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## **Betrayal in buyer-seller relationships:**

**Exploring its causes, symptoms, forms, effects, and therapies**

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## **Betrayal in buyer-seller relationships:**

### **Exploring its causes, symptoms, forms, effects, and therapies**

#### **Abstract**

Building on literature in social psychology that discussed betrayal in interpersonal relationships, this article explored betrayal in buyer-seller relationships using data collected from a survey conducted among 109 buyers and 115 sellers in the USA. The results indicated that betrayal was a complex, multifarious, and dynamic phenomenon, consisting of a sequence of phases, namely causes, symptoms, forms, consequences, and therapies, with multiple issues being involved at each phase. Our study also revealed that the views of buyers differed from those of sellers in terms of how various relational characteristics contributed to the emergence of betrayal episodes, what behavior and attitudes helped to diagnose partner betrayal, in which forms the betrayal acts were manifested, how the victims of betrayal felt, and how betrayal problems could be handled in a working relationship. In fact, the various dimensions in each of the betrayal phases examined were consistently more frequently mentioned by buyers than sellers.

**Keywords:** Betrayal; relationship dark-side; buyer-seller relationships

## Betrayal in buyer-seller relationships:

### Exploring its causes, symptoms, forms, effects, and therapies

#### Introduction

Throughout the history of humankind, betrayal has been recorded as a recurrent, unethical, and harmful phenomenon influencing many different aspects of life such as political, social, and interpersonal. Unavoidably, betrayal is also inherent in business relationships, as in the case of relationships between buyers and sellers. It is essentially a breaking of the 'rules of the game' that govern a working relationship, whereby various implicit and explicit norms and expectations of honesty, decency, and fairness are violated (Hannon, Rusbult, Finkel, & Kamashiro, 2010). These norms and expectations are even more evident in close relationships, where one party believes that the other is sufficiently reliable, faithful, and trustworthy (Rachman, 2010). Betrayal denotes that the offending party no longer cares about or values the relationship, while the betrayed party feels hurt, devastated, and disappointed (Fitness, 2001). As a result, it can put the integrity and performance of the relationship at risk, while, in some cases, it may also lead to its termination (Jones & Burdette, 1994).

The commercial press has frequently reported cases of betrayal acts from either a seller's or a buyer's perspective. For example, *Volkswagen* dealers expressed their feelings of having been betrayed by the car manufacturer after learning about the diesel engine software manipulation, which also led to the loss of trust from their own customers (CNBC, 2015). In another case, *Toyota's* suppliers felt betrayed when Toyota kept asking for lower and lower prices for supplies despite the bad financial conditions. In Japan this implied a breach of the social contract

whereby big paternalistic companies normally shared their wealth with business partners in good times and helped them in bad times (*The New York Times*, 2010). Also, retailers selling Fender guitars felt betrayed when *Fender* started selling directly to consumers online, which increased competition and led to lower prices at the expense of its brick-and-mortar retailers, who created significant value for Fender (*Los Angeles Times*, 2015). Further, *Beautiful Jewellers Private (BJP) Limited* sued *Tiffany & Co* for breach of contract and deceptive practices, while *Next Step Medical Co.* complained that its exclusive distributorship with *Johnson & Johnson International* had been violated.

There are hints in the literature that the views of buyers and sellers may differ due to variations in roles, objectives, and motivation. For example, (a) while sellers want to maximize selling prices to achieve higher profit margins, buyers want to minimize the cost of their purchases; (b) while sellers seek a substantial and reliable sales volume to utilize production capacity and achieve scale economies, buyers want to secure a stable purchase flow that will avoid product shortages; (c) while sellers avoid product adaptations to reduce production run costs, buyers want these adaptations at the lowest possible cost in order to conform to market needs and be competitive; (d) while sellers prefer longer-term contracts for larger quantities to maximize production efficiency, buyers like short-term orders for a smaller number of goods, so as to adjust more quickly to changing market demands; and (e) while sellers want shorter payment terms to improve their cash flow, buyers prefer extended credit terms to facilitate their financing and cope with liquidity problems (Cox, 2004; Donohue & Taylor, 2007; Ford, Gadde, Håkansson, & Snehota, 2011; Long, Malitz, & Ravid, 1993).

In view of the above differences between sellers and buyers, one would assume that there are also differences in the way they perceive betrayal-related issues in their working relationships. For example, buyers are more likely to betray due to dissatisfaction because they believe that it is the seller's responsibility to satisfy the buyers and not *vice versa* (Goolsby, 1992). Also, buyers usually assume that the sellers are perfectly replaceable, thus providing them with a more discretionary role in the relationship, which may lead to betrayal (Spekman, Kamauff, & Myhr, 1998). Moreover, buyers are expected to express more intense feelings after an incident of betrayal and to proceed with more aggressive actions due to the fact that they usually assume the role of the recipient of promises, which inevitably heightens their expectations (Belasco, 1966; Walker, Churchill, & Ford, 1975). Furthermore, more buyers than sellers are expected to seek restoration of trust after betrayal because of the need to avoid interruption in their operations due to product shortages (Walter, Müller, Helfert, & Ritter, 2003).

Betrayal is more likely to arise in transactional rather than collaborative relationships, mainly because, compared to the latter, the former are characterized by more opportunistic actions, limited solidarity, and lack of understanding (Fitness, 2001). In addition, the more the cultural, institutional, and social distance separating buyers from sellers, the greater the likelihood of the appearance of betrayal incidents in a working relationship (Katsikeas, Skarmeas, & Bello, 2009). Betrayal signifies a violation of what is proper and moral in a relationship and can take various forms, such as engaging in deception, disclosing confidential information, failing to render assistance sought, and maintaining a parallel illegitimate relationship (Rachman, 2010). Betrayal indicates that, compared to the betrayed party, the betrayer acts in a way that favors only its own interests, regards

its needs as more important, and cares very little about the prosperity and future of the relationship (Fitness, 2001). Betrayal can be intentional or unintentional, overt or covert, and intensive or mild (Elangovan & Shapiro, 1998; Mattingly, Wilson, Clark, Bequette, & Weidler, 2010). It has a systemic effect, in the sense that its consequences can capture almost every aspect of the relationship.

Hence, understanding betrayal in buyer-seller relationships is of paramount importance on three major grounds: (a) betrayal is expressed in terms of moral violations and deviations from established norms underlying a business relationship, which can have disastrous consequences, not only for the vulnerable party, but for the performance of the business relationship as a whole (Kowalski, Walker, Wilkinson, Queen, & Sharpe, 2003); (b) betrayal poses a threat to the continuation of the relationship, which means that the time and effort devoted to the business relationship is lost, and that enormous costs need to be invested to find new reliable partners (Jones & Burdette, 1994); and (c) betrayal has social implications beyond the buyer-seller dyad, with the betrayed party losing self-esteem, and the betrayer having a tarnished reputation in the broader business community (Kowalski, 2001).

The purpose of this article is to identify, assess, and analyze the causes, symptoms, forms, effects, and therapies of betrayal in buyer-seller relationships, as well as to identify possible differences in the views of buyers and sellers about betrayal episodes. Although there is a rich conceptual and empirical basis for the betrayal phenomenon in the area of social psychology, the entire betrayal process has not been investigated in a holistic manner in the past. Surprisingly, despite the plethora of studies on the subject (especially with regard to marital studies), no previous

effort has been made to place the various issues relating to betrayal in an integrated fashion, nor to identify perceptual differences between the interacting parties.<sup>1</sup>

The remainder of the study is organized as follows: first, the theoretical context of the study, which is anchored on the social exchange theory, is examined. Subsequently, the study discusses the conceptual framework based on input derived from the social psychology field, where the phenomenon of betrayal has been extensively studied. Then, the methodology employed to carry out the empirical study is analyzed. The next section reports and analyzes the results of the study, which are divided into five sub-sections, each dealing with the causes, symptoms, forms, effects, and therapies of betrayal. In the last section, conclusions are derived from the analysis, and implications for both buying and selling organizations are offered.

### **Theoretical background**

Social exchange theory indicates that inter-organizational relationships include several important characteristics such as tangible and intangible exchange elements, interdependencies of resources and activities, financial and temporal relational investments, socio-economic and legal bonds, mutual expectations, and financial, contractual and ethical obligations (Blau, 1964; Foa & Foa, 1974; Homans, 1958). Relational parties engage in interdependent social interactions, which have the potential to produce high quality inter-firm relationships as long as parties comply with the rules of social exchange such as reciprocity (Blau, 1964; Cropanzano & Mitchell, 2005). Social exchange involves one party voluntarily delivering a benefit

to another party, which incurs obligations for the latter to reciprocate by producing some benefit (Whitener, Brodt, Korsgaard, & Werner, 1998).

The nature and content of mutual obligations of social exchange are specified in the psychological contract between interacting parties (Robinson & Morrison, 1995). A psychological contract is a set of beliefs held by one party concerning reciprocal obligations or terms of an exchange agreement with another party (Morrison & Robinson, 1997; Robinson & Morrison, 1995). Such obligations are grounded on perceived promises and they may or may not be shared by all interacting parties (Morrison & Robinson, 1997; Rousseau, 1989), which makes psychological contracts both subjective and unilateral (Rousseau, 1989). Psychological contracts are breached when one party recognizes that the other partner has failed to fulfill its obligations in a way that is disproportionate to the former's contributions (Morrison & Robinson, 1997).

Engaging in a betrayal act constitutes a violation of the psychological contract between a buyer and a seller. In fact, the gap generated between the promises of the partner and what the partner actually delivers through betrayal creates an imbalance in the working relationship (Suazo, 2011). The imbalance in the exchange process, in turn, generates the motivation to re-establish the balance, which may take the form of negative attitudes and behavior (Suazo, 2011; Suazo, Turnley, & Mai-Dalton, 2005). Such breaches of the psychological contract in buyer-seller relationships are found to lead to adverse emotional- (e.g., lower satisfaction), behavioral- (e.g., intention to terminate the relationship), and performance-related (e.g., lower relational performance) consequences (e.g., Griffith & Zhao, 2015; Lusch, Brown, & O'Brien, 2011).

Although the violation of the psychological contract due to betrayal represents a failure to reciprocate one party's contributions in a way that the former expected, this violation damages the relationship beyond the unfulfilled expectations (Rousseau, 1989). For example, trust, which was developed as a result of beliefs on the reciprocation of contributions, is violated (Rousseau, 1989). Moreover, feelings of anger, frustration, and bitterness are generated (Morrison & Robinson, 1997; Robinson & Morrison, 2000), while the victim also realizes that the relationship which means so much to it, means much less to the instigator (Kowalski, 2003). Furthermore, some relationships come to an end after betrayal, and even if they continue, are characterized by mistrust, suspicion, and ill-will (Jones, Moore, Schratte, & Negel, 2001). All these outcomes of betrayal make the restoration of the relationship very difficult, if not impossible.

### **Developing the conceptual framework**

To identify the causes, symptoms, forms, effects, and therapies of betrayal in buyer-seller relationships, a five-step approach was undertaken which resulted in the conceptual framework shown in **Figure 1**. Based on this, the causes of inter-firm betrayal include dissatisfaction, lack of communication, absence of commitment, inter-partner incompatibility, possession of excessive power by one of the partners, and constant conflict in the relationship. Inter-firm betrayal can be diagnosed if the partner sinks into apathy, tells lies, becomes unusually angry and critical, implies that the relationship is ending, and undergoes extreme stress. Inter-firm betrayal can take the forms of infidelity, deception, withholding critical information, taking advantage of the partner, breaking promises, failing to honor contracts, and making confidential information available to third parties. Betrayal may result in the loss of trust, creation

of anger, disappointment, intention to dissolve the relationship, imposition of punishment, acts of revenge, or forgiveness directed at the perpetrator. Betrayal can be healed when partners re-establish realistic expectations from each other, redefine the relationship on more solid rules and norms, rebuild trust in the relationship, provide a conflict resolution mechanism, formally clarify roles and responsibilities in contracts, and offer accommodation.

...insert Figure 1 here...

The specific steps followed to develop the conceptual framework were the following. *First*, two independent experts, who received rigorous training on the study objectives, conducted a comprehensive review of the pertinent literature on betrayal within the context of social psychology, particularly that of marital relationships, resulting in an extensive list of issues referring to the betrayal phenomenon which could be transferred to buyer-seller relationships (Hunt & Menon, 1995).

*Second*, the concepts identified were classified into categories based on previous reviews of the literature (e.g., Allen, Atkins, Baucom, Snyder, Gordon, & Glass, 2005), established theories (e.g., Drigotas & Barta, 2001), and various typologies developed by researchers in the field (e.g., Shackelford & Buss, 1997). This has resulted in establishing five different categories of betrayal, namely causes, symptoms, forms, effects, and therapies, resembling the various phases of how a problematic situation is developed and treated.

*Third*, discussions with academics with expertise in buyer-seller relationships were subsequently held to assess the transferability of these betrayal issues to a business context, taking into consideration the similarities and differences between inter-personal relationships and inter-organizational relationships (Hunt & Menon,

1995). The same group of academics was also asked to verify the categorization of these issues into the five phases of the betrayal process established earlier.

*Fourth*, both the categorization and content of the various betrayal issues were finalized in brainstorming sessions with managers, who gave their own views on actual applicability to real-life business situations. These sessions were held separately for managers in buying and selling organizations and centered on the workability of the metaphoric transfer from interpersonal to inter-organizational relationship (Bantham, Celuch, & Kasouf, 2003).

*Finally*, the framework was augmented by additional input derived from the buyer-seller relationships literature. In particular, our focus was on various dark side dimensions, such as opportunism, suspicion, and contract breach, (e.g., Hunter, Gassenheimer, & Siguaw, 2011; Katsikeas et al., 2009; Lusch et al., 2011), their antecedents and outcomes (e.g., Hibbard, Kumar, & Stern, 2001; Tsiros, Ross, & Mittal, 2009), and the role of various precautionary and combative mechanisms (Anderson & Jap, 2005; Dant & Gleiberman, 2011).

## **Research method**

A specially designed study was conducted to explore the betrayal issues in buyer-seller relationships. The sampling frame comprised 1,000 buyers and 1,000 sellers from various locations and industrial sectors in the United States, which were randomly selected from the Dun & Bradstreet directory. An eligibility criterion for the selection of the participant firms was to have minimum annual sales revenue of \$10 million and employ more than 1,000 persons.<sup>2</sup> All firms were electronically contacted to explore the possibility of taking part in the study. Of these, only 457 buyers and 485 sellers were eligible to participate in the study, while the

questionnaire was completed by 113 (27.3% response rate) and 125 (25.7% response rate) of the firms respectively. Some of the returns were only partially filled in, which resulted in only 109 buyers' questionnaires and 115 sellers' questionnaires being useful for statistical analysis.

The questionnaire comprised a series of closed-ended questions, referring to the causes, symptoms, forms, effects, and therapies of betrayal in the working relationship with their buyers or sellers. All questions contained in the questionnaire were designed having in mind the structure of the conceptual framework developed, based on the procedures that were explained earlier. Each question was asking the respondent to ascertain whether the various betrayal dimensions contained existed or not (i.e., dichotomous scale) in their working relationships with sellers/buyers. Respondents were allowed to select as many alternatives associated with betrayal dimensions as possible.<sup>3</sup> The questionnaire also contained a section referring to the profile of the responding firm (e.g., years in business, number of employees, sales turnover), while in another part respondents could provide qualitative information on betrayal incidents encountered in their working relationship with their buyers or sellers.<sup>4</sup> At the very end of the questionnaire, a series of questions assessed key informant suitability, in terms of familiarity, knowledgeability, and confidence, to provide the required information.

The questionnaire was pre-tested with five firms in order to ascertain its appropriateness in terms of duration, flow, and ease of response. To encourage participation in the study, respondents were promised that upon completion of the study they would receive a report summarizing the key findings. Data were collected during the period April-June 2016. Using Armstrong and Overton's (1977) procedures, no statistically significant differences were found between early and

late respondents. The key informants in the participant organizations were people responsible for managing the relationships with their buyers or suppliers. In this way, they could provide in-depth, reliable, and adequate information on the various facets of the betrayal process experienced with their trading partners. In the case of buyers, these were mainly purchasing managers and supply chain managers, whereas in the case of sellers, they were marketing managers and sales managers.

On average, participants in the study had been in business for 41 years and employed 5,182 persons. Three-fifths (59%) of the respondents dealt with consumer products, 28% handled industrial goods, while the remainder (13%) engaged in services. Also, on average, 85% of their sales were channeled in the domestic market, while the remainder (15%) were international.

## **Research findings**

This section analyzes the results of the study conducted among the participant buyers and sellers. The nominal nature of the data collected required using descriptive statistics, which took the form of percentage frequencies for each category examined, while comparisons between sellers and buyers are made using the chi-square statistic. The findings are more analytically explained and discussed below.

### ***i. Causes of betrayal***

One reason for betrayal is the dissatisfaction of a member in the buyer-seller relationship, mentioned by 14% of the buyers and 31% of the sellers ( $\chi^2 = 9.168$ ,  $p = .003$ ) (see Table 1). Enjoying a satisfactory relationship helps to reach and even exceed the expectations of the other party. It also instills inter-organizational mechanisms and procedures that facilitate the better coordination and more

efficient execution of the various business tasks, thus leaving little room for deviation from established norms (Leonidou, Katsikeas, & Hadjimarcou, 2002). In contrast, low levels of satisfaction may lead to relationship-destructive behavior that will gradually reduce the energy, attention, and effort put into the existing relationship and lead to incidents of betrayal (Buunk & Dijkstra, 2006). Notably, such betrayal may arise from the building of unrealistic expectations by either the instigator or the victim. While in the former case, the instigator reciprocates to low levels of satisfaction with betrayal, in the latter case the instigator will commit acts of betrayal in order to cope with the pressure to please the partner (Kowalski, 2003).

...insert Table 1 about here...

Approximately a third of either buyers or sellers declared that betrayal can also develop due to *insufficient communication* between the parties involved in a working relationship ( $\chi^2 = .101, p = .751$ ). The extent to which interacting parties share appropriate information is a sign that their motives, intentions, and behaviors are characterized by good faith and are transparent (Eckerd & Hill, 2012). In fact, a constant flow of reliable and timely information acts as 'glue' to hold members of the relationship together, because it boosts confidence about the value of the relationship, enhances the belief that there is honesty in transactions, and prevents any negative intentions (Mohr & Nevin, 1990; Nes, Solberg, & Silkoset, 2007). However, if there is an interruption in the flow of critical and valuable information, this will lead to a feeling that interests are jeopardized, expectations are violated, and norms are challenged (Luo, Liu, Yang, Maksimov, & Hou, 2015). All these are good reasons for betrayal.

*Lack of commitment* by one of the parties in the buyer-seller relationship can also evoke betrayal. This was the most frequently stated reason for betrayal cited

by buyers (53%), but by only a fifth (20%) of sellers ( $\chi^2 = 26.313, p = .000$ ). This is because commitment denotes a strong desire to stay in the relationship for a long time and reap long-term benefits from it (Wilson, 1995; Yi & Gong, 2008). Moreover, it helps to reduce the risks associated with the working relationship, as well as to accept various strategic and operational burdens (Moorman, Zaltman, & Deshpandé, 1992). Furthermore, it feeds the development of healthy norms in the relationship and acts as a social safeguard against destructive acts (Gundlach, Achrol, & Mentzer, 1995; Ndubisi, Malhotra, Capel, Agarwal, Satkunasingam, Ndubisi, & Patil, 2016). However, low levels of commitment increase the frequency with which betrayal episodes take place, as well as provide an impetus for exploiting short-term opportunities, either inside or outside the relationship. This is because a less committed party will no longer value the other party and thus will have little motivation to preserve the relationship and no resistance to violating relational norms (Drigotas, Safstrom, & Gentilia, 1999).

*Inter-partner incompatibility* (reported by 39% of the buyers and 21% of the sellers) can also lead to betrayal actions in buyer-seller relationships ( $\chi^2 = 8.635, p = .003$ ). In the case of incompatible partners, self-interest seeking actions are very likely to appear, because of different views concerning the development of the working relationship, such as the deployment of complementary resources and the implementation of future plans (Das & Rahman, 2010; Meyer & Altenborg, 2008). In the case of incompatible partners, the interests of one party are harmed by the actions of the other, and this can give rise to instability in the relationship. The fact that the interacting parties have divergent needs and interests complicates joint decision-making. This may subsequently lead to betrayal, because inter-partner incompatibility can cause the disregarding of rules, the breaking of promises, and

the hoarding of resources (Elangovan & Shapiro, 1998). In fact, incompatible partners tend to seek to achieve their own goals and look after their own self-interest, thereby weakening their relational bonds and making the relationship more vulnerable to trust violations (Das & Rahman, 2010; Karunaratna & Johnson, 1997).

The possession of *excessive power* by one of the parties is also a reason for betrayal in buyer-seller relationships, mentioned by a quarter of either buyers or sellers ( $\chi^2 = .029$ ,  $p = .864$ ). Such power leads to more confident behavior by the power wielder and the freedom to violate relational norms and engage in counter-normative behavior (Lammers, Stoker, Jordan, Pollmann, & Stapel, 2011; Lammers & Maner, 2016). On the one hand, powerful partners are more likely to commit betrayal acts, and are less vulnerable to betrayal by their partners because of the difficulty of substituting their resources, as well as their ability to exert punishment (Kumar, Scheer, & Steenkamp, 1995). On the other hand, such exercise of power will generate tension, misunderstanding, and frustration, which in turn will lead to communication failures and increased distance between the interacting parties (Leonidou, Talias, & Leonidou, 2008). It will also give rise to opportunistic behavior, due to retaliating actions in response to any punishments inflicted, the erosion of favorable norms that prevail in the relationship, and violation of the subject's decision autonomy (Frazier & Rody, 1991; John, 1984; Provan & Skinner, 1989).

A final, but not exhaustive, reason for betrayal generation is the prevalence of *conflict* in the working relationship, which is expressed in terms of confrontation, friction, tension, and other negative feelings or actions. This was mentioned by 25% of buyers and 18% of sellers ( $\chi^2 = 1.623$ ,  $p = .203$ ). The existence of conflict can create the preconditions for betrayal episodes in the relationship, which may take the form of hoarding resources, destructive disagreements, and violation of

relational norms and values (Elangovan & Shapiro, 1998). This is because conflict can decrease the value attached to the relationship, generate suspicious behavior, make striving for joint goals meaningless, and create a blurred picture of future expectations concerning the relationship (Barnes, Leonidou, Siu, & Leonidou, 2010; LaBahn & Harich, 1997; Leonidou, Barnes, & Talias, 2006; Leonidou et al., 2008; Skarmeas, 2006). Under conditions of conflict, there is also a strong possibility that a partner will seek an extra-dyadic relationship, to ensure access to resources needed for survival (Buss & Shackelford, 1997; Kim & Frazier, 1997).

## *ii. Symptoms of betrayal*

Various symptoms characterize betrayal in buyer-seller relationships (see **Table 2**). One symptom (reported by 34% of buyers and 40% of sellers, is when one of the parties shows *apathy* regarding the optimal functioning of the relationship (Shackelford & Buss, 1997) ( $\chi^2 = .860$ ,  $p = .354$ ). Qualitative input from managers revealed that their partners in the working relationship began to be indifferent about basic issues, such as meeting deadlines, materializing plans, and exchanging information. They also reported that their partners were not as motivated about carrying out their duties properly as previously, and that they had reduced the amount of effort, interest, and time put into the relationship. Most importantly, they delayed taking any action when a problem arose in the relationship and were reluctant to provide feedback on critical business issues, such as obtaining market information, ensuring quality of transactions, and improving collaboration on joint projects.

...insert Table 2 about here...

Another symptom, cited by 50% of buyers and 39% of sellers ( $x^2 = 2.731$ ,  $p = .098$ ), is when the partner is caught *telling lies* on issues relating to the betrayal act. For example, the betrayer may tell lies to show that it knows nothing about the betrayal, distort information in order to cover up the betrayal event, or mislead the victim by blaming third parties as responsible for the betrayal. Lying jeopardizes the quality of the information exchanged in the working relationship and can seriously affect its integrity, because the victim is being treated with disrespect. The betrayer may also engage in a series of lies, where one lie is used to justify the previous lie, and so on (Lewicki, 1983). Notably, when one party tells lies to cover up its misconduct, it may also be considered a form of betrayal, which can sometimes be even more serious than the initial betrayal act (Kowalski, 2003).

*Increasing annoyance and criticism* of the actions of one of the parties is also another sign of betrayal in the buyer-seller relationship (Shackelford & Buss, 1997), albeit mentioned on a less frequent basis (26% of buyers and 33% of sellers, ( $x^2 = 1.310$ ,  $p = .252$ )). This symptom can be attributed to the pressure which the betrayer is undergoing because: (a) it feels guilty about the whole betrayal incident, and thus feels agitated and uneasy; (b) it understands that at some point the betrayal will be discovered by the victim, and, therefore, it will have to provide explanations and excuses for it; and (c) it tries to create some illusion around the betrayal act, in order to cover up its own negative behavior (Kowalski, 2003). As would be expected, this situation increases the gap between sellers and buyers, and generates fertile ground for the betrayer to find itself in a vicious circle, where it proceeds with new betrayals in order to hide old ones.

The existence of *relational stress* can also be a symptom of betrayal (cited by 44% of buyers and 29% of sellers, ( $x^2 = 5.421$ ,  $p = .020$ )), and usually arises because

expectations and goals are not met. Relational stress can be expressed in terms of tension, anxiety, and frustration, which may gradually strain the whole relationship (Good & Evans, 2001). In a stressful situation, the betrayer may resort to unreasonable demands, become unusually critical, and even exert excessive pressure on the victim. Not surprisingly, relational stress can create emotional unrest and distance between sellers and buyers, as well as interrupt the communication flow between the two parties. It will also increase the costs and reduce the benefits associated with the working relationship. All of the above can be responsible for the appearance of new betrayal incidents, such as regarding alternative partners as viable options (Buss & Shackelford, 1997).

*Hints* by one of the partners that the working relationship has *come to an end* is also a sign of betrayal, reported by 25% and 34% of buyers and sellers respectively ( $\chi^2 = 2.165$ ,  $p = .141$ ). Such hints may take the form, for example, of avoiding or making infrequent contacts with the victim, withholding resources that are critical for the smooth functioning of the relationship, and showing indifference about its future direction and prosperity. In addition, the activity links between sellers and buyers become weaker and resources devoted to the relationship are gradually diverted to extra-dyadic parties. Under such circumstances, one party (the victim) becomes less central to the life of the other party (the betrayer), with the latter valuing the working relationship at such a low level that it does not care about the consequences of its betrayal actions.

### ***iii. Forms of betrayal***

Betrayal in buyer-seller relationships can be expressed in many different ways, with the worst being that of cheating the partner by *doing business with alternative*

*partners* (see Table 3). Such incidents were reported by 33% of buyers and 26% of sellers ( $\chi^2 = 1.315$ ,  $p = .252$ ). Maintaining an illegal parallel relationship with another firm can have destructive consequences on the smooth development and even the mere existence of the relationship (Shackelford & Buss, 1996). Infidelity is a violation of the contract of exclusivity with the partner, in order to reap the benefits of other extra-dyadic partners (Weiser & Weigel, 2014). Specifically, resources (e.g., physical, financial, technological) which were normally dedicated to the partner are now channeled to firms outside the relationship (Shackelford, LeBlanc, & Drass, 2000). Infidelity results in severe humiliation and devastation for the cheated party, mainly because the latter is treated in a dishonorable, disrespectful, and disloyal way by the offending partner (Rachman, 2010). It is a specific type of opportunism, where the offending party promotes its own interests and serves its own needs at the expense of the other party or the relationship as a whole.

**...insert Table 3 about here...**

Betrayal can also take the form of *deception, fraud, or cheating* of a partner in the buyer-seller relationship. This was mentioned by less than a third of the respondents, either sellers or buyers ( $\chi^2 = .111$ ,  $p = .740$ ). These actions may be the result, for example, of self-interest seeking (e.g., reaping profit at the expense of the other party), problematic managerial personality (e.g., exploiting the weak points of the partner), and a desire to gain power (e.g., taking an advantageous position in negotiations) (Grover, 1997; Lewicki, 1983). Such actions may be effective in accomplishing the objectives of the betrayer in the short term, but unavoidably damage the working relationship in the long run (Lewicki, 1983). Deception presents a considerable risk for the victim, especially when: (a) it does not have enough experience in business; (b) it does not have a comprehensive partner

evaluation process; and (c) it signs contractual agreements without first reading them carefully.

*Withholding critical information* (e.g., hiding information about competitors' movements) from the business partner and/or *telling only half-truths* (e.g., devoting only partial resources compared to what has been promised) is another type of betrayal, cited by 41% of buyers and 26% of sellers ( $\chi^2 = 5.644$ ,  $p = .018$ ). In a healthy working relationship, there is a regular flow of timely, accurate, and in-depth information, which is vital for the better coordination of efforts between the interacting parties to achieve relational goals (Anderson & Narus, 1984). However, withholding this information, either completely or partially, impairs the ability to make rational decisions, because of misinterpreting the costs and benefits of the various alternatives (Lewicki, 1983). All these may cause the victim losses in money, time, and effort, as well as leaving it with a feeling of having been manipulated (Lewicki, 1983).

*Taking advantage* of the other party in a buyer-seller relationship, especially during times of need, is a form of betrayal, reported by less than a quarter of the participants in the study, either buyers or sellers ( $\chi^2 = .126$ ,  $p = .723$ ). This exploitation may be expressed in various ways, such as asking for better purchasing/sales terms from a partner who is facing financial difficulties, committing less resources than agreed due to an overdependence of the partner, and intentionally shirking responsibilities because of possessing more power in the relationship. Taking advantage of the other party in the relationship is even more evident when the victim: (a) trusted the betrayer more than it should have; (b) had only few other attractive alternatives; and (c) had already made substantial

investments in the relationship, which were difficult to transfer to other relationships (Ekici, 2011).

Betrayal also takes place when one party in the relationship *seeks the assistance and/or understanding* of the other during difficult times, but this is not provided or is offered in a half-hearted way (Rachman, 2010). This form of betrayal was mentioned more frequently by buyers (38%) than sellers (13%) ( $\chi^2 = 18.489$ ,  $p = .000$ ). Buyer-seller relationships involve activity links and resource ties among interdependent partners, which are used to co-create value (Ford, Gadde, Håkansson, & Snehota, 2011). If one party fails to render the assistance sought, the other has to complete the task on its own. This represents a denial to offer resources to the party in need, as well as a violation of the norms of equity and reciprocity that have to prevail in a relationship (Jones et al., 2001). Such behavior can be attributed to self-interest seeking by the offending party and/or a prioritization of its expectations as a result of being engaged in alternative relationships from which it can reap greater benefits and advantages.

*Breaking promises* without good reason and/or making promises with no intention of keeping them can also be a form of betrayal in the buyer-seller relationship (Jones & Burdette, 1994). According to buyers, this was the most common form of betrayal (46%), while sellers reported this on a much less frequent basis (18%) ( $\chi^2 = 20.199$ ,  $p = .000$ ). Promises are the sources of reciprocal obligations between the buyers and sellers and comprise their psychological contract (Morrison & Robinson, 1997). Broken promises imply a breach of this contract, where the extent to which the betrayer has fulfilled its promised obligations is much lower than that fulfilled by the victim. Promises can be broken due to an inability and/or unwillingness of one of the parties to keep them, as well as to the existence of

perceptual differences (e.g., misunderstandings) between the interacting parties regarding the nature of the promises and resulting obligations (Morrison & Robinson, 1997). Broken promises represent a violation of honor in the relationship, create feelings of unfair treatment and injustice, and generate distrust and disrespect (Robinson & Morrison, 1995).

*A breach of a formal contract* is also considered a form of betrayal, since it violates formal rules, expectations, and obligations that were expressed in writing to govern the working relationship. This was mentioned by less than a quarter of the respondents, either buyers or sellers ( $\chi^2 = .800, p = .371$ ). This form of betrayal can manifest itself in the misinterpretation of the contractual terms by one of the parties, in consideration of self-interest and/or by setting double standards in implementing the clauses of the contractual agreement. This evokes a feeling of inequity in the victim, because despite its compliance with the contractual terms, there is no reciprocation by the perpetrator (Morrison & Robinson, 1997). Breaches of formal contracts are harmful to the relationship, because the unpredictable behavior of the violator places its long-term orientation in jeopardy.

Finally, 30% of buyers and 17% of sellers ( $\chi^2 = 5.262, p = .022$ ) reported that betrayal can also arise when one party *discloses vital secrets* that were given to it in confidence by the other party to others outside the relationship (e.g., competitors) (Rachman, 2010). For the optimal functioning of the relationship, interacting parties often share confidential information (e.g., cost structures, special product formulae, future projects), which is critical to achieving their relational goals and strategies. When one of the partners divulges this information to extra-dyadic parties, it violates the trust shown by the other partner. The latter may bear various financial, psychological, and allied costs, which could be harmful for the relationship.

Sometimes the partner may use this confidential information for its own advantage, especially when breaking away from the relationship and forming a vertical integration in the supply chain to become the victim's competitor.

#### ***iv. Effects of betrayal***

Being exposed to a betrayal episode can lead to various effects, the most common being *loss of trust* (reported by 85% of buyers and 40% of sellers ( $\chi^2 = 47.833$ ,  $p = .000$ )) (see **Table 4**). This is because betrayal comes from a partner presumed to be reliable, which increases the extent of the disappointment felt in the aftermath (Rachman, 2010). Even minor betrayals, when repeated over and over, raise reasonable doubts over the reliability of the partner (Reina & Reina, 2015). When trust is lost, a situation characterized by instability, insecurity, and lack of confidence is likely to occur (Armstrong & Yee, 2001). In circumstances of reduced trust, expectations concerning the relationship deteriorate, the principles governing the relationship are violated, and the general feeling of goodwill is diminished. This erosion of trust increases the victim's suspicion that the partner will proceed to yet another betrayal episode. For this reason, the victim will become extremely alert to any clues that indicate further violations of the expectations and norms inherent in the relationship (Kowalski, 2003).

...insert **Table 4** about here...

As mentioned by 62% of buyers and 41% of sellers ( $\chi^2 = 8.061$ ,  $p = .005$ ), being the victim of a betrayal will cause a great deal of *anger and disappointment* in view of the expectations and norms violated, and especially as regards the trust attached to the betrayer (Shackelford et al., 2000). Indeed, the victim realizes how much it is undervalued, as well as how little the working relationship means to the betrayer

(Fitness, 2001). Anger and disappointment come with a feeling that it has been used, deceived, and exploited by the other party, as well as self-blame for not noticing the indications of betrayal in the first place in order to prevent it from occurring (Lewicki, 1983). These circumstances make the victim skeptical, cautious, and suspicious, not only about its interactions with the betrayer, but also vis-à-vis partners that it has or intends to have in other relationships (Lewicki, 1983).

In severe cases of disappointment, the victim may also proceed with *disengagement from the relationship*, although this cannot always be done, due to an overdependence on the betrayer, binding legal agreements, or network embeddedness (Tähtinen & Vaaland, 2006). This type of reaction to betrayal was cited by 41% of buyers and 18% of sellers ( $\chi^2 = 14.257, p = .000$ ). This disengagement can take the form either of adopting a passive separation from the relationship (neglect) or proceeding with termination of the relationship (exit) (Rusbult, Zembrodt, & Gunn, 1982). Whereas in the former case the victim gradually decreases the resources devoted to the partner (e.g., slowing down efforts), in the latter case, the victim completely refuses to transfer resources to the relationship (Tähtinen & Halinen-Kaila, 1997). Notably, all acts of betrayal escalate costs in the relationship, which outweigh the benefits derived by the betrayed party. Disengagement in that sense is an attempt by the victim to readjust the balance of resources committed to the relationship by each of the interacting parties (Lusch et al., 2011).

The betrayed party may also take various *punitive measures*, which can take the form of, for example, withholding support, delays in delivering/ordering procedures, and even seeking financial compensation for any losses made. Punitive measures were used by 33% of the buyers and 21% of the sellers that participated in

the study ( $\chi^2 = 4.086$ ,  $p = .043$ ). Through these measures, the victim aims to bring the betrayer back to conformity, regain destroyed dignity and lost self-esteem, and restore fairness as a mechanism allowing for the enforcement of relational norms (Finkel, Rusbult, Kumashiro, & Hannon, 2002; Fitness, 2001). By punishing, the victim makes the instigator bear the costs of the betrayal. For the victim, punishment also denotes how the balance of power among interacting parties is restored (Fitness, 2001). In fact, punishment represents an exercise of coercive power by the victim to inhibit the perpetrator from repeating the betrayal action. In particular, punishing minor betrayals can deter the partner from engaging in major betrayals. Although such punishments may be helpful to re-establish control in the relationship, they may deteriorate further the already negative climate caused by betrayal (Gaski & Nevin, 1985; Leonidou et al., 2008).

An extreme case of punishment in the buyer-seller relationship (reported by less than a tenth of the participants, either buyers or sellers ( $\chi^2 = 1.219$ ,  $p = .270$ )) is that of *taking revenge* on the betrayer. This is actually the last resort of the victim and is usually used when the offence is so serious that it wants to get even by inflicting harm on the betrayer and finding relief from anger (Tedeschi & Bond, 2001). In fact, with revenge, some sellers or buyers aim to obtain justice from their partners by making them suffer in the way they suffered themselves, such as by losing money, feeling resentful/annoyed, and harming their self-esteem (Elliott, Eccles, & Gournay, 1996). The revenge may take various forms, such as spreading negative word-of-mouth about the betrayer, delaying access to financial, human, and allied resources, or disclosing confidential information to third parties. Sometimes, taking revenge may generate a “tit-for-tat” cycle (consisting of revenge

and counter-revenge), which can be harmful to both sides in the relationship, by ending up with severe damages and costs (Fitness, 2001).

The victim may also proceed with more mild actions, such as *offering forgiveness* to the betrayer. The study revealed that forgiveness is more likely to be given by sellers (31%) than by buyers (23%) ( $\chi^2 = 1.804$ ,  $p = .179$ ). In addition, our qualitative input from managers revealed that instances of forgiveness are higher when the instigator feels shame and regret, offers apologies and reasonable excuses, and does not seem to benefit from the betrayal (Kowalski, 2003; Xie & Peng, 2009). This attitude can soften the partner's negative behavior and reduce the probability of proceeding with aggressive retaliation. Forgiveness is also more likely to occur when the betrayer itself confesses its mistake to the victim, and in this case the belief that "a fault confessed is half-forgiven" could apply. By forgiving, the victim accepts that everyone can make mistakes, empathizes with the situation, and tries to understand the perpetrator (Reina & Reina, 2015). Through forgiveness, it is hoped that the relationship will be rebuilt on a more solid basis, which will not allow the repetition of betrayal episodes.

#### ***v. Therapies of betrayal***

Although betrayal is a common phenomenon in buyer-seller relationships, there are certain ways of reducing its effects (see **Table 5**). The first, and the most commonly cited by both buyers (62%) and sellers (45%) ( $\chi^2 = 6.468$ ,  $p = .011$ ), is to make the *expectations* between interacting parties clearer and more solid (Anderson & Jap, 2005; Dant & Gleiberman, 2011). Buyers and sellers formulate expectations at the beginning of their relationship, as well as when the relationship develops, because they need and demand each other's resources. However, operating in a dynamic,

interconnected, and challenging environment, they face resource demands from many different actors, which may push any of the interacting parties to violate these expectations (Håkansson & Snehota, 1995). What is needed, therefore, is to make expectations in the buyer-seller relationship: (a) more attractive in terms of returns (e.g., better performance) compared to alternative relationships; (b) more realistic in terms of the financial and non-financial targets set in the relationship; and (c) more achievable with regard to the aims to be reached, given the constraints set by money, time, and other factors.

...insert Table 5 about here...

Another 37% of the buyers and 22% of the sellers ( $\chi^2 = 6.051$ ,  $p = .014$ ) said that there is also a need to *redefine the relationship* on more solid grounds. Here, it is important to better state the norms governing the relationship, because these can guarantee the predictability of buyers' and sellers' actions, as well as enhance the cohesion of the relationship and increase the outcomes attained by both parties (Anderson & Jap, 2005; Dant & Gleiberman, 2011). It is crucial to develop the relationship by identifying and questioning the faults that allow betrayal to arise and acknowledging responsibility for what happened (Reina & Reina, 2015). This exercise may help to formulate a code of conduct, which will discourage and even sanction unacceptable business practices in the future. Both parties should also learn to protect mutual interests, rather than focusing on self-interest. In doing so, it is important to familiarize with and even internalize each other's goals and strategies and make adaptations whenever necessary.

Although trust is easily lost, but difficult to regain, an effort should be made to *restore trust* in the buyer-seller relationship after betrayal is revealed. This was reported by approximately a third of the participants, either buyers or sellers ( $\chi^2 =$

.636,  $p = .425$ ). Trust restoration involves five major steps: first, the violator should recognize that something has happened in the relationship to erode trust, as well as acknowledge its betrayal action(s); second, the violator should be able to identify the specific actions responsible for reducing trust in the relationship, rather than pretending that nothing has happened; third, the violator should admit that the betrayal event was destructive of trust and realize how various aspects of the working relationship have been seriously affected by this event; fourth, the violator should take responsibility for the betrayal act, even if it was accidental, unintended or due to carelessness; finally, trust needs to be protected by promoting transparency, conforming to relational norms, and encouraging mutuality and reciprocity among the interacting parties (Lewicki & Bunker, 1996).

The establishment of a *conflict resolution process*, which will encourage compromising and mutually beneficial discussions between interacting parties as a result of the betrayal episode was also reported by 41% of buyers and 28% of sellers ( $\chi^2 = 4.176$ ,  $p = .041$ ). This will help to ensure that the conflict in the relationship remains at functional levels, both parties being aware of its existence, and keeping it under control (Dant & Gleiberman, 2011). Sometimes business partners do not discuss minor problematic issues concerning their working relationships in order to avoid confrontation, yet paradoxically these can lead to deeper dissatisfaction and more incidents of betrayal (Kowalski, 2003). Thus, it is critical to resolve these problems at the very beginning and use them as an opportunity to strengthen the relationship by showing understanding and compromise.

Both buyers (46%) and sellers (28%) declared that *enhancing the contractual agreement* ( $\chi^2 = 7.765$ ,  $p = .005$ ), so as to incorporate more clear and detailed roles, rights, and responsibilities, will help to avoid any misunderstandings between the

interacting parties and deviations from what was originally agreed to be difficult. Soundly written formal contracts help to control, regulate, and evaluate the behavior of both sellers and buyers, involve binding commitments, and encourage acting in a legitimate and ethical manner (Das & Teng, 2000; Dwyer, Schurr, & Oh, 1987; Lusch & Brown, 1996; Poppo & Zenger, 2002). Such contracts are particularly helpful in translating expectations and promises by the interacting parties into explicit terms, while the incorporation of mutually agreed sanctions makes it both costly and risky to engage in betrayal acts (Handley & Angst, 2014; Luo et al., 2015). However, not all forms of possible betrayal in the working relationship can be clearly stated as clauses in the contractual agreement, while sometimes what is considered a betrayal by the seller may not have the same meaning for the buyer, and vice versa.

*Offering accommodation*, that is, behaving constructively in response to the partner's offence, can also be another therapy used in connection with betrayal episodes, reported by 24% of sellers and 26% of buyers ( $\chi^2 = .119, p = .730$ ) (Rusbult, Verette, Whitney, Slovik, & Lipkus, 1991). Such accommodation is usually offered when the victim has invested heavily (e.g., financially, socially, emotionally) in the relationship, which it does not want to jeopardize. As a result, it prefers to continue dealing with the betrayer, in a "business as usual" way, without paying too much attention to the betrayal act. This passive acceptance of betrayal is made by the victim, in the hope that things will improve over time and that the betrayer will not repeat this negative behavior, especially if it was unintended. It is a means of avoiding the dissolution of the relationship through hostile confrontation, as well as giving the betrayer the opportunity to understand its mistake and not to repeat it again.

## **Concluding remarks**

A central conclusion that can be drawn from the previous analysis is that betrayal is a crucial dimension in buyer-seller relationships, which can have catastrophic effects for both parties. This is because betrayal shakes the very foundation of the relationship by eroding trust, decreasing the value of the relationship, creating a negative atmosphere, and diminishing the necessary attention devoted to the continuation of the relationship. Our study has also shown that betrayal is a complex, multifarious, and dynamic phenomenon, consisting of a sequence of phases, namely causes, symptoms, forms, consequences, and therapies, with multiple issues being involved at each phase. It is also a common dark side issue, which can be experienced by both buyers and sellers in any working relationship, whether in a domestic or an international marketplace.

With a few exceptions, the incidence of mentioning the various dimensions of betrayal in each of the betrayal phases examined (whether causes, symptoms, forms, outcomes, or therapies) differed between buyers and sellers, probably due to variations in roles, objectives, and motivations. In fact, these betrayal dimensions were more frequently mentioned by buyers than sellers, with the majority of these differences being statistically significant. These findings imply that, compared to sellers, buyers may have higher expectations from the relationship, are more vulnerable to betrayal incidents, are more disappointed by betrayal acts, and show greater willingness to save the relationship after experiencing a betrayal by their interacting partners.

The study has revealed that betrayal in a business relationship can be stimulated for many reasons, the most common being lack of commitment, the existence of inadequate communication, and incompatibility of goals, strategies, and expectations between partners. All these are commonly found in many inter-firm relationships,

which means that betrayal is very likely to appear at any time during the interaction process between buyers and sellers. For instance, during the initial stage any party may engage with a non-compatible partner, while in subsequent stages, partners may fail to effectively exchange information due to the existence of high geographical and psychological distance. Even if the selection of the right partner is made and there is adequate communication, it is not uncommon that buyers and sellers fail to constantly review and align their goals and expectations, despite changes in the relationship over time.

Once the seeds of betrayal in the working relationship are planted, the betrayer may show various symptoms. Telling lies, showing apathy, and creating stress for the other partner are some of the more frequent symptoms found in our study. All these symptoms indicate that the relationship is not the same as it was previously and create a climate characterized by suspicion, distrust, and uncertainty. In fact, these are the early signs of a distorted balance of mutual contributions in the relationship. Hence, it is important to regularly monitor the working relationship, keep one's eyes open to immediately identify such symptoms, and be ready to openly discuss them with the other party. It is also important for both parties to question any faults and accept any responsibility relating to betrayal.

However, while buyers mentioned more frequently that betrayal took the form of broken promises, withholding information, and denying assistance, in the case of sellers, it was identified by deception, taking advantage, and infidelity. Irrespective of the forms betrayal takes, all imply that the instigator: (a) is not honest and is behaving unethically, (b) ignores interdependencies with the other party and is acting in self-interest, (c) does not value the victim and the working relationship, and (d) adopts a short-term perspective concerning the relationship.

With regard to the consequences of betrayal, both buyers and sellers mainly emphasized the fact that they had lost trust in their partners, and felt anger and disappointment about their misconduct. These negative feelings are critical for damaging the relationship and jeopardizing its future development. However, coercive actions were also mentioned by both parties, such as adopting punitive measures and even taking steps to disengage from the relationship. Hence, it is not uncommon for the victim to restore the balance in the relationship by inflicting harm or denying access to resources to the betrayer.

Once betrayal is manifested, there are certain ways to cure it. Notably, both buyers and sellers stressed the need to clarify expectations concerning the relationship. After all, betrayal is basically a violation of expectations and, therefore, their restoration to mutually acceptable levels is crucial to the continuation of the relationship. Enhancing the contractual agreement, resolving any conflict issues, and restoring trust are also common therapies for betrayal reported by both buyers and sellers.

In summary, as the dark side of buyer-seller relationships, betrayal has paradoxically received scant attention from marketing scholars. This study sheds light on this unexplored issue by transferring ideas from other disciplines, constructing a sound conceptual framework, and providing empirical input from both members of the buyer-seller dyad. It offers a holistic picture of the betrayal phenomenon in inter-organizational relationships by combining theoretical and practical knowledge derived mainly from interpersonal relationships. Finally, it sets the groundwork for more research to be conducted on the subject, especially with regard to the antecedents, outcomes, and moderators of betrayal.

## Managerial implications

Several measures need to be taken to reduce the probability of betrayal occurring and its destructive effects on buyer-seller relationships. *First*, it is important for both sellers and buyers to *carefully select* their partners, based on compatible goals, strategies, and expectations, as well as to enter a relationship with those firms that have a good reputation for reliable, integral, and honest partnership. In addition, as the relationship develops, both parties should frequently reassess and harmonize their expectations and proceed with mutual concessions whenever this is necessary. They should also nurture the working relationship by creating value for each other, through collaboration, adaptation, and reciprocity. This will foster a unique partnership in which one party will not easily harm the other.

*Second*, it is critical to maintain a *healthy working relationship*, which will be characterized by high levels of trust, strong commitment, enhanced cooperation, and heightened satisfaction. In such a relationship, both sellers and buyers enjoy an atmosphere which is immune to betrayal intentions and acts because of: (a) placing greater honesty, benevolence, and loyalty on relational norms and expectations, (b) devoting adequate time and effort to making relational investments, and showing a strong desire to continue the partnership, (c) understanding potential interdependencies affecting each other, as well as working hard to achieve joint goals, and (d) investing valuable resources in order to increase rewards and reduce costs for both parties.

*Third*, there is a need to establish an effective and efficient *information flow* between the interacting parties, comprising the frequent exchange of accurate, timely, and in-depth information. This will help to spot problems quickly in the working relationship that have the potential to lead to betrayal episodes and will

allow for precautionary measures to be taken. Organizing frequent meetings, interacting regularly, and having steady access to each other's information are critical to achieving transparency and predicting intentions and actions by both parties. Both sellers and buyers should also train their personnel to better understand each other's expectations associated with the working relationship and translate them into value-creating actions.

*Fourth, building social bonds*, through, for example, joint participation in social activities, cultivation of personal friendships, and exchange of visits, would also act as a force to prevent the manifestation of betrayal incidents in buyer-seller relationships. This is because social bonds make both sellers and buyers more reluctant to engage in negative behaviors, more sensitive and responsive to relational problems, and more determined to maintain and proliferate the relationship. A long history of friendship, emotional ties, and social interaction can act as a shield to protect the relationship from any kind of misconduct by the interacting parties, such as betrayal.

*Finally*, it is important to establish an '*early warning*' mechanism, which will help to identify at an early stage the potential development of betrayal-related crises in the buyer-seller relationship. This is because working relationships are very dynamic phenomena and may go through a painful process of transition due to either internal (e.g., disagreements between parties) or external (e.g., tempting offers from competitors) factors. Hence, it is necessary to know in advance how to deal with such transgressions, by forming, for example, an inter-organizational team, in charge of closely monitoring the relationship and spotting any abnormalities in the collaboration between the two parties.

Notes

1. Our study is of an exploratory nature, aiming to understand the various stages of the betrayal process and reveal possible differences between sellers and buyers at each of these stages. As such, it was not based on formal hypotheses because of the lack of prior knowledge on the associations between variables relating to betrayal phenomena (e.g., between various forms of betrayal and their effect on the victim) and/or between betrayal dimensions and other established constructs of buyer-seller relationships (e.g., between causes of betrayal and relational norms).
2. The reasons for opting to focus on firms of medium to large size, as opposed to smaller firms, were that: (a) they have relatively larger buying centers with long and active engagement in business, thus being in a position to provide richer and more reliable information on betrayal episodes; (b) they are in a better position to provide insights on betrayal at the organizational, rather than the personal, level, which is the focus of the study; and (c) they have people responsible for the management of relationships with their sellers or buyers, who are more knowledgeable about possible cases of betrayal.
3. With regard to the measurement of betrayal, this has been briefly operationalized by social psychology researchers, either as a frequency of having been exposed to/or engaged in various types of betrayal acts (Feldman, Cauffman, Jensen, & Arnett 2000; Freyd, Klest, & Allard, 2005) or as a multi-item scale measuring the degree of existence/or extent of certain betrayal acts (Jones & Burdette, 1994; Mattingly et al., 2010). Obviously, compared to extant literature, this study examines the betrayal phenomenon in a more in-depth, developmental, and all-encompassing way, covering almost all key dimensions of it.
4. With regard to the option given by respondents to add extra information related to the various stages of the betrayal process, the input received was limited, probably due to the extensive use of closed-ended questions in the questionnaire and time pressure for respondents. Certainly, future research would benefit from a more qualitative study using in-depth interviews and/or focus group discussions that would yield many valuable insights into the betrayal phenomenon.

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**Figure1:** The betrayal process in buyer-seller relationships

Why does the partner betray?	How is betrayal diagnosed?	How is betrayal manifested?	What does the victim feel and do?	How can betrayal be treated?
Causes	Symptoms	Forms	Effects	Therapies
Dissatisfaction and unfulfilled expectations	Partner shows apathy toward the relationship	Infidelity - conducting business with partner's competitors	Loss of trust in the betrayer	Forming realistic expectations of each other
Lack of communication	Partner tells lies on issues associated with the betrayal	Deception, fraud, and cheating	Victim is angry and disappointed with the betrayer	Redefining the relationship on more solid rules and norms
Lack of genuine commitment	Partner becomes increasingly angry and critical	Hiding crucial information and/or conveying only half-truths	Victim considers dissolving the relationship	Rebuilding trust in the relationship
Incompatibility among partners	The relationship is under severe stress	Taking advantage of the partner	Victim administers punishment for the betrayal	Activating a mechanism for conflict resolution
Possession of excessive power	Partner hints that the relationship is ending	Failing to provide assistance/ understanding during times of need	Victim takes revenge	Clarifying each party's roles and responsibilities in the contractual agreement
Ongoing conflict in the relationship		Breaking promises without sound reason	Victim shows forgiveness to the betrayer	Offering accommodation
		Breaching the formal contract		
		Divulging confidential information to third parties		

Table 1: Causes of betrayal

<b>Causes of betrayal</b>	<b>Buyers (n<sub>1</sub>=109)</b>	<b>Sellers (n<sub>2</sub>= 115)</b>	<b>Chi-square</b>	<b>p</b>
Our partner was dissatisfied/ disappointed with our overall relationship	14%	31%	9.168	<b>0.003</b>
Our relationship was suffering from inadequate communication	34%	32%	0.101	0.751
Our partner felt very little commitment to us	53%	20%	26.313	<b>0.000</b>
Our goals, strategies, and expectations were incompatible with those of our partner	39%	21%	8.635	<b>0.003</b>
Our partner exercised excessive power/pressure on us	26%	25%	0.029	0.864
Our working relationship was characterized by a high degree of conflict	25%	18%	1.623	0.203
Other causes	24%	21%	0.288	0.592

Table 2: Symptoms before betrayal

Symptoms before betrayal	Buyers (n <sub>1</sub> =109)	Sellers (n <sub>2</sub> = 115)	Chi-square	p
Our partner displayed apathy and indifference toward our relationship	34%	40%	0.860	0.354
We caught our partner telling lies to cover his/her misbehavior	50%	39%	2.731	<b>0.098</b>
Our partner became increasingly angry and critical about our actions in the relationship	26%	33%	1.310	0.252
We felt that we were under considerable relational stress and uncertainty	44%	29%	5.421	<b>0.020</b>
Our partner indicated his/her willingness/intention to terminate our relationship	25%	34%	2.165	0.141
Other symptoms	19%	10%	3.665	<b>0.056</b>

Table 3: Forms of betrayal

Forms of betrayal	Buyers (n <sub>1</sub> =109)	Sellers (n <sub>2</sub> = 115)	Chi-square	P
Despite our agreement, the partner did business with other firms in similar goods, while still in business with us	33%	26%	1.315	0.252
Our partner engaged in deception, fraud, and cheating	29%	27%	0.111	0.740
Our partner hid critical information from us and/or told us only half truths	41%	26%	5.644	<b>0.018</b>
Our partner took advantage and exploited us	22%	24%	0.126	0.723
Our partner failed to render the assistance we sought during times of need	38%	13%	18.489	<b>0.000</b>
Our partner broke promises without good reason and/or made promises with no intention of keeping them	46%	18%	20.199	<b>0.000</b>
Our partner was in breach of contract	25%	20%	0.800	0.371
Our partner told others information that we gave him/her in confidence	30%	17%	5.264	<b>0.022</b>

Table 4: Feelings/actions after betrayal

Feelings/actions after betrayal	Buyers (n <sub>1</sub> =109)	Sellers (n <sub>2</sub> = 115)	Chi-square	p
We lost trust in our partner	85%	40%	47.833	<b>0.000</b>
We felt angry and disappointed with our partner	62%	43%	8.061	<b>0.005</b>
We reduced or broke engagement with our partner	41%	18%	14.257	<b>0.000</b>
We imposed punitive measures (penalties) on our partner	33%	21%	4.086	<b>0.043</b>
We sought revenge on our partner	10%	6%	1.219	0.270
We offered our partner forgiveness	23%	31%	1.804	0.179
Other feelings/actions	16%	13%	0.405	0.524

Table 5: Therapies with betrayal

Therapies with betrayal	Buyers (n <sub>1</sub> =109)	Sellers (n <sub>2</sub> = 115)	Chi-square	<i>p</i>
We made our expectations clearer to each other	62%	45%	6.468	<b>0.011</b>
We decided to redefine our relationship on more solid rules/norms	37%	22%	6.051	<b>0.014</b>
We took actions to restore trust and communication between our firms	35%	30%	0.636	0.425
We decided to encourage constructive/compromising discussions to handle conflicts with our business partner	41%	28%	4.176	<b>0.041</b>
We enhanced the contract agreement governing the relationship	46%	28%	7.765	<b>0.005</b>
We sought accommodation with our partner	24%	26%	0.119	0.730
Other therapies	21%	17%	0.580	0.446

## Appendix: Operationalization of betrayal dimensions

Betrayal aspects	Item description	Sources
<b>Causes of Betrayal</b>	Our partner was dissatisfied/ disappointed with our overall relationship Our relationship was suffering from inadequate communication Our partner felt very little commitment to us Our goals, strategies, and expectations were incompatible with those of our partner Our partner exercised excessive power/pressure on us Our working relationship was characterized by a high degree of conflict	Jones and Burdette (1994), Drigotas et al. (1999), Buss and Shackelford (1997)
<b>Symptoms of Betrayal</b>	Our partner displayed apathy and indifference toward our relationship We caught our partner telling lies to cover his/her misbehavior Our partner became increasingly angry and critical about our actions in the relationship We felt that we were under considerable relational stress and uncertainty Our partner indicated his/her willingness/intention to terminate our relationship	Shackelford and Buss (1997)
<b>Forms of betrayal</b>	Despite our agreement, the partner did business with other firms in similar goods, while still in business with us Our partner engaged in deception, fraud, and cheating Our partner hid critical information from us and/or told us only half truths Our partner took advantage and exploited us Our partner failed to render the assistance we sought during times of need Our partner broke promises without good reason and/or made promises with no intention of keeping them Our partner was in breach of contract Our partner told others information that we gave him/her in confidence	Fitness (2001), Jones, Couch, and Scott (1997), Jones and Burdette (1994), Rachman (2010), Gobin and Freyd (2009), Finkel et al. (2002)
<b>Feelings/ actions after betrayal</b>	We lost trust in our partner We felt angry and disappointed with our partner We reduced or broke engagement with our partner We imposed punitive measures (penalties) on our partner We sought revenge on our partner We offered our partner forgiveness	Bies and Tripp (1996), Fitness (2001), Gobin and Freyd(2014), Jones and Burdette (1994)
<b>Therapies of Betrayal</b>	We made our expectations clearer to each other We decided to redefine our relationship on more solid rules/norms We took actions to restore trust and communication between our firms We decided to encourage constructive/compromising discussions to handle conflicts with our business partner We enhanced the contract agreement governing the relationship We sought accommodation with our partner	Dant and Gleiberman (2011), Anderson and Jap (2005), Finkel et al. (2002), Reina and Reina (2015)