign Co. ➤ Tribal, trust, bureaucracy and power distance are annoying factors. ➤ Even entered Saudi market through third party it also needs relationship and trust. ➤ Trust, personal relationship, and power distance managed the strategic system.	(25) S11, S14, S22, S25, S29, S30, S31, S33, S35, P02, P04, P05, P07, P09, P15, P16, P18, P20, P21, P24, P25, P26, P27, P28, P29
Personal Relationships ➤ Personal relationships are very important and play crucial role. ➤ Personal relationships impact on the choice of partners. ➤ Personal relationships play a clear role in procedures. ➤ Business communication in STC depends on personal relationships. ➤ Personal relationships are very important in the decision making. ➤ Friendship and personal relationships affect policies and objectives of STC targets. ➤ Not organized and complex without personal relationship. ➤ It is easy to create personal relationship in Saudi Arabia. ➤ Personal relationship has affected on RM between STC and their partners as well as the resistance against any change even if that changes might be better for both STC and their partners. ➤ Not organized and complex without personal relationship. ➤ Establishing relationships with STC can create powerful networks.	(16) S02, S05, S07, S09, S10, S11, S12, S13, S14, S16, S32, S34, S35, P03, P17, P19

Table 5. 5: The impact of trust and personal relationships on decision-making.

The following figure shows the triangulation analysis of this theme.
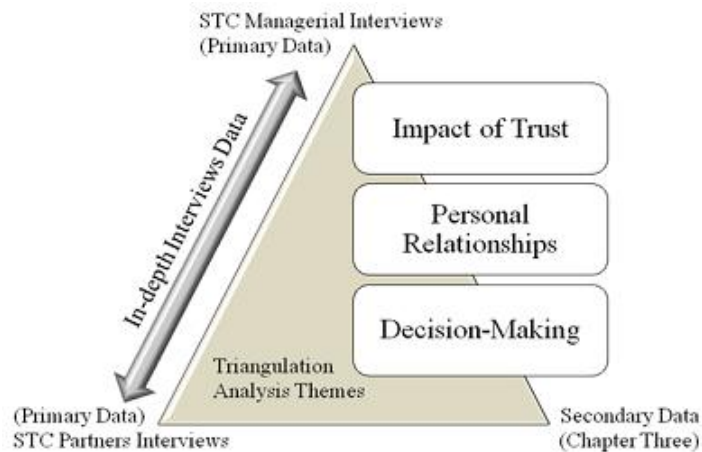
Figure 5. 12: The triangulation analysis theme on the impact of trust and personal relationships on decision-making.

5.6.5. Effects of Tribal, Friends and Family linked with Power Distance

According to Hofstede's four dimensions, Arab countries scored high in power distance, uncertainty avoidance and masculinity while scoring low in individualism (Robertson, *et al*, 2001). Hofstede's Model indicates how his power distance concept links to communication in the Middle East where the organisations score highly in terms of power distance, which in turn has a significant impact on their decision making (French, 2010). *STC access needs strength of relationship and power distance* (S05). *Power distance managed the strategic system* (P29). *Power distance has a big impact on STC partner agreements; for example, STC signed their partnership agreement with Al-Riyadh Newspaper even before the terms of the contract were discussed* (P21).

In Saudi Arabia, loyalty to family and tribe is superior to any other form of relationship and many people believe that tribal and religious loyalty are highly interrelated (Ali, 2009). Table 5.6 shows that friends and family as well as tribe and group loyalty plays a vital role in STC decision-making. *Tribe, Friends and family have influence* on STC decision-making (S02). *Friendship and personal relationships affect policies and objectives of STC targets* (S07). Friendship is one of the main factors to start a close relationship (S29, S35, P04, and P14). *To establish a close relationship, friendship with STC managers is required* (P04, and S07). Friendship in Saudi Arabia can create powerful networks to start a

close relationship (S13, S29, S33, S35, P04, P07, P09, P14, and P18). Most of STC managers are Saudi (about 90%) and forming friendships is significant (S30, and P15). *Investors face challenges therefore friendship and power distance are important for foreign Companies* (P26).

Moreover, there are several *social problems such as tribal influence (*S19, S22, S23, S24, S26, and S27). *Tribal, trust, bureaucracy and power distance are annoying factors* (P27). *This impact is determined by the strength of the tribe* (S09, and S25). *STC has governmental management style affected by tribal influence* (P02). Tribal influence has affected relationship marketing between STC and their partners and had impact on VAS and mobile contents (P03, P09, and P10). *Managers prefer to deal with people from their tribe or Saudis* (P10). Tribalism causes STC bureaucratic decision-making which has an influence on the entire process (P25).

Participants Comments and Feedback	Number and Code of Participants
Tribal Influence ➢ Impact of tribe culture determines. ➢ Several social problems such as tribal influence. ➢ Tribal relations influenced on STC relationships. ➢ High impact of Tribe effect. ➢ STC has governmental management style affected by tribal influence. ➢ Tribal influence has affected on RM between STC and their partners and impact on VAS and mobile contents. ➢ Managers prefer to deal with same tribe or Saudi. ➢ Tribal caused the bureaucratic decision-making in Saudi Arabia and in particular in STC which influencing on all process. ➢ Tribal, is one of annoying factors.	(19) S02, S10, S14, S09, S19, S22, S23, S24, S25, S26, S27, P02, P03, P09, P10, P11, P25, P27, and P28
Friends and Family ➢ Friends and family is influenced. ➢ Friendship and personal relationships affect policies and objectives of STC targets. ➢ Friendship is one of the main factors to start a close relationship. ➢ Friendship is significant. ➢ To establish a close relationship, friendship is required with STC managers. ➢ Friendship is important to build blocks to establish a close relationship. ➢ Friendship in KSA can create powerful networks as well as with STC. ➢ Friendship is one of main factors to start a close relationship. ➢ Most of STC managers are Saudi (about 90%) which, friendship is significant. ➢ Investors face challenges and friendship and power distance are important for foreign Co.	(13) S02, S07, S14, S29, S30, P04, P05, P07, P09, P14, P15, P18, and P26
Power Distance ➢ Power distance plays a strong role in B2B. ➢ STC access needs strength of relationship and power distance. ➢ Power distance has a big impact on RM. ➢ High influencing of power distance. ➢ Power distance, trust and personal relations affected on STC decision-making. ➢ Trust, friendship and power distance are the main factors to start and build a close relationship. ➢ Saudi culture has a great impact such as power distance. ➢ Power distance has a big impact on STC partner agreements; for example, STC signed their partnership agreement with Al-Riyadh Newspaper even before the terms of the contract were discussed. ➢ Power distance managed the strategic system.	(16) S01, S05, S06, S09, S11, S14, S28, S22, S33, S35, P20, P21, P24, P25, P29, and Intigral

Table 5. 6: The effects of tribal, friends and family linked with power distance.

The following figure shows the triangulation analysis of this theme.
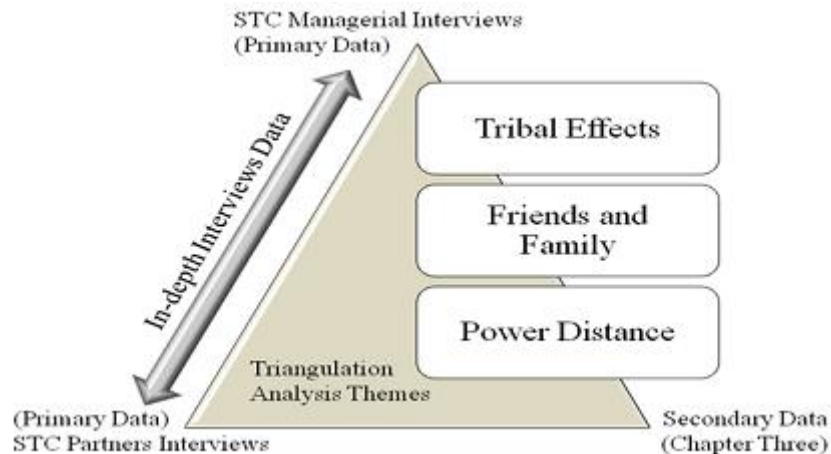
Figure 5. 13: The triangulation analysis theme of the effects of tribalism, friends and family linked with power distance.

5.6.6. Subsistence of B2B2C Model and Third Party in the Middle

Third party introductions can be very helpful especially for foreign investors because Saudis are reluctant risk takers and a successful outcome depends on establishing a strong and trusting relationship (Katz, 2007) with any potential partner (S06, S09, and S12), as shown in Table 5.6 below. Because of this, *it may be difficult for some foreign companies to enter the Saudi market without third party* introductions (S06, S09, and S12).   Access to STC depends on the strength of relationship and power distance (S05). For example, *it is easier to deal with a small company but in dealing with a big name like Google or the like, communication is very difficult and may need a third party mediator* (S05). However, as mentioned before, the difficulty in communication with representatives of some foreign companies from the Far East, *in particular with Chinese companies, often necessitates a third party in the middle for effective negotiations* (S01).

STC FORWARD strategy, which are a balanced strategy, and with proven financial success, will help STC attract local and foreign investors who may need the additional facilitation of a third party to abridge the cultural gap and ease their entry as an investor or partner in STC. The company took the wise step of creating this third party, that is, *Intigral, one of STC Group companies' for digital*

business and mobile solution (Intigral CEO). The final model shape is business-to-business-to-consumer B2B2C which is exactly Intigral's role to provide STC clients with VAS, content and digital services which is B2C relationship model, while its relationship is B2B with STC (as shown in Figure 5.7, p. 196). The description of the relationship in the telecommunication industry is B2B2C in which most of the operators need several partners to deliver significant services to their customers. With STC, *this model sometime become more complex and it creates a multifaceted B2B2B2C Model* (Saleco Marketing and Sales VP).

Participants Comments and Feedback	Number and Code of Participants
B2B2C Model ➢ Dealing with Saudi Market requires a different strategy. ➢ Integral do not like to deal with STC competitors in KSA. ➢ Saudi culture has big impact in Intigral especially in the Mobile department where both the majority of clients & employees are Saudis. ➢ Even entered Saudi market through third party and B2B2C Model, which also needs relationship and trust. ➢ Different way to deal with win-win.	(11) S06, S11, S31, S34, P04, P11, P12, P13, P28, Intigral and Saleco
Third party ➢ Third party is often required in Middle East in particular with international companies. ➢ Third party is crucial in Saudi market to maintain cordial trusting relationship with any potential partner. ➢ A third party intermediary is very helpful way to build a trusting relationship with any potential partner through the majority of companies in Saudi Arabia. ➢ For small companies third party is so crucial to maintain cordial relations with STC to enter the Saudi market. ➢ STC Small and Medium Enterprise (SME) partners should deal with Integral as a third party. ➢ MBC head office based in Dubai and it needs a third party intermediary in Saudi Arabia to corporate with STC. ➢ Third parties always do not perform their deal with the small companies. ➢ It is important to deal with third party to maintain cordial relations for some foreign companies. ➢ It is too difficult to find trustful third party. ➢ SME companies' third party is so crucial to enter the Saudi market and to maintain cordial relations with STC as well. ➢ Power distance, trust and RM have strongly affected STC decision-making and it also leads to the third party. ➢ It may also be difficult for VAS foreign companies to enter the Saudi market without the third party. ➢ Even entered Saudi market through third party it also needs relationship and trust. ➢ There is different impact of Saudi culture to accept working with non-Saudi and the relationship style. ➢ Non-Saudi STC partners have made an effort to adapt themselves to Saudi cultural practices in order to be able communicate and understand their clients effectively.	(21) S06, S09, S11, S12, S31, S34, P02, P03, P06, P11, P21, P16, P19, P22, P23, P24, P26, P27, P28, Integral and Saleco

Table 5. 7: The Subsistence of B2B2C Model and Third Party Mediators.

The following figure shows the triangulation analysis of this theme.
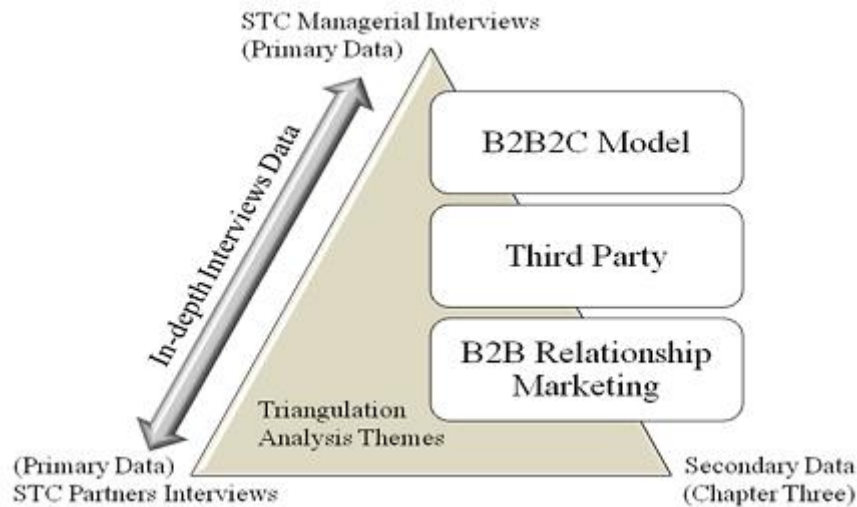
Figure 5. 14: The triangulation analysis theme of subsistence of B2B2C Model and third party mediators.

5.7. Conclusions

The analysis presented in this study reveals the role of culture in the building of B2B relationships between STC and its partners. Its results and conclusions will be valuable for those who have an academic or business interest in the Middle East, researchers as well as potential investors. The research has made a two-fold contribution: to theorists it provides a greater cross-cultural understanding of the Middle East in a B2B context; to practitioners it highlights the importance of the cultural dimension in initiating and preserving strong ties and long-term business relationships.   The limitations inherent in RM preclude an effective result-orientated approach to cross-cultural issues in the Middle, and it is the urgent need to fill in this gap that has prompted this attempt to develop a preliminary framework for cross-cultural B2B marketing, in the Middle East in general and Saudi Arabia in particular.

Saudi culture has a significant impact on relationships in B2B marketing in business, especially in the telecommunications industry, where both the majority of clients and employees are Saudis. The imperatives for change and adjustments in RM will provide tremendous benefits to STC in particular, as well as other indigenous telecommunications companies. The commercial gains to be acquired

by STC and the Saudi telecommunications industry as a whole may prove to be invaluable.   It has also emerged that among Hofstede's five dimensions the dimension particularly important for this study is the power distance, which the in-depth interviews have shown to be more conspicuously operative in Saudi Arabia where trust and personal relationship are conspicuously present in Saudi organisational environment.

The material   contained in Section 5.5 of this chapter was dictated by the cultural context in which the study took place, and the researcher places high value on it, as it is based on highly confidential and relevant information which he has managed to obtain. As the academician has received the lion's share in the study, the practitioner will find this section of great value because of its practical nature and the numerical details it contains. Triangulation was used in this chapter to ensure verification and examining the issues concerned from multiple angles, and a summary of the findings is diagrammatically presented in Figure 5.15 below.

Figure 5. 15: A summary of findings by using the triangulation approach.

The following chapter restates briefly the methodology used and points out the limitations of the research as a whole. It records the results achieved, as well as the contribution to knowledge attempted within the scope and constraints of the study.

Chapter Six: Discussion and Conclusion

6.1. Introduction

Based on empirical research, taking Saudi Telecom as an illustrative case, this study has sought to explore the impact of culture on B2B relationships. Data analysis shows that this effect in the Saudi context and comparatively similar Middle Eastern contexts is of paramount significance. The case chosen for study (STC) has proven to be singularly apposite, as the workforce is of multinational and multicultural character with, understandably, predominant representation of Arab/Saudi culture, as most of the employees and clients are Saudi citizens. The study reveals how the management has confronted difficulties arising from cultural discrepancies and dealt with them in varying degrees of success. The ambitions of the organization to have a wider presence in the global makes it attach even greater significance to the implications of culture in B2B relations. It will be useful at this stage recapitulate succinctly the theoretical and practical perspectives covered in the various chapters.

Chapter One states the objectives of the research, its point of departure, its methodology and potential contribution.

Chapter Two examines cross-cultural literature to determine how previous research can be built upon in pursuing the stated objectives of this study.

Chapter Three delineates both descriptively and analytically the scene of the field work and the socio-cultural background of Saudi Arabia and the Arab Middle East, with view to assessing how culture and life style impinge on B2B relations in a Cross-culture context.

Chapter Four sets forth the research methodology and design, its epistemological assumptions and methods of data collection and analysis.

Chapter Five states the findings of the research, interpreting and analysing the empirical data and triangulating it with other forms of evidence. The chapter assesses, against the background of the empirical case study of STC, the applicability of B2C marking to the broader aspects of B2B marketing.

Chapter Six records the results achieved, relating them to the stated objectives of the research and assessing its contribution to current knowledge, ending with recommendations to practitioners and suggestions for further academic research.

6.2. Culture in the Market Place: an Empirical Assessment

Culture, as a phenomenon reflecting the norms and values of a society has a direct effect on culturally-aware marketing decision makers. As the previous chapters, especially in the review of literature, have demonstrated, investors are compelled to make demanding adjustments to survive competition in a foreign market. Saudi Arabia, as a market for western investments provides a highly illustrative case of cross-culture challenges, and many American mobile operators, failing to meet these challenges, had to return to their home market. But cultural orientation, important as it is, cannot be divorced from psychological formation when considering how an individual or an organisation works. According to Albee (2010) human action springs from some formative experience of one kind or another, and it is this experience that accounts for the action of an individual in the course of attempting to satisfy some current need. If corporate bodies are, in certain respects, comparable to individuals, one can perhaps understand the principles that STC proclaims as its motivating factors, other than economic considerations, both for undertaking the projects it launches and the activities in which it participates. These are, according to the company, driven by a patriotic sense of social responsibility. Even B2B services such as Business Voice Packages, Business STC Plans (special group rate and tariff), and BlackBerry Service, are advertised as targets to improve productivity and quality of life, create employment opportunities for Saudi nationals, provide wider choice around the Kingdom.

These principles, linked with the STC's FORWARD strategy, were not mere slogans. But there came a time when the company discovered that a close observation of this patriotic policy was costly leading to revenues that are not consistent with projected profits and which are disadvantageous when compared with those of rival firms. To remedy this, a new more 'hard-nosed' policy was

put in place, ignoring what was hitherto considered an idealistic or sentimental policy. However, as it so often happens, the reformers went to the other extreme, and the company began to lose its image as a national Saudi firm, which put it at a disadvantage with foreign telecom firms operating in the country. The author suggests that STC resort to a balanced policy, combining the economic with the social, the ideal with the practical and thus gain financially by retaining current customers and gaining new ones. Such a balanced policy, with proven financial success, will help STC attract local and foreign investors. A foreign investor will, of course, as has been shown earlier, need the additional facilitation of a third party to abridge the cultural gap and ease their entry as an investor or partner in STC. The company took the wise step of creating this third party, calling it Intigral and owning 70 percent thereof, thereby gaining a cultural facilitator to negotiate with foreign companies whilst ensuring that STC's own interests and confidentiality are in trusted hands.

One of the points that emerge clearly from the discussion is that cross-cultural communication and management become even more complex in a B2B environment. B2B providers and suppliers are challenged by the cultural baggage that a customer brings to the transaction. International business can neither be sufficiently understood nor effectively carried out without a proper grasp of the implications of cross-cultural encounters.

The research has established the link between the literature review of culture in B2B relationships and the author's findings, demonstrating the extent to which the findings can make a contribution to current scholarship. The research, in light of the case study, has endorsed commonly conjectured postulates that effort, commitment, and understanding are vital for sustaining B2B relations. A spirit of communality, trust and knowledge of common goals must prevail. The author has brought in his Middle Eastern experience to bear on this issue, both to illuminate and verify extant theories.

In today's increasingly global business activity, relationship marketing has asserted its effectiveness as a means of meeting the marketing needs of sales firms, although pure marketing considerations may have to give way to cultural values and communication strategies dictated by broader local and social expectations. As the literature on the subject tends to be centred on localised western business environments, the present investigation has attempted to fill in the gaps in research on cross-culture in building B2B relationship marketing in the Middle East, as this will serve both practitioners and potential investors.

The theoretical contribution of this research relates to telecommunications as a service industry in the Middle East, with specific reference to Saudi Arabia. Its approach accords with the consensus in marketing literature, by authors such as Pressey and Selassie (2007), reflecting that the strategy for this kind of industry is to adopt a B2B relationship marketing, as shown in the conceptual model developed by the author in the following Figure.
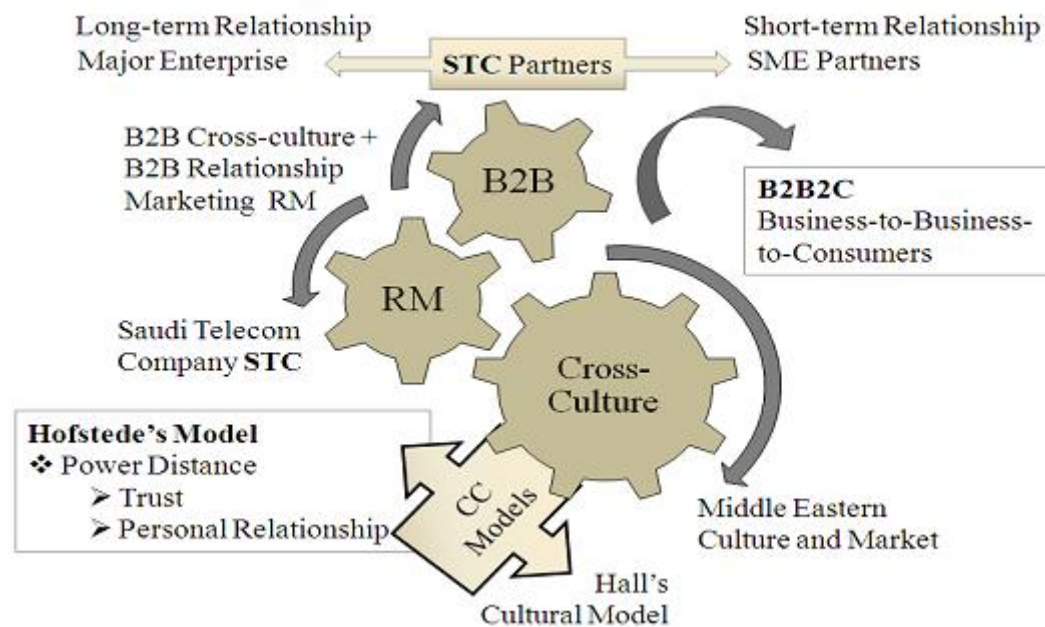
Figure 6. 1: B2B Relationship Marketing (RM) empirical model of cross-cultural aspects, adapted by the researcher.

Title: The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)

This research combines the academic interests of its author as well as his career experience in the field. The present author's experience in a number of conferences dealing with topics related to this thesis endorses the views of the authors just cited. Much interest from the business as well as the academic community has been shown while the research was in progress and, among other factors, this has resulted in a paper published in the Academy of Marketing Conference Journal in July 2012. Some aspects of this paper were presented at 'The Saudi Scientific International Conference' in October 2012 (where the researcher's poster won the first prize in its field), and at other conferences.

One such conference has in particular helped refine and crystallize ideas that were tentatively held but not clarified or criticised by peer researchers or more seasoned experts. While attending the Global and Cross-Cultural Management conference organised by Maastricht University in June 2011, where the researcher presented a paper, it was his good fortune to discuss his thesis topic with Geert Hofstede, who not only showed keen interest in the subject but made useful suggestions and criticisms that helped in sharpening its focus and refining its major ideas. Moreover, all the presentations made by the author in the various conferences have received valuable criticism and suggestions which were useful in expanding and modifying them. The exposure has similarly helped in conducting this present research, making it possible to seek a better unity of discourse and coherence of argument in this thesis.

It may be contended here that Hofstede's views are outmoded and that it is not prudent to place trust in them. The author, however, holds the view that vogues may be taken into account in fashion but not in scholarship, and that there is something to learn from any theory, if at least to learn where and how the theoretician has gone astray and how not to imitate wrong examples. Nevertheless, Hofstead's theory, notwithstanding the controversy it may raise, excels rival theories for the purposes of this research, as his paradigms are highly applicable to Middle Eastern culture in the context of B2B relations.

6.3. Contribution to knowledge

This research is the first of its kind dealing with Telecommunications Industry in the Gulf and the Arabian Peninsula in terms of B2B Cross-Culture relationship marketing, and is based on both theoretical investigation and empirical evidence, consisting of fieldwork and in-depth interviews. The telecommunication industry has its own complexities, and one of these has to do with the providers of contents, some of whom are local and some are overseas, and the researchers had to investigate a variety of them, and they vary in size, nationality and cultural background.

As most researches hitherto conducted on B2B marketing relationship deal with the West and the Far East, with a paucity of research on the Middle East, and none on Saudi Arabia, this research should prove help to scholars, theoreticians as well as to practitioners and investors in the global market.

6.4. Limitations of the Study

A study that aims at investigating cross-cultural relations, with emphasis on field work, requires by definition, that the investigator should be present and work in the field. It is here, perhaps more than anywhere else, that one of the limitations of this study comes. The author did cover in various visits parts of the cross-cultural terrain within the purview of this study: Saudi Arabia, United Arab Emirate, Egypt and the UK. Yet there are other countries where STC has partners, which were not visited for the purpose of this study. The headquarters of STC and its offices in neighbouring countries, however, have been fully covered. Consequently, the emerging picture of cross-cultural relation even within the Middle is in certain respects imperfect at the practical level; for in theory, many other aspects of culture, such as those relating to religion and culture are, despite definite variations and differences, strikingly similar. Time and money have restricted the researcher from covering more countries than he otherwise would have. The budget allowed for within the grant allotted for the project, and the time needed to cover more countries would have by far exceeded the deadlines normally expected for academic research under university supervision. Yet within

the physical boundaries covered, work and research was done with sufficient care and thoroughness that suggests reliable results, solid enough for other workers, preferably well-financed teams, to use as points of departure.

A second limitation concerns precision. Admittedly, with a qualitative approach such as the one adopted for this study, it is difficult to set up criteria of precision analogous to those of a quantitative approach. All the researcher can adhere to is care in the accumulation of information, logical procedures and consistency of analysis, as well as being alive to prejudices, his and those of others. For the kind of picture and analysis required for this study on cross-cultural B2B relations, the qualitative approach was found effective, as it was almost exclusively with managers and their partners that the investigation was concerned, people who by the very nature of their tasks, seniority and experience, loath filling questionnaires, and are more communicative in meetings where they have the opportunity to express their views, discuss the challenges of their tasks and how they go about solving them, which happens to be exactly what a study of this kind needs. As they expanded on what they had to say, they often suggested names of fellow-managers or colleagues who were useful to interview to have a fuller picture and they were often willing enough to recommend me to them.

Information elicited on the basis of an in-depth interview gives the researcher the opportunity to ask for explanation or the amplification of a statement, which a questionnaire does not give, even if supplemented by formulaic requests for further details such as using separate sheets of paper for further comments. It is for this reason also that manual analysis was preferred to the use of software programmes such as N*Vivo or ANOVA. Manual analysis allows greater scope for the researcher to use his knowledge of the country and its culture and allows for judgement on human relations that is beyond the functions and features of these software programmes. Triangulation was used to ensure verification and examining the issues concerned from multiple angles. However, while Triangulation was used in this research, there are several methods that may be used in the future such as SWOT Analysis which was applied toward the Saudi

Telecom Company (STC) in this case as shown in Appendix 6 as a trial by the researcher and would thus need to be extended by others in the future, if selected as a research tool.

All the foregoing considerations do not mean that a quantitative approach for some aspects of the study would not have been profitably used. It suggests that a quantitative approach would have interfered with the focus and direction of the research and infringed the time boundaries and scope of the study. The results presented here could offer the basis for further research that uses a quantitative approach or a combination of both approaches.

An objection may be raised, and legitimately so, that within the telecommunications industry in Saudi Arabia, this study confined itself to STC and did not dwell on any of its rivals, such as Zain and Mobily. The choice was dictated by two major considerations: first the pre-eminence of STC, being the oldest telecommunication organisation in Saudi Arabia and the one that introduced mobile services in the country. The second consideration is that the researcher had the opportunities of access to data at STC that were harder to obtain at the other firms. The same objection could be levelled if the researcher had chosen another firm and not included STC. But what matters in any scholarly investigation is the size and sufficiency of the sample chosen, and STC in terms of its size, age, global reach and economic significance more than meets such criteria.

There are, moreover, limitations that cannot be avoided by any researcher in the social sciences, and these are related to the identity of the researcher and dictated by the person he or she is. The author of this study is a Saudi Arabian, and in the interviews with non-Saudi consultants and managers of STC, it is possible that they, conscious of being dealing with a Saudi citizen, might not have been as open or candid on certain issues as they would have been if dealing with a non-Saudi researcher. This factor was, however, taken into account. The author spent some time before the discussion explaining to them that this is a purely scholarly research in which anonymity is guaranteed and complete freedom of expression would benefit everyone concerned. Anyway, most of these were Arabic-speaking

people from the Middle East and the points where they might have been reserved were anticipated and allowed for.

One limitation was dealing with STC Chinese partners. The author, respectful of other cultures and conscious of the significance of China as a nation and culture, was vexed when in interviews many of the managers, Saudis and non-Saudis alike, expressed what he felt might be prejudiced views on the bitter and frustrating experiences they had in dealing with the Chinese. It did not take long, however, for the author to discover that these comments had some basis in fact. Courteous and civilized as these Chinese partners were, it was a strenuous experience to get anything out of them or to see whether they meant what they were saying or just ejecting cries of 'yes, yes' when they meant 'no, no' and waiting for one to go away. The author came to the conclusion that it was futile to include the Chinese in the survey, but it was an object lesson in cross-cultural relations that convinced the researcher of the vital importance of culture and its intimate connection with business. Discussing this difficulty later with a couple of Saudi STC managers, they said this was a difficulty that they always had with their Chinese partners and colleagues. They were good at delivering goods and products when they had them, but when they did not, they seldom said directly so. They were quite communicative in writing, but it would take a number of pages before they came to the point of saying, for instance, this product is now out of stock and will be available again on such and such date. Perhaps one has to learn Chinese to see and tolerate cultural nuances that are now beyond one's ken.

6.5. Suggestions for Further Research

As this research focused on STC as one case study of the largest Telecom organisation in Saudi Arabia, further research would make a valuable addition if it concentrates on multiple case studies which may include Mobily and Zain the other operators in Saudi Arabia, to investigate whether cross-cultural relations have a different impact on these firms' strategies and marketing plans and, if the impact is different, to gauge its magnitude. Research of this nature, if it also draws on the discussion and findings of the present author, would make an interesting comparative study within the field as well as.

Again, to supplement the studies suggested above, multiple case studies, where a group of telecommunication companies, not just one, might well be a promising effort, leading to comparative studies and afford an array diverse of opportunities to check and verify results in the field of cross-cultural relations.

Although Saudi Arabia is a Middle Eastern country, it is admittedly one of the less open or liberal countries in the region in that its contact with the rest of the world, especially the Western world, has been more recent and less intense than, for instance, Turkey or Egypt. It would, therefore, be interesting to conduct a study in cross-cultural relations based on a Middle Eastern country which is less conservative than Saudi Arabia and has less cultural restraints so as to compare results obtained from such study with the present research.

A quantitative approach, in contrast to the qualitative one adopted here, would enable a future researcher to garner information from a telecommunication or another firm that pertains to lower echelons of the management where a questionnaire-type means of gathering data is possible. How these lower levels of management view and deal with cross-cultural relations would be valuable not only to understand their separate departments but the stance and the climate of the organisation as a whole.

STC is dominated by a culture of masculinity, and there is not a single female working in it. It would be, consequently, interesting to study firms in Saudi Arabia, as well as outside it in the Middle East, where women have working and managerial roles, to see what modified feature of cross-personal relations emerge and how they contrast with this study.

6.6. Recommendations

The facts, views, results and discussions contained in this research strongly indicate the need for the telecommunication industry and similar industries with global connections to be alert to the importance of the concept of cross-cultural relations. Some of the pertinent and essential policies that an organisation in this field may adopt are tabulated in the form of the following recommendations:

- STC (and this applies to similar organisations) should have a unit in their international investment department dedicated to dealing directly with foreign countries without resort to an intermediary (or a third party) who used to pocket up to 30% for helping in the negotiation of a deal. It is obvious that those who will staff such a unit should themselves be conversant with the culture or of the countries concerned.

- To observe and respect cultural sensitivities, agreements should be issued in three languages: the national language of the host country, the language of the investor or partner, and the English language. The English language version if a dispute arises and arbitration becomes necessary.

- Training programmes in such organisations should run courses, seminars and workshops to train a select number of its employees (including senior manages) who have to deal with partners or clients of a foreign culture, providing among other things, where need or demand arises, courses in the language of the country concerned. There should be more opportunities for outstanding employees to attend international exhibitions or to grant them scholarships for long-term courses, short courses, seminars and workshops.

- By the same token, and to encourage reciprocity, there should be courses for foreign staff and collaborators, so that they can understand Saudi culture and avoid incidents of cultural shock.

- Foreign investors, before embarking on their projects should include within their strategic plans an educational component for their staff. Studies on cross-cultural relations should be consulted so that managers should be familiar with the culture of the targeted country and plans should take into account the traditions, attitudes, trends in fashion and style.

- STC (and this applies to other organisations) should arrange for their partners or major clients in foreign countries to attend the National Day of Saudi Arabia which is organised by the Saudi Embassy in the country

concerned, as this will provide them with the opportunity to know the country and its traditions better.

- In their correspondence and agendas, organisations should take into account the national days, religious and cultural events and holidays of other countries, so that they are not disappointed by delay to respond to their queries or the inability to attend important meetings. In this context, it was a felicitous measure of Saudi Arabia to change in July 2013 its weekend from Thursday-Friday into Friday-Saturday, so that business and government organisations can have maximum contact with the rest of the world.

6.7. Conclusion

This research sheds new light on the significance of cross-cultural relations in B2B marketing relationship, emphasising the great importance of the human dimension in commercial relations. Human relations in cross-cultural setting work best when there is a conscious appreciation of the diversity of the world, summed up in the English saying "it takes all sorts to make a world" or the Arabic saying "People need people, and they all need Allah", which comes to saying that if we do not hang together we will hang apart. This kind of psychological attitude, and a live sense of tolerance and mutual respects among various cultures, becomes all the more necessary in a world where distances have been shrunk by mass communication and the opportunities of encountering each other for good or ill, for peace or conflict, are greater than they have ever been. This is by no means an invitation to mimic each other or to don the garb of another culture blindly so as to be accepted by the members of a given cultural community. For mere imitation soon reveals itself for what it is: falsity, buffoonery or worse. If an Arab insists that a Frenchman should be in most way like an Arab, the former would cease to be French and there is no tolerance or ingenuity on either side. Real success comes when both are themselves whilst dealing with each other in an acknowledged sense of recognition; of who the other is with a respectful tolerance of the partner's individuality and cultural identity.

As in all human sciences, and even in some natural sciences, research must continue to be open-ended and, so to speak, open-minded. None of the views and the findings reported here, which are after all related to human beings, should be taken as if they were expressed as impregnable axioms of fact. Theories, postulates and plans have their limits, but the world of facts is in ceaseless progress, ever-expanding and shifting, and with the almost daily advances and transformations, especially in the realm of communication, any thoughtful researcher would be humbled and driven into a lively sense of the limitations and transience of knowledge, not as an inducement to apathy but to urge modesty and the need to be constantly thinking and ready to receive new ideas and modify old opinions. Theories discussed or approaches adopted in this research, as those of Hofstede and others might prove unworkable or impractical five years from now, as the revolution of technology and communication brings with it changes and expectations that it would not perhaps be within our capacity to expect or predict. Let it be also added that any research in the humanities and the social sciences, tends to be coloured by the character and the background of individual researchers. This happens to a lesser extent even in physical sciences, where bias to a certain theory or approach can influence the direction and even the results emerging. This does not mean that one should be lax and take an attitude of 'everything goes' but that rigour and discipline, combined with humanity, must govern the researcher's philosophy and conduct, both to minimise errors and to increase readiness to accept accountability and willingness to accept the verdict of new facts.

As this research grew, so did the results which could throw useful light on, as well as offer some help, to serve the telecommunication industry, the broader service industry in Saudi Arabia and beyond. Similarly, these findings may provide some guidance to investors seeking business opportunities in countries and cultures their own national boundaries or cultural domains.

(Word Count 81242)

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Appendices

Appendix 1: Summary of answers from STC Managers

General Information and Demographic Data				The Main Ideas in the Interviews Guide		
				Relationship Marketing (RM)	**Cross-Cultural Marketing (CCM)**	**B2B in Saudi Telecom Industry**
STC	Nationality	Position	Sector			
S01	Saudi	Riyadh Director	Personal Sector	• Business relations exist between people rather than companies. • Complex, not standard, and not very systematic. • Negotiation with European is easier.	• Different strategies are required for outside KSA and vice versa. • Formal and written communication by letter or email is essential. • Saudi culture is more emotional than rational.	• Power distance plays a strong role in B2B. • There are multiple barriers between the different departments within different levels (from lower to top). • There is a lack of transparency in B2B RM.
S02	Saudi	Riyadh Section Manager	Personal Sector	• Personal relationships are very important. • Tribe, Friends and family is influenced.	• No standardized relationships. • High resistance to change.	• Business communication in STC depends on personal relationships. • Influenced by tribe effect.
S03	Lebanese/ Canadian	Riyadh Senior Advisor	Personal Sector	• Personal interest plays a major role in communicating.	• Different strategies are required for outside KSA and vice versa.	• Dealing with local companies is different than the international one.
S04	Saudi	Riyadh Director	Personal Sector – Marketing	• STC more rigid compared with other. • Bureaucracy is found. • RM is difficult with foreign companies.	• Different strategies are required for outside KSA and vice versa. • Level of education and religion are highlighted.	• STC follows a profit and risk sharing strategy. • Lack of experts in the field. • Difficult communication with foreign companies.

S05	Saudi	Riyadh Service Manager	Personal Sector	• Personal relationships are very important in the decision making. • There is a lack of transparency. • Politics play a role in RM in Middle East.	• Different strategies are required for outside KSA and vice versa. • Dealing with local companies is different than international. • Moral and religious value.	• Individual decision makers rather than institutionally. • STC access needs strength of relationship and power distance. • Chinese flexible than Western companies.
S06	Saudi	Riyadh Service Manager	Personal Sector	• Business relations exist between people rather than companies. • Power distance impact.	• Different way to deal with win-win. • Third party is often required in Middle East.	• Dealing with Gulf countries is easier than some Arab countries or East Asian countries.
S07	Saudi	Riyadh Director	Personal Sector	• Friendship and personal relationships affect policies and objectives of STC targets.	• Dealing with local and Arab Gulf companies is different than the international one. • Language difficulties.	• Procedures and communication with Western companies is easier than the local one. • Culture influenced on B2B.
S08	Saudi	Riyadh Corporate Director	President Sector	• Business relations exist between people rather than companies. • Difficult relationships in STC.	• Organisational structure likely to be changed many times. • Strong resistance to change.	• STC organisation structure is complex and too interconnected. • Procedures are too difficult due to overlapping tasks.
S09	Saudi	Riyadh G.M.	Enterprise Business Unit	• Personal relationships are very important. • Impact of tribe culture determines. • Power distance have a big impact on RM.	• Some foreign companies are afraid of complexity of Saudi culture. • Lack of transparency. • Culture issues are very important on B2B.	• Relations with partners are complex and bureaucratic. • Wrong way to deal with partners. • Third party is required with international companies.

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S10	Saudi	Riyadh Section Manager	Networks Sector	• Personal relationships are very important. • RM is complicated. • Tribal mentality and bureaucracy.	• Chinese companies are very easy to be merged in Saudi society. • Dependent on trust and personal relationships.	• There is a lack of quality. • Difficulties to deal with the Chinese managers. • Decision making depends on managers' personality.
S11	Syrian	Riyadh Account Manager	Personal Sector	• Personal relationships play crucial role. • Some non-Saudi adapted themselves.	• There is a lack of English Language skills. • High influencing of power distance.	• Dealing with large companies is better than small. • Relationships impact on B2B
S12	Saudi	Riyadh Vendor Analyst	Information Technology Sector	• Personal relationships are very important. • Complex and no clear structure.	• High resistance to change in Saudi Arabia. • The cost of the contracts is always higher in STC.	• No clear procedure via organisational structure. • Third party is often required in Middle East.
S13	Saudi	Jeddah Quality and Customer Manager	Enterprise Business Unit	• Personal relationships are very important. • Disharmony and lack of interest in STC. • Individual work. • Language difficulties.	• Different strategies are required for outside KSA and vice versa. • Establish relationships are important to create powerful networks.	• No clear procedure. • Complex and no clear organizational structure. • Personal relationships impact on the choice of partners.
S14	Saudi	Jeddah Project Manager	Networks Sector	• Personal relationships play a clear role in procedures, and linked individually.	• There is a lack of English Language skills. • Lack of a clear goal in each sector.	• Trust and confidence are generated by the good relationship. • Tribe, friends and family.
S15	Saudi	Jeddah G.M.	Personal Sector – Sales	• Each sector seeks to reach a unified goal. • Lack of quality. • Bureaucracy is found.	• Global market is open. • Long term relationships are mostly built with partners.	• STC interest is in quality and price dealing with highly experienced global companies.

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S16	Saudi	Riyadh Director	Corporate Strategy Sector	• Personal relationships are very important. • Work environment is inter-connected. • Power distance have a big impact on RM.	• Relationships with international companies are harmonious and run smoothly. • Religion affects the decision-making process	• Lack of business commitment. • Complex procedures. • No leadership/performance. • Saudi culture does not affect the banking system.
S17	Saudi	Riyadh G.M.	Customer Care	• There are several types of relationships with STC.	• Arab Gulf companies required different strategy.	• RM and B2B have different style in KSA compared with Kuwait or Bahrain.
S18	Saudi	Riyadh Section Manager	Retention and Loyalty	• Business relations exist between people rather than companies.	• Saudi culture people do not like to talk and deal with machines.	• Dealing with local companies is different than the international one.
S19	Saudi	Riyadh Director	Personal Sector – Marketing	• RM is important to deal with local and Arab companies.	• Several social problems such as tribal influence. • Resistance to change.	• Dealing with local companies is different than the international one.
S20	Saudi	Riyadh Expert 2	Personal Sector – Marketing	• Difference RM Style between Male and Female.	• Saudi culture people do not like to talk and deal with machines.	• Dealing with local and Arab Gulf companies is different than global.
S21	Saudi	Riyadh Section Manager	Personal Sector – Marketing	• Difference RM Style between Male and Female.	• Dealing with local and Arab Gulf companies is different than Global.	• Television advertisements have specific women dress code in Saudi Arabia.
S22	Saudi	Riyadh Director	Personal - Strategic Marketing	• Bureaucratic relations influenced on decision making.	• Several social problems such as tribal influence. • Resistance to change.	• Power distance, trust and Relations affected on STC decision-making.
S23	Saudi	Riyadh Director	Personal Sector – Sales	• RM is important to deal with local and Arab companies.	• Several social problems such as tribal influence. • Resistance to change.	• Dealing with local companies is different than the international one.

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S24	Saudi	Riyadh Director	Personal Sector – Sales	• Bureaucratic relations influenced on decision making.	• Several social problems such as tribal influence. • Resistance to change.	• Saudi society becomes more open-minded about dealing with foreign partners.
S25	Saudi	Riyadh Director	Enterprise Pricing	• Trust, personal relations influenced on STC RM.	• High impact of Friend and Family, and Tribe. • Resistance to change.	• STC prefer to deal long term agreement with Global companies.
S26	Saudi	Riyadh Director	Enterprise Service Develop.	• Bureaucratic relations influenced on decision making.	• Several social problems such as tribal influence. • Resistance to change.	• Dealing with local companies is different than the international one.
S27	Saudi	Riyadh Section Manager	Personal Sector – Marketing	• Tribal relations influenced on STC relationships.	• Several social problems such as tribal influence. • Resistance to change.	• The bureaucratic decision-making in STC is influencing all agreements.
S28	Saudi	Riyadh Director	Personal Pricing and Regulatory	• Business relations exist between people rather than companies.	• Security and privacy are very important. • High power distance.	• The competition is more organised in KSA by CITC than Bahrain and Kuwait.
S29	Lebanese	Riyadh	Consultant	• Complex, not standard, and not very systematic • Trust, friendship and power distance are the main factors to start a close relationship. • Lack of good communication.	• STC always respect Saudi tradition and culture in their services to avoid any possible criticism. • STC respect Saudi culture, e.g. in Press Release (PR); choosing words carefully to avoid misunderstanding.	• An example of STC cooperation with external partners is as global agency is working through an advertising agency which already has strong links with a foreign party. • Never face any difficulties with overseas companies.
S30	Lebanese	Riyadh	Consultant	• Complex RM. • Most of STC managers' are Saudi (about 90%).	• Unlikely to take risky decisions. • There is a lack of English Language skills.	• Generally, Arabs make decisions based on intuition and their societies tend to be more patriarchal in nature and

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				• Trust, friendship and power distance are significant. • Having powerful relationships with can create strong networks. • Significant lack of using English Language.	• STC bureaucratic decision making is influencing all agreements. • STC always respect Islamic culture and Arabic traditions. • It is normal not respecting time and appointments.	male oriented (masculinity), which reflects the value attached to authoritarian decision making and it is more clearly in Saudi Arabia than Bahrain or Kuwait. • Dealing with local companies is different than the international one.
S31	Lebanese	Riyadh	Consultant	• Complex RM. • It seems that STC more rigid compared with other fixable company. • Lacking of good communication (most of managers' English Language level is low). • As partners should be in the same boat and should pull together.	• Non-Saudi STC partners have made an effort to adapt themselves to Saudi cultural practices in order to be able communicate and understand their clients effectively. • Un-respecting time cause some company to loss their trust and respect.	• Religion should not have any impact on the professional environment. • STC Group (VIVA) has to adopt different strategies home and abroad in its partnership dealing and agreements, advertising, staff recruitment and even office design.
S32	Lebanese	Riyadh	Consultant	• Not organized and complex without personal relationship. • Prefer not to deal with other STC competitors in Saudi Arabia.	• Saudi company hierarchies can be rigid, bureaucratic, individualism; masculinity can be deliberate slow process. • In advertising, there are	• What helped STC to deploy quickly in Kuwait and Bahrain is the entry to those markets as a new competitor and the people do not have any negative perception. • In Saudi Arabia they have a

				• STC have had to deal with external agencies. • Lack of communication with different sectors.	different policies for STC in KSA compared with overseas branches in Kuwait and Bahrain.	wrong historical impression from the pre-privatization legacy, negative feedback from other customers.
S33	Lebanese	Riyadh	Consultant	• Big lack of professional communication style between the different sectors inside STC and its departments. • The relationship between STC managers and their consultants similar to STC employees themselves.	• Establishing relationships with others in STC can create powerful networks (Trust, friendship and power distance are also build that relation) • Saudi society and culture has become more open minded about dealing with foreign partners.	• The bureaucratic decision-making in STC influences all agreements and decision makers are usually individuals and slowly as well as its hierarchies can be very rigid and deliberate producers and process. • B2B contract and agreements can be impact by culture.
S34	Lebanese	Riyadh	Consultant	• It is easy to create personal relationship in Saudi Arabia.	• Easy for non-Saudi to adapt themselves to Saudi culture effectively.	• The bureaucratic decision-making in STC caused loses a lot of opportunity.
S35	Lebanese	Riyadh	Consultant	• Complex, not standard, and not very systematic • Trust, friendship and power distance are the main factors to start a close relationship. • There is often lacking of good communication with STC departments.	• STC always respect Saudi tradition and culture in their services to avoid any possible criticism. • STC respect Saudi culture as well in their Press Release (PR) by choosing their words carefully to avoid misunderstanding.	• An example of STC cooperation with external partners is as an international agency is working through an advertising agency which already has strong links with a foreign party. • Never face any difficulties with overseas companies.

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Appendix 2: Summary of answers from STC Small and Medium Enterprise (SME) partners

General Information and Demographic Data				The Main Ideas in the Interviews Guide		
Partners	Nationality	Location	Company	Relationship Marketing (RM)	Cross-Cultural Marketing (CCM)	B2B in Saudi Telecom Industry
P01	Saudi	Riyadh	Enjazz	• RM with STC is too difficult and easier with overseas companies. • Cultural barriers in the communication styles.	• Traditional Arab society and Saudi culture in particular are not easy to accept overseas investors in the local market.	• One of the main reasons for disliking working with STC in B2B is that sometimes there is a lack of transparency with their partners.
P02	Egyptian	Riyadh	Zain	• STC has governmental management style, tribal influence, resistance to change and bureaucratic decision-making.	• It is important for huge agreements to build a good relationship between partners and operators with respect and trust between each other.	• Dealing with local market is different than international. • Third party is crucial in Saudi market to maintain cordial trusting relationship with any potential partner.
P03	Saudi	Riyadh	BAB	• Tribal influence and personal relationship have affected on RM between STC and their partners as well as the resistance against any change even if that changes might be better for both STC and their partners.	• There is different impact of Saudi culture to accept working with non-Saudi and the relationship style. • The education level has a positive impact in all business areas. • Well-educated people have a better understanding of new trends.	• Overseas investors may face cultural shock because they do not have cross-cultural experience. • It is important to understand Saudi culture and market needs before their entry. • Saudi Market requires a different strategy from other markets.

P04	Saudi	Riyadh	Jarir Bookstore	• To establish a close relationship, trust, friendship and power distance are required with STC managers. • Relationship with STC managers does not go beyond the office.	• In 2008, STC bureaucratic decision-making stopped the deal not to go further. • In 2009, successful experiment with Mobily. • In 2010, STC bureaucracy stopped new agreement again before it started.	• Saudi companies' hierarchies almost very rigid. • Decisions can be a slow by STC bureaucratic decision-making which is usually individuals, old-fashioned trust and respect and cause weakness against competition.
P05	Saudi	Riyadh	King Abdul Aziz City for Science and Technology (KACST)	• Joint venture agreement based on a variable revenue sharing model. • Old-fashioned trust, power distance, personal relationship and sharing benefits are important to deal with STC.	• Saudi businessmen are reluctant to take risk, and their agreements depend more on commitment than written document. • As a result of foreigners who live in Kuwait, UAE, and Bahrain, LBS are more successful there.	• Rigid contracts conditions which were signed with STC and KACST made their agreement is too difficult to be continued. • The bureaucratic decisions from both sides stopped the joint venture not to go further (while LBS costs millions)
P06	Saudi	Riyadh	Saudi Post	• The relationship with STC is important and very family-like because both STC and Saudi Post belong to the same ministry. • It is depends on win-win relationship type.	• Over the past 20 years, Saudi culture has changed somewhat and has become more open minded about dealing with foreign partners in Saudi Arabia. • Time and appointment usually unrespected.	• LBS the service is more successful in Arab Gulf countries than Saudi Arabia because of the high number of foreigners in those countries who like to use this service. • Third party for foreigner companies is still required.

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P07	Saudi	Riyadh	NCCI	• Because of Saudi government support the relationship with STC becomes strategic and family-like and NCCI have their office inside STC campus.	• Trust, friendship, personal relationship and power distance are the building blocks to establish a close relationship. • There is a lack of STC professional leaders.	• NCCI have signed key-account agreement with STC. • STC is the preferable name for all other companies to sign a partnership agreement because it makes huge profits compared with others.
P08	Saudi	Riyadh	NCCI	• Win-win relationship type with full insurance includes health, estate and cars programs. • There are often lacking of good communication	• Complex STC procedures. • In 2009, an agreement with STC was hold by personal decision and run again by the same reason in 2010.	• As a result of the key-account with STC, Zain and Mobily which they STC' competitors also signed and dealt with NCCI because the trust STC experience with them.
P09	Lebanese	Riyadh	Mawarrid	• Trust, friendship and power distance in KSA can create powerful networks as well as with STC.	• Understanding religious, tribal influence, and bureaucratic decision-making impact on VAS and mobile contents.	• Saudi company hierarchies very rigid and decision makers are usually individuals and it needs special effective strategy.
P10	Jordanian	Riyadh/ Amman	BeeCell	• There is often lacking of good communication • Saudi manager are very prestigious and hierarchical, which makes it difficult to have an appointment with them.	• Religion does have an impact on the RM in the same way as tribal influence, resistance to change and bureaucratic decision-making. • Managers prefer to deal with same tribe or Saudi.	• Less difficulties with overseas companies and more flexible. • Specific strategies are required for Saudi Market. • Some concepts and trends may be effective outside than in Saudi Arabia.

P11	Saudi	Riyadh	Integral	• STC managers prefer to deal with big names than small companies. • This strategy force Small and Medium Enterprise (SME) to deal with Integral as a third party. • Usually there is a lack of good communication with STC.	• Arabic Language is very important factor to communicate with STC managers. • There is a lack of English Language and emails by English my take time to be replayed by them. • Integral do not like to deal with STC competitors in KSA (Power Distance).	• Religion should not have any impact on the professional environment. • A third party intermediary is very helpful way to build a trusting relationship with any potential partner through the majority of companies in Saudi Arabia. • Dealing with Saudi Market requires a different strategy.
P12	Jordanian	Riyadh	Integral	• Never face difficulties in RM with any other overseas companies. • The Education level in all environments has positive impact on RM.	• The Religion in the professional environment should not have any impact. • Some strategy can be fit only for Saudi culture.	• It requires different B2B strategy in KSA compared with other countries. • Saudi telecom operators are the leaders, and their partners are always the followers.
P13	Lebanese	Riyadh	Integral	• Religious issues have not any communication barriers or any negative impact on relationship. • Saudi people sensitive to religious (being Muslims helps to understand Saudi culture). • Well-educated people more open-minded.	• Frankly STC is open-minded and respects all religious issues in our services with STC. • Saudi culture has big impact in Intigral especially in the Mobile department where both the majority of clients & employees are Saudis.	• Joint venture for VAS based usually on revenue sharing. • Partners play an essential role in sports services like an arm to STC managing its VAS and digital media services. • As a partner we would like to feel that our operators (STC) always involved.

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P14	Lebanese	Riyadh	Booz & co	• Complex, not standard, and not very systematic • Trust, friendship and power distance are the main factors to start a close relationship. • There is often lacking of good communication with STC departments.	• STC always respect Saudi tradition and culture in their services to avoid any possible criticism. • STC respect Saudi culture as well in their Press Release (PR) by choosing their words carefully to avoid misunderstanding.	• An example of STC cooperation with external partners is as an international agency is working through an advertising agency which already has strong links with a foreign party. • Never face any difficulties with overseas companies.
P15	Lebanese	Riyadh	Booz & co	• Most of STC managers are Saudi (about 90%) which trust, friendship and power distance are significant. • Having powerful relationships with can create strong networks. • Significant lack of using English Language.	• STC bureaucratic decision making is influencing all agreements. • It is unlikely to take risky decisions. • STC always respect Islamic culture and Arabic traditions. • It is normal not respecting time and appointments.	• Generally, Arabs make decisions based on intuition and their societies tend to be more patriarchal in nature and male oriented (masculinity), which reflects the value attached to authoritarian decision making and it is more clearly in Saudi Arabia than Bahrain or Kuwait.
P16	Lebanese	Riyadh	Booz & co	• It seems that STC more rigid compared with other fixable company. • Lacking of good communication (most of managers' English Language level is low).	• Non-Saudi STC partners have made an effort to adapt themselves to Saudi cultural practices in order to be able communicate and understand their clients effectively.	• Religion should not have any impact on the professional environment. • STC Group (VIVA) has to adopt different strategies home and abroad in its partnership dealing and

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				• As partners should be in the same boat and should pull together.	• Un-respecting time cause some company to loss their trust and respect.	agreements, advertising, staff recruitment and even office design.
P17	Lebanese	Riyadh	Group7	• Not organized and complex without personal relationship. • Prefer not to deal with other STC competitors in Saudi Arabia. • STC have had to deal with external agencies. • Lack of communication with different sectors.	• Saudi company hierarchies can be rigid, bureaucratic, individualism; masculinity can be deliberate slow process. • In advertising, there are different policies for STC in Saudi Arabia compared with overseas branches in Kuwait and Bahrain.	• What helped STC to deploy quickly in Kuwait and Bahrain is the entry to those markets as a new competitor and the people do not have any negative perception. • In Saudi Arabia they have a wrong historical impression from the pre-privatization legacy, negative feedback from other customers.
P18	Lebanese	Riyadh	Group7	• Big lack of professional communication style between the different sectors inside STC and its departments. • The relationship between STC managers and their consultants similar to STC employees themselves.	• Establishing relationships with others in STC can create powerful networks (Trust, friendship and power distance are also build that relation) • Saudi society and culture has become more open minded about dealing with foreign partners.	• The bureaucratic decision-making in STC influences all agreements and decision makers are usually individuals and slowly as well as its hierarchies can be very rigid and deliberate producers and process. • B2B contract and agreements can be impact by culture.
P19	Lebanese	Riyadh	Group7	• It is easy to create personal relationship in Saudi Arabia.	• It is easy for non-Saudi partners to adapt themselves to the Culture.	• The bureaucratic decision-making in STC caused loses a lot of opportunity.

Title: The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)

P20	Jordanian	Damam/ Dubai	Integral	• Saudi culture in our organization has a great impact on many aspects (Old-fashioned trust, friendship and power distance). • Family-like style similar to be on the same boat helping each other is very successful in partnership.	• Sometimes cultural factors have affected the perception of people. • Saudis are more sensitive towards cultural and religious issues. • In the global companies I worked with have standards and ethic codes that have taken into respect culture differences.	• Revenue sharing business agreement with our partners. • Excellent relationship with our partners (objective of providing an enhanced lifestyle to our consumers). • Always work together to provide the best products and services and most importantly there is mutual understanding and respect.
P21	Saudi	Damam/ Dubai	MBC	• MBC head office based in Dubai and it needs a third party intermediary in Saudi Arabia to corporate with STC. • Personal relation, trust and power distance play an important role inside STC. • Saudi managers like their prestigious and hierarchical (it may not easier to make an appointment with them or call them by mobile or phone).	• Power distance and relationships have a big impact on STC partner agreements; for example, STC signed their partnership agreement with Al-Riyadh Newspaper even before the terms of the contract were discussed. • In advertising, there are different policies for STC in Saudi Arabia compared with overseas branches in Kuwait, Bahrain or United Arab Emirates.	• Revenue share agreement with minimum grantee with STC (by closely with the partners involved to be successful). • Saudi market is favorite for many investors which they can get high income compared with other market in the same reason. • Most operators cooperate with external partners which is an overseas agency (working through an advertising agency which already has strong links with a foreign party).

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P22	Saudi	Damam / Riyadh/ London	ANN and Al-Alamiah TVs	• For small companies third party is so crucial to maintain cordial relations with STC to enter the Saudi market.	• Saudi culture impact on VAS and Mobile to TV services as well as mobile contents is too complex in the Middle East.	• Saudi companies are reluctant to take risky decisions. • Third parties always do not perform their deal with the small companies.
P23	Yemeni	Damam / Riyadh/ London	ANN and Al-Alamiah TVs	• It is important to deal with third party to maintain cordial relations for some foreign companies. • It is too difficult to find trustful third party.	• In Europe SME never face difficulties with overseas companies compared with those which happened by the bureaucracy. • STC respect for Islamic culture as national operator	• The political situation and revolutions have huge impact on the B2B agreements in the Middle East. • Strong relationship with day-to-day running between partners is very important.
P24	Egyptian	Jeddah/ Cairo	SAB	• SME companies' third party is so crucial to enter the Saudi market and to maintain cordial relations with STC as well. • Power distance, trust and RM have strongly affected STC decision-making and it also leads to the third party.	• in the day-to-day running with overseas company, it easier with Western than Asian such as Chinese and Japanese because of communication difficulties (English Language level) and culture barriers as well as with The Arab Maghreb which they used France as second language.	• The control from the government side non-professional, non-fare, and not strict which make the market without strong legislations and it reduce the service quality. • Competition is organised in Saudi Arabia by (CITC). • Bahrain and Kuwait, there is more freedom (open market).
P25	Saudi	Jeddah	SAB	• Personal benefits and relationship, trust, power distance are	• Tribal and family effect as well as power distance caused the bureaucratic	• There are very significant differences between Western culture and Arab culture. • Copy write un-respectful

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|						
				the fact at any business otherwise anything ells are fake and unreal slang.	decision-making in Saudi Arabia and in particular in STC which influencing on all process.	with most of VAS providers which make some B2B deal unsafe for the main partners as well.
P26	Saudi	Jeddah	TIDCo.	• Third party is an important for SME companies to enter Saudi Market.	• Investors face challenges and trust, friendship and power distance are important for foreign Co.	• It may also be difficult for VAS foreign companies to enter the Saudi market without the third party.
P27	Saudi	Jeddah	TIDCo.	• Complex, duplicated and not well-organized. (Non-professional)	• Tribal, trust, bureaucracy and power distance are annoying factors.	• Even entered Saudi market through third party it also needs relationship and trust.
P28	American	Jeddah/ Makkah	Saudi TV	• Tribal, trust, friendship and power distance are important. • Miss-understanding the Saudi culture may make the relationship like the ice-cream (cold or melt).	The impact of Saudi culture within RM has become major in the Saudi telecom industry. Non-Saudi STC partner need adapt themselves to the Saudi cultural to understand their clients.	• Saudi TV Channels respect the Saudi culture and STC prefer to introduce their advertisements, for example, have specific dress code; they are more conservative in Saudi Arabia, more liberal in other countries
P29	Saudi	Jeddah	Saudi Airline	• RM with STC is most important (win-win) • It seems very family-like, where people feel they are in the same boat and should pull together and not to dominate decisions, and help each other.	• Trust, personal relationship, and power distance managed the strategic system. • STC strategy affect by the education and well-educated is better to understand new trends and to accept changes.	• Since 2005 the partnership between STC and Saudi Air line depends on sharing benefits (not sharing revenue) • Saudi Air line does not like to deal with STC competitors in Saudi Arabia because they have strategic joint venture and both of them are big brand name in KSA.

Title: The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)

Appendix 3: Summary of interviewee information

Interviewee Information	Saudi	Non	Saudi	Non	Saudi	Non	Total
	Riyadh Saudi Arabia		Jeddah, Makkah and Cairo		Damam, Dubai and London		
STC Managers	23	9	3	-	-	-	35
STC Partners	7	12	4	2	2	2	29
Total	30	21	7	2	2	2	64

Interviewee Information	Total	
	Saudi	Non
STC Managers	26	9
STC Partners	14	15
Total	40	24
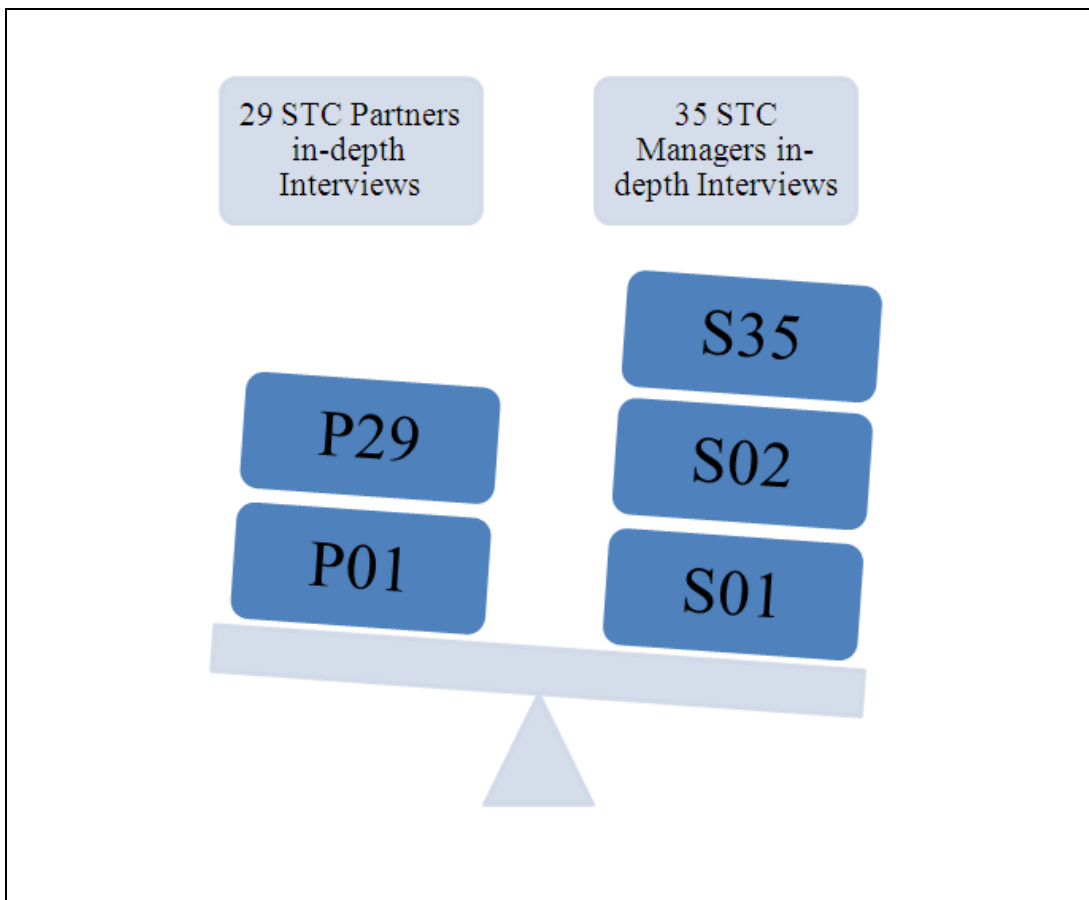
Title: The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)

Appendix 4: Semi-structured In-depth Interview Outline

Title: An Exploration of the Role of Cross-cultural B2B Relationship Marketing: a Case Study investigation of Saudi Telecom Company (STC)

Section I: General Information:

For Ethical Reasons this Section is Confidential, and Only for the Researcher

1- Name: _____   Age: _____   Nationality: _____

2- Location (Country) : _____ City: _____

3- Company: _____, Position (Job Title): _____

4- Education:

a) High School   b) Graduate   c) Post Graduate   d) Other professional qualification

5- Experience (How many years in this job) _____

a)   3 years or less   b) 4- 5 years   c) 5-8 years   d) More than 8

6- Contact Details (Optional)

Mobile: _____ Tel (Office):_____ Email: _____

Section II: Relationship Marketing (RM)

1- Can you specify the most effective way to describe the relationship with others inside your company?

2- How far does the religious and educational system in Saudi Arabia impact on RM in your business?

3- Is the internal Relationship Marketing in your organization different from the external Relationship Marketing?

a) Yes   b) No

If yes, please specify how it is different

_____

_____

4- What policies have been created by your organisation as a result of Relationship Marketing differences?

5- Are there any attitude problems such as Tribal influence, Resistance to change and Bureaucratic decision-making? Please specify.

6- Could you please explain the impact of Saudi Culture on RM in your organisation?

Section III: Cross-Cultural Marketing

1- When you work with overseas companies, what kind of difficulties have you often faced?

   ➤ Communication style

   ➤ Religious beliefs

   ➤ Language

   ➤ Other culture factors _____

2- Do you think these cultural impacts could affect your strategy? How? Give an example if possible.

3- Do you think this strategy works in Saudi Arabia but not in another country? How?

4- If you have any international experience with another global company, could you please give me some examples which show how culture has influenced company strategy?

5- How can strategy be changed in other countries outside Saudi Arabia as a result of cross-cultural factors?

Section IV: B2B and Telecommunication Industry

1- Could you please describe the marketing strategy between your company and other companies?

2- What are the main differences between local and international strategy?

3- If your company has global branches, are there any differences between B2B strategy in Saudi Arabia and other countries?

4- If your company is a telecom operator or telecom partner could you please describe the relationship between both of you?

5- How far can culture affect this relationship? Give examples if possible?

6- Any other information?

_____

_____

_____

_____

_____

_____

Thank You

Title: The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)

Appendix 5 (A): Example 1, STC Partner Interview (P12)

Example 1, STC Partner Interview (P12)

Section I: General Information:

For Ethical Issue this Section is Confidential, and Only for the Researcher

1- Name: *Natheer Darwazeh*   Age: *34*   Nationality: *Jordanian*

2- Location (Country) : *Saudi Arabia* City: *Riyadh*

3- Company: *INTIGRAL.*   Position (Job Title): *Senior Account Manager*

4- Education:

5- a) High School *b) Graduate* c) Post Graduate d) Other professional qualification

4- Experience (How many year you are in this Job?) _____

a) *Less than 3 years*   b) 4- 5 years   c) 5-8 years   d) More than 8

5- Contact Detail (Optional)

Mobile: *+966536005351* Tel (Office): *NA* Email: *natheer.darwazeh@intigral.net*

Section II: Marketing Relationship (MR)

1- Can you specify the most effective way to describe the relationship with other inside your company?
It should be Business 80% and Friendly 20% relation.

هل بالامكان وصف نوعية العلاقات داخل الشركة

2- How far can the religion and education system could impact on the MR in your business?

The Religion in the professional environment should not have any impact.
The Education in all environments has positive impact.

الى اي مدى يؤثر الدين ونظام التعليم على علاقات التسويق في الشركة (عملكم)؟

Title: The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)

3- Is the marketing relationship has be different than internal than external your organization?

<div dir="rtl">هل تختلف العلاقات التسويقية داخل المنظمة عن خارجها؟ (نعم/لا) كيف؟</div>

a) Yes   *b) No*

If yes, please specify how it is be different:

The_____

4- What the policy were created by your organisation which caused by the marketing relationship differences?

The focus on the exclusive services.

<div dir="rtl">ماهي السياسة او الاستراتيجيه في شركتكم والتي تؤثر على العلاقات التسويقيه وتسبب الفروقات بين الشركات؟</div>

5- Are there any attitude problems such as: (Tribal influence, Resistance to change and Bureaucratic decision-making and others), please specify?

No

<div dir="rtl">هل يوجد مشاكل في سلوكيات قد تؤثر على سياسة الشركة التسويقية (القبيله، رفض التغيير، البيروقراطية في صنع القرارات ...الخ)</div>

6- Could you please explain the Saudi Culture impact on the MR in your organisation?

It supports the relationship with our client

<div dir="rtl">هل بالامكان شرح تأثير الثقافه السعوديه على العلاقات التسويقيه في الشركة؟</div>

Section III: Cross-Cultural Marketing

1- When you work with overseas companies, what kind of difficulties that you may always faced?

Never face any difficulties in working with overseas co.

<div dir="rtl">عندما تعمل مع شركات اجنبية، ماهي نوعية الصعوبات التي تواجهها غالبا؟</div>
<div dir="rtl">الاتصال، الاعتقاد الديني، اللغه، عوامل ثقافيه اخرى</div>

> ➢ Communication style
> ➢ Religion beliefs
> ➢ Languages
> ➢ Other Culture factors

_____

2- Do you think these cultural impacts could be affected on your strategy? How? Give me example please?

No

<div dir="rtl">هل تعتقد ان الثقافه تؤثر على ثقافة شركتكم؟ كيف؟ هل بالامكان طرح مثال؟</div>

3- Do you think this strategy can be fit in Saudi Arabia but not on other country? How?

No, this strategy can fit in other countries

هل تعتقد ان هذه الاستراتيجيه ستكون مناسبة في السعودية فقط وليس في دول اخرى؟ كيف؟

4- If you have any international experience with any other global company could you please give me some examples which can show how the cultural can be influence on their strategy?

It is influencing in Decisions making regarding any new product's lunch.

اذا كان لديك اي خبره دوليه بهذا الخصوص، هل بالامكان شرح تأثير الثقافه على تلك الاستراتيجيات؟

5- How the strategy can be change in other countries than Saudi Arabia, as a result of the cross-cultural factors?

This is always depends on the culture and roles for that country.

كيف يمكن للاستراتيجيات ان تتغير دول اخرى بخلاف السعوديه نتيجة لاختلاف الثقافات؟

Section IV: B2B and Telecommunication Industry

1- Could you please describe the strategy between your company and other companies?

To be in the Market while other competitor to be the first in the market.

هل بالامكان وصف الاستراتيجيه بين شركتكم وشركاؤكم من الشركات الآخرى او حتى المنافسين؟

2- What are the main differences between the local strategy and international one?

The countries Roles and regulations.

ماهي الفروقات الرئيسية بين الاستراتيجيات المحلية والدولية؟

3- If your company has global branches, are there any differences between B2B strategy in Saudi Arabia and other countries?

Differently.

اذا كان للشركة فروع دولية ، ماهي الفروقات الرئيسية بين سياسات الــB2B في السعودية عن خارج السعودية؟

4- (If your company is a telecom operator) or (telecom partner) could you please describe the relationship between both of you?

The Telecom operator is the ruler, the telecom partner is always the follower.

اذا كان شركتكم مشغل خدمه operator او شريك لمزود خدمه هل بالامكان وصف نوعية العلاقه بينكم؟

5- How far can culture affected on this relationship? Give me examples please?

No idea

الى اي مدى تؤثر اختلاف الثقافات على نوعية العلاقه بين الشركات؟ مثال؟

6- Any more information

No

هل لديك معلومات اخرى تفيد البحث تحب اضافتها؟

_____

_____

Thank You

Appendix 5 (B):

Example 2, STC Partner Interview (P13)

Section I: General Information:

For Ethical Issue this Section is Confidential, and Only for the Researcher

1- Name: Mohamad   Age: 29   Nationality: Lebanese

2- Location (Country) : KSA   City: Riyadh

3- Company: Telecommunication and Digital Media Company Position (Job Title):
   Mobile Products Manager

4- Education:

a) High School   b) Graduate   c) Post Graduate   d) Other professional qualification

5- Experience (How many year you are in this Job?) _____

a)   Less than 3 years   b) 4- 5 years   c) 5-8 years   d) More than 8

6- Contact Detail (Optional)

Mobile: +966500666496 Tel (Office): +96612154488 Email: mohd.beirut@gmail.com

Section II: Marketing Relationship (MR)

1- Can you specify the most effective way to describe the relationship with other
   inside your company?

   In our company there is a special strong relation among most of the staff, there
   is friendly relation and sure beside it there is the business relation where our
   work integrates between many departments.
   The relation also with senior managers is very good, where our managers are
   wise and friendly, and understand the needs.

   هل بالامكان وصف نوعية العلاقات داخل الشركة

2- How far can the religion and education system could impact on the MR in
   your business?

الى اي مدى يؤثر الدين ونظام التعليم على علاقات التسويق في الشركة (عملكم)؟

Frankly our company is open minded regarding the religious issues, and our company has a mix religion environment where all respects each other's and I didn't notice till know that the religious issues represent a barriers in communication or has any negative impact on any relation.

Saudi people, and due to the traditions and culture in KSA, may be sensitive to religious issues, but it is not a general case, but I can see that being Muslims helps you to understand more people culture and traditions and respect it more.

Regarding the education, this is very important in our work and has big impact, where well educated people has a better understanding to new trends and can accept changes easily.

3- Is the marketing relationship has be different than internal than external your organization?

هل تختلف العلاقات التسويقية داخل المنظمة عن خارجها؟ (نعم/لا) كيف؟

a) Yes   b) No

If yes, please specify how it is be different

Our internal and external marketing strategies are in parallel and aligned to each other.

4- What the policy were created by your organisation which caused by the marketing relationship differences?

ماهي السياسة او الاستراتيجيه في شركتكم والتي تؤثر على العلاقات التسويقيه وتسبب الفروقات بين الشركات؟

Our company choose a leading innovative strategy which is totally different from others. Our vision and mission are clear and we are seeking innovation and improvement of digital media in the region.

5- Are there any attitude problems such as: (Tribal influence, Resistance to change and Bureaucratic decision-making and others), please specify?

هل يوجد مشاكل في سلوكيات قد تؤثر على سياسة الشركة التسويقية (القبيله، رفض التغيير، البيروقراطية في صنع القرارات ...الخ)

We didn't face such problems, only we are facing some kind of bureaucracy in our relation with our main client (Saudi Telecom), but we are dealing with it in a smart way and try to adopt our clients with our strategies.

6- Could you please explain the Saudi Culture impact on the MR in your organisation?

هل بالامكان شرح تأثير الثقافه السعوديه على العلاقات التسويقيه في الشركة؟

Saudi culture has big impact in our organization especially in the Mobile department where majority of clients are Saudi, also majority of employees are local people.

It is very important to respect others, listen carefully to others, contain others, and adopt yourself as a foreigner with traditions and culture of this market.

Section III: Cross-Cultural Marketing

1- When you work with overseas companies, what kind of difficulties that you may always faced?

عندما تعمل مع شركات اجنبية، ماهي نوعية الصعوبات التي تواجهها غالبا؟
الاتصال، الاعتقاد الديني، اللغه، عوامل ثقافيه اخرى

   ➢ Communication style

   ➢ Religion beliefs

   ➢ Languages

   ➢ Other Culture factors
   Sometimes mainly facing some cultural factors as a first impact.

2- Do you think these cultural impacts could be affected on your strategy? How? Give me example please?

Not at all. I think we are working based on general standards and following common trends not affected with such barriers.

هل تعتقد ان الثقافه تؤثر على ثقافة شركتكم؟ كيف؟ هل بالامكان طرح مثال؟

3- Do you think this strategy can be fit in Saudi Arabia but not on other country? How?

هل تعتقد ان هذه الاستراتيجيه ستكون مناسبة في السعودية فقط وليس في دول اخرى؟ كيف؟
I always believe that dealing with Saudi Market should be different than other markets and we cannot apply general concepts and trends efficient outside KSA, without taking into consideration the culture impacts in this country.

4- If you have any international experience with any other global company could you please give me some examples which can show how the cultural can be influence on their strategy?

اذا كان لديك اي خبره دوليه بهذا الخصوص، هل بالامكان شرح تأثير الثقافه على تلك الاستراتيجيات؟
I didn't notice that such issues were mentioned in the strategy, but on the ground and on operation level such issues taken into consideration and people dealt with it carefully.

5- How the strategy can be change in other countries than Saudi Arabia, as a result of the cross-cultural factors?
كيف يمكن للاستراتيجيات ان تتغير دول اخرى بخلاف السعوديه نتيجة لاختلاف الثقافات؟
I don't have exact idea about this.

Title: The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)

Section IV: B2B and Telecommunication Industry

1- Could you please describe the strategy between your company and other companies?

هل بالامكان وصف الاستراتيجيه بين شركتكم وشركاؤكم من الشركات الآخرى او حتى المنافسين؟

As an arm to STC managing its VAS and digital media service, we didn't deal with other companies as competitors, but as partners and we try to develop their business and establish cooperation with them on all aspects and categories.
And we work with other companies based on revenue sharing model usually.

2- What are the main differences between the local strategy and international one?

ماهي الفروقات الرئيسية بين الاستراتيجيات المحلية والدولية؟

For us we have one strategy that covers both internal and external markets.

3- If your company has global branches, are there any differences between B2B strategy in Saudi Arabia and other countries?

اذا كان للشركة فروع دولية ، ماهي الفروقات الرئيسية بين سياسات الـB2B في السعودية عن خارج السعودية؟

We don't have currently global branches.

4- (If your company is a telecom operator) or (telecom partner) could you please describe the relationship between both of you?

اذا كان شركتكم مشغل خدمه operator او شريك لمزود خدمه هل بالامكان وصف نوعية العلاقه بينكم؟

I told you before, we as an arm to STC managing its VAS and digital media service, we didn't deal with other companies as competitors, but as partners and we try to develop their business and establish cooperation with them on all aspects and categories.

5- How far can culture affected on this relationship? Give me examples please?

الى اي مدى تؤثر اختلاف الثقافات على نوعية العلاقه بين الشركات؟ مثال؟

Well, culture issues are very important here. Dealing with local companies different than international ones. In international ones, it's our business using common default standards with no cultural impacts. While in dealing with local companies you have beside business to build a good relationship with partners and listen to them always and help them and let them feel you are always at their service.

6- Any more information

هل لديك معلومات اخرى تفيد البحث تحب اضافتها؟

_____

_____

Thank You

Appendix 5 (C):

Example 3, STC Partner Interview (P20)

Section I: General Information:

<div style="border:1px solid black;background:#c0c0c0;padding:8px;">

For Ethical Issue this Section is Confidential, and Only for the Researcher

</div>

1- Name: (I prefer not to mention the name)   Age: 32 Nationality: Jordanian

2- Location (Country) : UAE   City: Dubai

3- Company: xxxxx   Position (Job Title): Senior Manager

4- Education:

a) High School   b) Graduate   c) Post Graduate   d) Other professional

qualification

5- Experience (How many year you are in this Job?) _____

a)   Less than 3 years   b) 4- 5 years   c) 5-8 years   d) More than

8

6- Contact Detail (Optional)

Mobile: +971504590100 Tel (Office): +97144361900 Email: Amjad.alsabbah@gmail.com

Section II: Marketing Relationship (MR)

1- Can you specify the most effective way to describe the relationship with other inside your company?

There are two kinds of relationships in our company. First one is very family-like, where people feel that they are on the same boat and want to help each other. Another relationship is strictly business and doesn't go beyond the office. Both can co-exist.

هل بالامكان وصف نوعية العلاقات داخل الشركة

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2- How far can the religion and education system could impact on the MR in your business?

I think it has a very big impact, especially that the majority comes from the Saudi market and most of our partners are based in KSA. However, our management is quite open-minded and the majority of our clients have the same understanding.

الى اي مدى يؤثر الدين ونظام التعليم على علاقات التسويق في الشركة (عملكم)؟

3- Is the marketing relationship has be different than internal than external your organization?

Not at all. As a contributing individual to marketing in our organization, the messages internally and externally are aligned and fall under the same umbrella.

هل تختلف العلاقات التسويقية داخل المنظمة عن خارجها؟ (نعم/لا) كيف؟

a) Yes   b) No

If yes, please specify how it is be different

_____

_____

4- What the policy were created by your organisation which caused by the marketing relationship differences?

I believe that we have positioned ourselves in a way that is totally differentiated. Especially, from a product and service offering. Also, we have created our mission and vision to compliment this strategy.

ماهي السياسة او الاستراتيجيه في شركتكم والتي تؤثر على العلاقات التسويقيه وتسبب الفروقات بين الشركات؟

5- Are there any attitude problems such as: (Tribal influence, Resistance to change and Bureaucratic decision-making and others), please specify?

None at all. However, there is minimal bureaucracy that we are trying to diminish.

هل يوجد مشاكل في سلوكيات قد تؤثر على سياسة الشركة التسويقية (القبيله، رفض التغيير، البيروقراطية في صنع القرارات ...الخ)

6- Could you please explain the Saudi Culture impact on the MR in your organisation?

I think the Saudi culture in our organization has a great impact on many aspects. The most important one for me is the relationship with co-workers and clients. In our company, these relationships are governed by old-fashioned trust, authenticity and given respect.

هل بالامكان شرح تأثير الثقافه السعوديه على العلاقات التسويقيه في الشركة؟

Section III: Cross-Cultural Marketing

1- When you work with overseas companies, what kind of difficulties that you may always faced?

<div dir="rtl">عندما تعمل مع شركات اجنبية، ماهي نوعية الصعوبات التي تواجهها غالبا؟</div>
<div dir="rtl">الاتصال، الاعتقاد الديني، اللغه، عوامل ثقافيه اخرى</div>

  ➤ Communication style
  ➤ Religion beliefs
  ➤ Languages
  ➤ Other Culture factors

Personally, I never had difficulties adapting to the company I worked for. However, sometimes cultural factors have affected the perception of people.

2- Do you think these cultural impacts could be affected on your strategy? How? Give me example please?

I don't think so because if the strategy and policy is clear to employees then there shouldn't be a problem abiding to it. As a matter of fact, the policy becomes your guideline.

<div dir="rtl">هل تعتقد ان الثقافه تؤثر على ثقافة شركتكم؟ كيف؟ هل بالامكان طرح مثال؟</div>

3- Do you think this strategy can be fit in Saudi Arabia but not on other country? How?

I don't think it fits because Saudis are more sensitive towards cultural and religious issues.

<div dir="rtl">هل تعتقد ان هذه الاستراتيجيه ستكون مناسبة في السعودية فقط وليس في دول اخرى؟ كيف؟</div>

4- If you have any international experience with any other global company could you please give me some examples which can show how the cultural can be influence on their strategy?

None of the global companies I worked were influenced by culture. Of course, there are company standards and ethic codes that have taken into respect the majority of differences. Even the ones in KSA that I have worked for previously did not for example separate the men from the women. The women did have a room in case a government official showed up but in general they were sitting in the main area.

<div dir="rtl">اذا كان لديك اي خبره دوليه بهذا الخصوص، هل بالامكان شرح تأثير الثقافه على تلك الاستراتيجيات؟</div>

5- How the strategy can be change in other countries than Saudi Arabia, as a result of the cross-cultural factors?

<div dir="rtl">كيف يمكن للاستراتيجيات ان تتغير دول اخرى بخلاف السعوديه نتيجة لاختلاف الثقافات؟</div>

Section IV: B2B and Telecommunication Industry

1- Could you please describe the strategy between your company and other companies?

We have a revenue sharing business model with our partners.

هل بالامكان وصف الاستراتيجيه بين شركتكم وشركاؤكم من الشركات الآخرى او حتى المنافسين؟

2- What are the main differences between the local strategy and international one?

Does not apply.

ماهي الفروقات الرئيسية بين الاستراتيجيات المحلية والدولية؟

3- If your company has global branches, are there any differences between B2B strategy in Saudi Arabia and other countries?

Does not apply.

اذا كان للشركة فروع دولية ، ماهي الفروقات الرئيسية بين سياسات الـB2B في السعودية عن خارج السعودية؟

4- (If your company is a telecom operator) or (telecom partner) could you please describe the relationship between both of you?

We have an excellent relationship with our partners with the objective of providing an enhanced lifestyle to our consumers. We always work together to make to provide the best products and services and most importantly there is mutual understanding and respect.

اذا كان شركتكم مشغل خدمه operator او شريك لمزود خدمه هل بالامكان وصف نوعية العلاقه بينكم؟

5- How far can culture affected on this relationship? Give me examples please?

I actually adapted to many of the culture preferences in order to be able communicate and understand my colleagues and clients.

الى اي مدى تؤثر اختلاف الثقافات على نوعية العلاقه بين الشركات؟ مثال؟

6- Any more information

هل لديك معلومات اخرى تفيد البحث تحب اضافتها؟

_____

_____

Thank You

Appendix 6: SWOT Analysis for Saudi Telecom Company (STC)

According to Curwen and Whalley (2004) a SWOT analysis provides a model for understanding the relationship in the telecom market between mobile companies' internal resources and their external environment to improve their telecom strategies. Mobile users are connected to news, entertainment, lifestyle, sports, and weather channels, as well as mobile internet services, radio to mobile, SMS and ringtones (Cartman, and Ting, 2009). This demand has led telecom operators to deal with third-party mobile providers who have developed core media channels to serve their customers and partners better with many choices and options (Cartman, and Ting, 2009). The aim of SWOT analysis is to understand and discover the market (Rubin and Rubin, 2005), See (Figure 5.9 below).
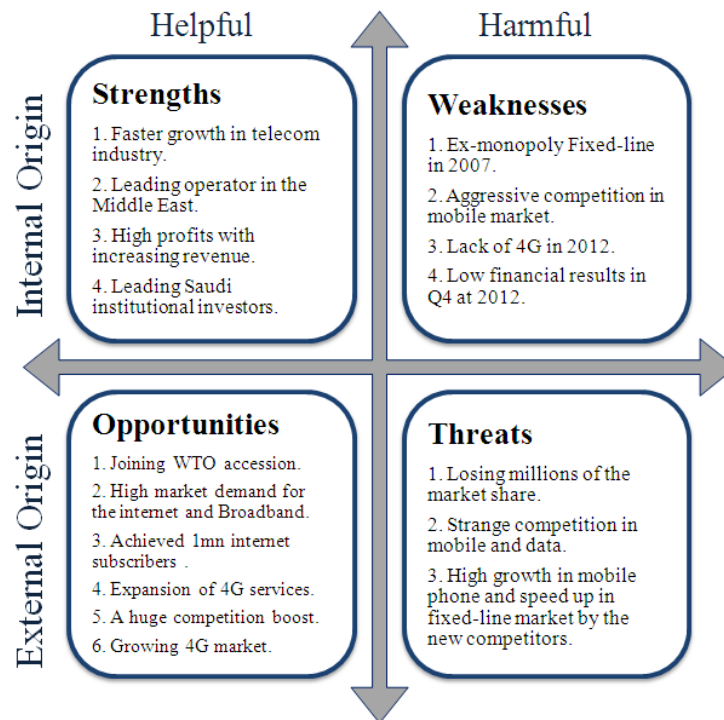
Strengths

Mobile growth is very fast, with the Saudi penetration rate likely to exceed 90% after 2007 (Rasmala Report, 2011). STC is the country's leading telecoms operator with presence in fixed-line, mobile and internet/broadband (STC-My Link, 2012). Revenue is up year by year by 7%, with net profits up by 34% (STC Confidential Report, 2009). STC is publicly-listed and backed as the leading Saudi institutional investors (CITC Online, 2010).

Weaknesses

The Fixed-line monopoly ended after April 2007 with the granting of three operating licences to new entrants; commercial services were launched within that year (CITC Online, 2009). There was more competition in the mobile market following the sale of the third operating licence to MTC 'Zain' in March 2007 with aggressive competition with Mobily as well (Rasmala Report, 2011). Furthermore, there is a lack of 4G base stations, which places 3.5G on an unequal footing with Mobily and Zain (STC-My Link, 2012). The financial results in Q4 in 2012 revealed effects of strong competition in mobile sector, in particular, in the enterprise sector (STC-My Link, 2012).

Opportunities

Since 2007, WTO accession has seen the implementation of liberalising policies. The launch of Easy net internet service was expected to contribute to a 100% increase in the internet and broadband user base (STC Confidential Report, 2009). STC achieved 1million internet subscribers by the end of 2007 and up to 4 million by the end of 2011 (Forbes, 2011). The expansion of 3.5G services has built up the existing subscriber base and STC continues that expansion to cover 4G (STC-My Link, 2012). The licensing of a third mobile operator and three new fixed-line operators in early 2007 should urge STC to raise its readiness and competitiveness and should help sustain growth across all sectors (Rasmala Report, 2011). It is expected that that market will witness a growth of 3.5G, with some 3 million users expected in first full year of operation (CITC Online, 2012).

Threats

Mobily is eating into STC's mobile market share which reported 8.7 million subscribers in 2011 up from 2.3 million in 2005 (Mobily Online, 2011). The increased competition in mobile and data segments will oblige STC to cut prices to remain competitive, thereby reducing profit margins (CITC Online, 2012). As mobile phone growth continues at a steady pace, migration away from the fixed-line market could speed up, leading to stagnation (Forbes, 2011).

Appendix 7: STC has been listed in the Guinness World Records

As the most football teams to be sponsored by one institution simultaneously are 12. The record was achieved by Saudi Telecom which sponsored the jerseys of all the teams of the First Division in Saudi Arabia, on September 2006

Guinness Online (2013). Most football teams sponsored by one institution: Guinness World Records [Online] retrieved on 22 January 2013 from: http://www.guinnessworldrecords.com/records-5000/most-football-teams-sponsored-by-one-institution-simultaneously/

Appendix 8: Researcher Autobiography (CV)

Qualifications:

- PhD research Student at University of Bedfordshire, 2010-2013.

- Graduate Preparation Diploma (GPDip) in Marketing, Oxford Brookes University, 2009.

- Master of Science Degree in Urban and Regional Planning, King Abdul-Aziz University (KAAU), 2005.

- Bachelor of Science Degree in Architecture from College of Environmental Design, King Abdul-Aziz University (KAAU), 1998.

Last Job Title:

- Consultant in the VP Office. Saudi Telecom Company (STC), Personal Sector, 2010.

- Content and Partnership Department Manager (LBS- Short Codes - SDP - My Back up - Aljawal Modem - Voice SMS - Member of 2008 New Initiatives Team). STC, 2008-2010, at Strategic Marketing Planning, Riyadh.

Status:
- Married – with 3 Children.

Job History (Career):

• Senior Service Marketing Manager at Strategic Marketing Planning - Saudi Telecom Company (STC).	**12/07/2008** **01/02/2006**
• Chief of Control Department at Outside Network Sector. STC, Jeddah.	**01/02/2006** **27/10/2001**
• Acting manager of Engineering network Department. STC, Jeddah.	**09/11/2004** **06/11/2004**
• Acting manager of Engineering network Department. STC, Jeddah.	**05/08/2004** **17/07/2004**

- Chief of Maintenance Contractors at Installation and Repair Department. STC, Jeddah. **27/10/2002 27/05/2001**

- Acting manager of Support at Installation and Repair Department. STC, Jeddah. **24/11/2001 19/11/2001**

- Acting manager of Support at Installation and Repair Department. STC, Jeddah. **21/12/2001 13/12/2001**

- Supervisor of Maintenance Contractors at Installation and Repair Department. STC, Jeddah. **27/05/2001 28/11/2000**

- Design Engineering in Building Project Department. STC, Jeddah. **28/11/2000 15/07/2000**

- Supervisor of Engineering and Design department (Jeddah), Saudi Real Estate Development Company (SREDCO). **25/07/2000 28/06/1999**

- Assistant Site Manager of Mannar Project (87 Villas at Jeddah), SREDCO. **07/10/1999 09/02/1999**

- Acting manager of Mannar Project Sales and Marketing Department (87 Villas at Jeddah), SREDCO. **19/08/1999 01/08/1999**

- Architect Design Engineering in Engineering and Design department (Jeddah), SREDCO. **08/02/1999 20/07/1998**

- **Dealing with International Consultant Offices for several projects for SREDCO as the following:** **25/07/2000 20/07/1998**

  1. Franco Adriato (Italian Architects Group), Italy.
  2. Michel Graves (American Architects Group), USA.
  3. Caravan Architectures group (Dr. Abdul-Haleem Ibrahim), Egypt.
  4. BENOY - Architects and Designers, UK.
  5. Wimberley Allison Tong and Goo (WAT), USA**.**
  6. V3 International Group**;** Project Management, Architects, Planners and Consultants**,** England.

International Experience:

- Interactive Services Coordinator. Al-AlMIA and ANN TV. London, UK January 2010- January 2011
- Seminar Lecturer, for Global Marketing Module. University of Bedfordshire. Luton, UK, February 2011- June 2012
- Quality Side Ltd. Public Relationship. Oxford, UK, Dec 2011- Jan 2013

- Saudi Students Representative; and the Saudi Students Club Manager in Oxford, UK. October 2011- November 2012

Activities and Committees:

⬩ Member of access net work merging control Commit at Outside Network Sector. STC, Jeddah.	**20/02/2005**
⬩ Strategic Planning Member, for Higher Education Sector Developing Committee in KAAU	**05/05/2005** **03/05/2005**
⬩ Member of High education Student Consultation Commit in KAAU.	**15/06/2005** **11/09/2004**
⬩ Manager of the Team members of Access Landline Network Project Acceptance Team, STC.	**31/06/2004** **31/05/2003**
⬩ Chief of Held-Older data analysis and Processing Commit at Outside Network Sector. STC, Jeddah.	**15/11/2003** **19/08/2003**
⬩ Chief of Held-Older data analysis and Processing Commit at Outside Network Sector. STC, Jeddah.	**18/08/2003** **07/08/2003**
⬩ Member of access network Project acceptance team.	**30/06/2002** **28/01/2001**

Won the First Prize in deferent Competitions in KAAU, International unvisited level and consultant companies such as:	**01/01/2002** **15/12/1998**

- ⬩ Pilgrim's Housing Design.
- ⬩ Design Coast Guard institutive in Jeddah.

Professional Training Courses List:
- Project Management. STC, 2005
- Advance Project management. STC, 2005
- Planning and follow up Implementation. STC, 2006
- Affective Managerial Supervision. STC, 2006
- Affective Managerial Leadership. STC, 2007
- Build and Manage Team Work. STC, 2007
- Time and Meeting Management. STC, 2008

- Project Manager. STC, 2008
- High Performance Management from Harvard School. STC, 2008
- The Professional Marketing for Telecom Industry Training Program (by International Consulting Bureau – ICB), an intensive series of training seminars in the following:
  - Marketing in A deregulated and competitive telecom industry, 4-6 November 2006.
  - From CRM to CMR: Customer managed relationships in the telecom industry, 9-11 December 2006.
  - Managing telecom marketing project, 12-14 February 2007.
  - Marketing feasibility for telecommunication services and marketing portfolio and sales analysis, 7-11 July 2007.
  - New Services Development (NSD), for competitive advantage in telecom industry, 27-31 October 2007.
- Ericsson MSDP Marketing Seminar. Ericsson, 2nd December 2007.

Academic Training Courses List:

1- Negotiating Influencing skills - The 4th Saudi Scientific International Conference (SIC 2010) - University of Manchester. 29th July 2010.

2- Teamwork and leadership development - (SIC 2010) - University of Manchester. 30th July 2010.

3- Starting your Research Degree (PhD). Research Graduate School, University of Bedfordshire, 8th October 2010.

4- Introduction to SPSS – Statistical Software for the Social Sciences. Research Graduate School, University of Bedfordshire, 20th October 2010.

5- The Examination Process. Research Graduate School, University of Bedfordshire, 26th October 2010.

6- Ethics. Research Graduate School, University of Bedfordshire, 3th Nov 2010.

7- Introduction to Research Methods I, (Quantitative Vs Qualitative). Research Graduate School, University of Bedfordshire, 10th November 2010.

8- Introduction to Research Methods II. Research Graduate School, University of Bedfordshire, 17th November 2010.

9- Questionnaire Design. Research Graduate School, University of Bedfordshire, 24th November 2010.

10- The Transfer Process. Research Graduate School, University of Bedfordshire, 1st December 2010.

11- Research outputs. Research Graduate School, University of Bedfordshire, 8th December 2010.

12- Examining differences and relationships between groups or conditions. Research Graduate School, University of Bedfordshire, 26th January 2011.

13- Thesis Preparation. Research Graduate School, University of Bedfordshire, 9th February 2011.

14- Personal Development Planning Workshop. Research Graduate School, University of Bedfordshire, 16th February 2011.

15- Facilitating Focus Groups. Research Graduate School, University of Bedfordshire, 23rd February 2011.

16- Oral Presentations. Research Graduate School, University of Bedfordshire, 9th March 2011. Interview Techniques.

17- Research Graduate School, University of Bedfordshire, 23rd March 2011.

18- Qualitative Research I. Research Graduate School, University of Bedfordshire, 6th April 2011**.**

19- Qualitative Research II. Research Graduate School, University of Bedfordshire, 13th April 2011.

20- Preparing a Research Poster. Research Graduate School, University of Bedfordshire, 4th May 2011.

21- Networking for Success in Modern Business - The 5th Saudi Scientific International Conference (SIC 2011) - University of Warwick. 24 June 2011.

22- Leading in the Modern Business World Managing and Motivating - (SIC 2011) - University of Warwick. 24 June 2011.

23- Mind Mapping Workshop - (SIC 2011) - University of Warwick. 25 June 2011.

24- Research Design - (SIC 2011) - University of Warwick. 25 June 2011.

25- Excellence in Relations Management. Oxford Business College, 21 July 2011.

26- Questionnaire Design and Quantitative Data Analysis - Quality Side Co. - Oxford Brookes University. 25 February 2012.

27- Professional Developing Diploma in Project Management – March 2012.

28- Develop professional communication skills. Oxford Business College, 22 April 2012.

29- Develop Critical Thinking Skills. Oxford Business College, 06 May 2012.

30- Developing the Communication Skills in Dialogue. Oxford Business College, 14 July 2012.

31- Map Mind for Professionals by *Tony Buzan*, 11 October 2012 in the Sixth Saudi Scientific International Conference (SIC 2012), University of Brunel.

32- Leap Start-up workshop - (SIC 2012) - University of Brunel, 12 October 2012.

National/ Regional Conferences Attended:

1- The 4th Saudi International Conference (SIC 2010), University of Manchester, 29-31 July 2010

2- The 5th Saudi International Conference (SIC 2011), University of Warwick, 23-26 June 2011

3- Global and Cross-Cultural Management, 13-18 June 2011 in Maastricht University

4- University of Bedfordshire Conference 2011 (UoB2011), 5-6 July 2011.

5- PS Public Service Events, 29 September 2011. The Barbican, London.

6- *University of Bedfordshire Conference* - (UoB 2012), 3-4 July 2012

7- *Academy of Marketing Conference* - (AM 2012), 3-5 July 2012: p.69. University of Southampton, Southampton Management School

8- The 6th Saudi Scientific International Conference (SIC 2012), University of Brunel 11-14 October 2012.

9- GITEX Technology Week 16-18 October 2012, Dubai World Trade Centre.

Papers Published:

1- Implementing Location Based Services (L.B.S): Application on Communication Sector in KSA

2- The impact of Cross-Culture differences on B2B and international co-creation strategy: a case study of Saudi Telecom Company [STC]

3- Implementing Location Based Services (L.B.S): Application on Communication Sector in KSA

4- A case study of Saudi Telecom Company [STC]: An exploration of the role of culture in the building of B2B relationships in the Saudi Telecom Market.

5- An exploration of the role of culture in the building of B2B relationships: Saudi Telecom partners' perspectives.

Posters Given:

1- Implementing Location Based Services (L.B.S) in Saudi

   Telecommunication Sector

2- The impact of Cross-Culture differences on B2B and international co-creation strategy: a case study of Saudi Telecom Company [STC]

3- Implementing Location Based Services (L.B.S): Application on

   Communication Sector in KSA

4- A case study of Saudi Telecom Company [STC]: An exploration of the role of culture in the building of B2B relationships in the Saudi Telecom Market.

5- A case study of Saudi Telecom Company [STC]: An exploration of the

   role of culture in the building of business-to-business relationships.

Rewards/Awards:

Baghdadi, W. (2012). A case study of Saudi Telecom Company [STC]: An exploration of the role of culture in the building of B2B relationships in the Saudi Telecom Market. This poster has won as the best poster submitted in the Saudi Scientific International Conference 2012, University of Brunel 11-14 October 2012. Proceeding Book; Abstract of Conference paper and Poster, p. 71 and p. 349

Publications:

Baghdadi, W. (2005). Location Based Services (LBS) Applications in Saudi Arabia: new services with high earning potential. *Saudi Telecom*: Internal, Specialized Monthly Magazine of STC. Issue 67, Ramadan 1426 (October 2005), pp. 58-59

Baghdadi, W. (2006). LBS services: what next? *Saudi Telecom*: Internal, Specialized Monthly Magazine of STC. Issue 73, Rajab 1427 H (August 2006), pp. 54-56

Baghdadi, W. (2010). Implementing Location Based Services (L.B.S): Application on Communication Sector in KSA. *The 4th Saudi International Conference-SIC2010,* the University of Manchester, 30 - 31 Jul 2010, Submission 41 [ICT]

Baghdadi, W. (2011a). Implementing Location Based Services [LBS]: Applications on Telecommunication Sector in Saudi Arabia; a case study of Saudi Telecom Company [STC]. *The 5ᵗʰ Saudi International Conference- SIC2011:* 23ʳᵈ -26ᵗʰ June 2011- WMG, the University of Warwick, Coventry, UK, (ISBN 978-0-9569045-08), pp. 109-110

Baghdadi, W. (2011b). The impact of Cross-Culture differences on B2B and international co-creation strategy: a case study of Saudi Telecom Company [STC]. *The 5ᵗʰ Saudi International Conference- SIC2011:* 23ʳᵈ -26ᵗʰ June 2011- WMG, the University of Warwick, Coventry, UK, (ISBN 978-0-9569045-08), pp. 79-80

Baghdadi, W. (2011c). The impact of Cross-Culture differences on B2B and international co-creation strategy: a case study of Saudi Telecom Company [STC]. Abstract no.5; *The 5th Saudi International Conference- SIC2011:* 23rd -26th June 2011- WMG, the University of Warwick, Coventry, UK, (ISBN 978-0-9569045-08), pp. 59-60

Baghdadi, W. (2012a). A case study of Saudi Telecom Company [STC]: An exploration of the role of culture in the building of B2B relationships in the Saudi Telecom Market. This poster has won as the best poster submitted in the Saudi Scientific International Conference 2012, University of Brunel 11-14 October 2012. Proceeding Book; Abstract of Conference paper and Poster, p. 349

Baghdadi, W. (2012b). A case study of Saudi Telecom Company [STC]: An exploration of the role of culture in the building of B2B relationships in the Saudi Telecom Market. A paper was submitted in the Saudi Scientific International Conference 2012, University of Brunel 11-14 October 2012. Proceeding Book; Abstract of Conference paper and Poster, p. 71

Baghdadi, W. and Farquhar, J. (2011). Impact of Cross-Cultural on business-to-business relationships: a case study of Saudi Telecom Company. *University of Bedfordshire Conference - UoB 2011*: 5th -6th July 2011- Research Poster Exhibition –RP9, Luton Campus, Park Square

Baghdadi, W. and Farquhar, J. (2012a). A case study of Saudi Telecom Company [STC]: An exploration of the role of culture in the building of business-to-business relationships. *University of Bedfordshire Conference - UoB 2012*: 3rd -4th July 2012- Research Poster Exhibition. Luton Campus, Park Square

Baghdadi, W. and Farquhar, J. (2012b). An exploration of the role of culture in the building of B2B relationships: Saudi Telecom partners' perspectives. Paper submission number (0200), *Academy of Marketing Conference – AM2012*: 3rd – 5th July 2012: p.69. University of Southampton, Southampton Management School, available [online] link: http://marketing.conference-services.net/resources/327/2958/pdf/AM2012_0200_paper.pdf

Baghdadi, W. and Farquhar, J. (2013). Cross-cultural Insights into B2B Relationship Marketing: A case study approach with Special Reference to Saudi Telecom Company. Paper submission number (087), *Academy of Marketing Conference – AM2013*: 8th – 11th July 2013: p.52. University of South Wales. [online] retrieved on 28th October 2013 from: http://marketing.conference-services.net/resources/327/3554/pdf/AM2013_0087_paper.pdf

Mikael Søndergaard, Geert Hofstede, Waheed Baghdadi (the researcher), Michael
Minkov, and Mark F. Peterson.
Global and Cross-Cultural Management, 13-18 June 2011 in Maastricht University.
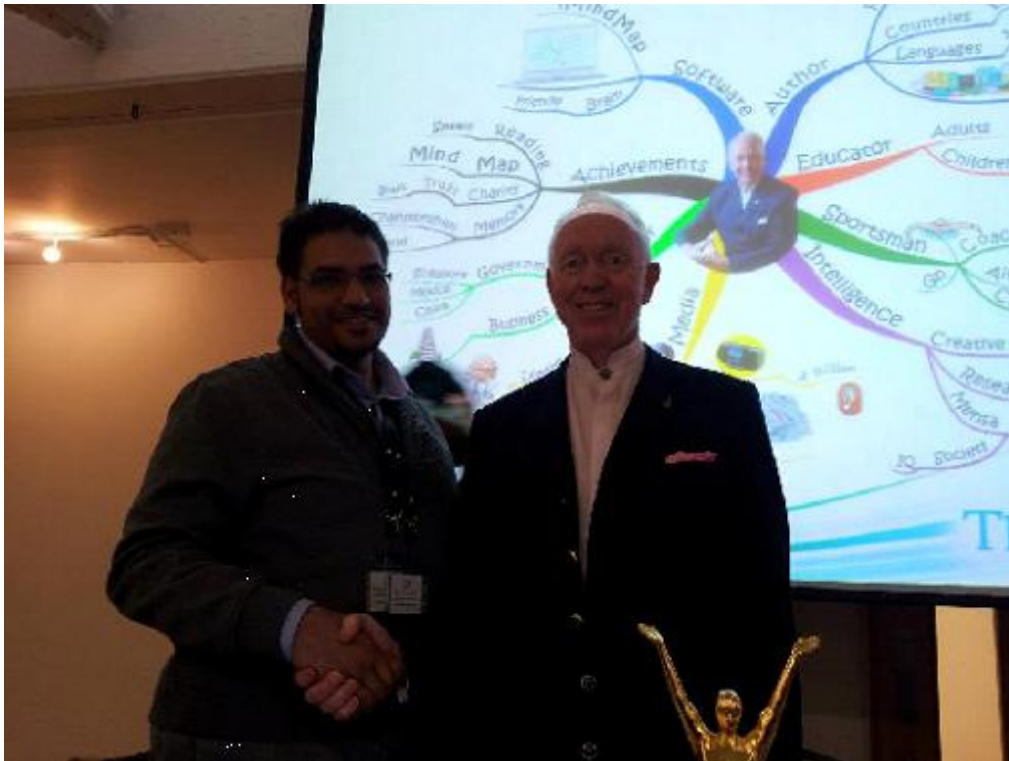
The researcher with Tony Buzan at the Saudi Scientific International Conference
in October 2012 at the University of Brunel.

Waheed Baghdadi of Saudi Arabia, Congratulations on your 2013 nomination

From: **Who's Who Selection Committee** (MarquisWhosWho@informausa.com)
Sent: Wednesday, March 13, 2013 9:02:09 PM
To: wbaghdadi.uk@hotmail.com

W H O ' S   W H O   I N   T H E   W O R L D

CONGRATULATIONS
on your nomination!

Dear Waheed Baghdadi,

I am the editor-in-chief of **Who's Who in the World** and I have received your name through a private nomination process. I'm writing to ask if you would provide us with information about your personal and professional accomplishments for possible inclusion in the forthcoming 31st Edition.

Inclusion in **Who's Who in the World** is a sign of true success. The book is a global reference source relied upon by universities, libraries, corporations, and governments around the world.

Like LinkedIn, Wikipedia, and Facebook, it costs you nothing to be included in **Who's Who in the World**. But unlike those resources, our books only contain biographies that meet our rigorous selection criteria (see below). Also, our books are available both online and in print and are used by the world's most respected institutions. So among other things, **Who's Who in the World** provides all the benefits of high quality networking. Many people put this recognition on their résumés or CVs.

Please click this link to the Who's Who in the World Biography Submission Form and you will be taken to our password-protected site. The submission process takes only a few minutes, and the benefits of being included are significant.

Congratulations on being nominated!

Sincerely,

Fred Marks
Editor-in-Chief, *Who's Who in the World*

DEADLINE:
APRIL 1, 2013

The researcher was nominated of Saudi Arabia to Who's Who in the World

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Title: The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)

This official letter is from the Royal Embassy of Saudi Arabia, Cultural Bureau, allowing the researcher to collect his proposed data and to do any required in-depth interviews.

بسم الله الرحمن الرحيم

مدينة الملك عبدالعزيز
للعلوم والتقنية KACST
(١٦١)

No الرقم: ٢٤/١٠١٩٣٢ خ
Date التاريخ: ١٦ / ١١ / ١٤٢٩هـ
End المرفقات:
(٧٠٠٨٧٥٢١٦)

سعادة / الملحق الثقافي في بريطانيا   حفظه الله

السلام عليكم ورحمة الله وبركاته ،،،

أفيد سعادتكم بموافقة المدينة على الإشراف على المبتعث / وحيد بن إبراهيم بغدادي أحد مبتعثي
وزارة التعليم العالي لمرحلة الدكتوراة خلال مراحل الرحلات العلمية للمملكة ، حيث تم ترشيح سعادة
الـدكتور / حاتم بن محمد بحيري للقيام بعملية الإشـراف على المـذكور بالبرنـامج الـوطني
للإلكترونيات والاتصالات والضوئيات ، على أن لا يترتب على ذلك أي التزامات مالية على المدينة .

وتفضلوا بقبول خالص التحية والتقدير ،،،

المشرف على إدارة التطوير الإداري

سعود بن محمد البتال

This official letter is from the King Abdul-Aziz City for Science and Technology (KACST) to the Royal Embassy of Saudi Arabia, Cultural Bureau, accepting supervision of all data collection stages in Saudi Arabia.

This internal letter by King Abdul-Aziz City for Science explains who is going to supervise the data collection stages, Dr. Hatim Al-Buhairi, who is the supervisor and the Academic reporter of KACST to the Royal Embassy of Saudi Arabia.

Title: The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)

Another internal letter from KACST asking for approval from the VP Researches Centre in King Abdul-Aziz City for Science (KACST) to approve supervising the data collection.

University of Bedfordshire
Bedford and Luton

Date: 28th February 2012

Student Name: Waheed Ibrahim M Baghdadi
Student Ref: 0925122
Nationality: Saudi
Birth date: 24th March 1975
Mode of study: Full time   **Campus:** Luton
Director of Studies: Prof Jillian Farquhar

To Whom It May Concern,

In Royal Embassy of Saudi Arabia Cultural Bureau in London
630 Chiswick High Road, London
W4 5RY

Dear Sir /Madam

I am writing to state that I have arranged with my research student Mr. Waheed Ibrahim M Baghdadi that he will be undertaking the fieldwork for his PhD in the Kingdom of Saudi Arabia on his final stage a period of three Months 01/08/2012 to 01/11/2012

Mr. Baghdadi research is about '**Communication, Culture and Media: a case study of Saudi Telecom Company [STC]**'

He needs to go to Saudi Arabia to collect the required data for his research from different sources as sampled from; Saudi Telecom Company (STC), Zain and Mobily, and their partners, also, he need he need to do an interview some managers and to find some date belong to their strategies and future B2B relationship from Communications and Information Technology Commission (CITC).

His direct supervisor approves these arrangements and considers they are critical to his research.
In case of any query, please do not hesitate to contact her by email: Jillian.Farquhar@beds.ac.uk

Yours faithfully,

Jillian Farquhar
Director of Studies
University of Bedfordshire
Luton
LU1 3JU

This official letter is from the University of Bedfordshire to get data collection trip approval from the Royal Embassy of Saudi Arabia.

Title: The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)

Annual Leave letter from the University of Bedfordshire submitted to the British Home Office if required at Heathrow Air Port.

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Title: The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)

DOME
The Doctoral programme in Organization and Management Education
www.dome.asb.dk

CERTIFICATE OF COMPLETION

This is to certify that

Waheed Baghdadi

has successfully completed the DOME course:

Global and Cross-Cultural Management

(5 ECTS)

Maastricht University, 13-18 June 2011

Coordinators:
**Associate Prof. Mikael Søndergaard, Aarhus University &
Prof. Martin Carree, Maastricht University**

17/08/11
Date

Professor John P. Ulhøi (Head of Programme)

AARHUS
UNIVERSITET

AALBORG UNIVERSITET

RUC
Roskilde Universitet

SYDDANSK UNIVERSITET

The researcher met Geert Hofstede in this conference, Global and Cross-Cultural
Management, 13-18 June 2011 in Maastricht University.

Baghdadi, W. and Farquhar, J. (2012). An exploration of the role of culture in the building of B2B relationships: Saudi Telecom partners' perspectives. Paper submission number (0200), *Academy of Marketing Conference – AM2012*: 3rd- 5th July 2012: p.69. University of Southampton, Southampton Management School, available [online] link: http://marketing.conference-services.net/resources/327/2958/pdf/AM2012_0200_paper.pdf

Title: The Role of Cross-cultural B2B Relationship Marketing: an investigation of Saudi Telecom Company (STC)

CAM Student wins Best Poster Award at Saudi Scientific Conference,
News in brief Centre for Advances in Marketing, October 2012 [online], from:
http://www.beds.ac.uk/research/bmri/centres/cam/news