

Chapter 8

Business E–Negotiation: Specificities, Tools, and Challenges

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ABSTRACT

The emergence of the Internet and new technologies has upset the world of business. Indeed, nowadays, a growing number of business activities are conducted remotely, particularly business e-negotiation. This book chapter aims to get a better understanding of the concept of business e-negotiation, its specificities, types, and challenges. Its systems and automated agents are also studied. Business e-negotiations meet people from all over the world through various media channels. Negotiating via e-mail and video conference is underlined. In addition, the negotiation systems are also studied. This study provides for negotiators, who would lead online negotiation, interesting insights that consider the particularities of this form of negotiation and prepare the appropriate innovative marketing strategy allowing good progress in the online negotiation process and, consequently, leading to successful agreements.

INTRODUCTION

Nowadays, open borders and increasing global market transactions have largely favored the emergence of new rules concerning exchange and building relationships between different trading partners (Nassiri-Mofakham and Huhns, 2023). Technology is considered a vital channel that ensures commercial activities between remote partners like commercial negotiators (Akrouit and Woodsite, 2023). Negotiation human-computer plays a crucial role in a dynamic online environment, particularly in B2C e-commerce transactions (Cao et al., 2020). It is witnessing rapid growth favored by international dimensions of businesses and organizations (Yu et al., 2022). Then, electronic negotiation is becoming evidence of the democratization of electronic communication tools.

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Virtual networks have brought many benefits, essentially, those related to cost, time (Dobrijević and Boljanović, 2014; Yuan and Turel, 2014), flexibility (McNaughton et al., 2014), and social pressure (Stuhlmacher et al., 2007). However, e-negotiation seems to be highly challenging and overwhelming (Mullen-Rhoads et al., 2018) especially in terms of decision-making efficiency, considered as better achieved when performing a face-to-face negotiation (Galín et al., 2007). According to Thompson and Nadler (2002), this kind of negotiation produces more information and leads to better results.

Despite perceived limits, e-negotiation is continually expanding and enhancing business transactions. It was a unique solution to conclude contracts between firms during the COVID-19 pandemic era (Akrouf and Woodside, 2023; Plotnikov and Funikova, 2021; Krzywda, 2022). Information technology has largely contributed to e-negotiation growth providing commercial partners with support tools. These tools include negotiation software agents (NSA), Web-based negotiation support systems (WNSS), and email. It is also an interesting research field, where multidisciplinary approaches are jointly explored, including computing sciences, artificial intelligence, psychology, and sociology.

In the business field, important theoretical models have been achieved covering, many areas of negotiation, including, ethics, emotions, and culture. However, the paucity of academic contributions has impeded the development of a theoretical framework supporting e-negotiation research. Indeed, most research studies have approached technical aspects of electronic negotiation, like software designs, communication technology, and computation models. Limited attention has been paid to the negotiator role. Yet, companies need to develop awareness about factors underlining the negotiation process and outcomes in an electronic context.

The main purpose of this study is to enhance comprehension of the business e-negotiation concept by examining its salient characteristics, instruments, prospects, creative marketing approach, and obstacles. In addition, this work highlights the cultural dimension of e-negotiation through a comprehensive synthesis of the main cultural models.

BACKGROUND: BUSINESS NEGOTIATION VS. BUSINESS E-NEGOTIATION

Definitions of Business E-Negotiation

Bourque and Thuderoz (2002) define negotiation as a process of decision-making between interrelated parties having divergent interests. From a business context, negotiation covers all activities intended to conclude contracts between two or many parties (Dupont, 1990).

According to Darmon (2011), the main characteristics of business negotiation include, among others, the meeting of two or more parties to exchange products and/or services in return for financial compensation, the existence of risk, and divergent interests and objectives of different parties. Negotiation involves inevitably communication and information exchange. As such, it is described as a form of social interaction (Thompson, 1990).

Business negotiations cover a wide field, including « *all steps aimed at signing immediately or in the future a contract linking at least two parties* » (Dupont, 1990; p 214). It is a tool chosen by merchants to deal with their disagreements and harmonize their divergent interests.

The terms “electronic negotiation” and “automated negotiation” are used interchangeably. In the context of e-commerce, Beam and Segev (1997) defined electronic negotiation as the process by which two or more parties use the instruments and strategies of electronic commerce to multilaterally bargain

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