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**Towards a Software Model Supporting Efficient Negotiation in the  
Buying/Selling Process for the B2B Trade Market in Gaza Strip**

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*(Business to Business Markets)*

**B2B**

**Abstract**

**Towards a Software Model Supporting Efficient Negotiation in the Buying/Selling Process for the B2B Trade Market in Gaza Strip**

In today's complex and competitive world, negotiation is a vital and crucial operation in the buying and selling process. Using negotiation techniques, each party involved in a trading transaction try to reach a deal that secure maximum profit (seller) or minimum cost (buyer). In this study, interviewed were performed with negotiators in the Gaza Strip working the B2B trade market. Results obtained from interviews were analyzed. The results obtained represent the negotiation stages used by negotiators in the sector identified above which includes the planning, choosing strategies and tactics, negotiation implementation, outcome evaluation, possibly renegotiation and finally the potential of reaching a final agreement. Parameters affecting the negotiation process were identified and classified to negotiator-specific, company-specific, product-specific, negotiation requirements parameters and market sector parameters. Various negotiation strategies and tactics were identified. Metrics to evaluate to outcomes of the process were identified and classified to: meeting objectives, resources used, future relationship with other negotiating party and company image. Finally, a model is constructed based on the above to represents the details and dynamics of the negotiation process in the B2B trade sector in the Gaza Strip.

**To;** IN THE NAME OF ALLAH THE MOST BENFICENT, THE MOST  
MERCIFUL

I dedicate this work to Mohamed sala Allah alyhee wa salem and my  
Parent, Wife, Children, Brothers, Sister and Friends.

## **Knowledge and appreciation**

All thank to Allah: Our effort nothing without his will praise be to Allah the malmighty, for his mercy and protection from bad deeds, many thanks go to him and our prophet Mohammed.

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## **Abbreviations**

NSS	Negotiation Support System
SME	Small and Medium Enterprises
metamodel	A Business Negotiation Support
ENSs	E-Negotiation systems
ICTs	Information and Communication Technologies

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## **CHAPTER 1**

# **Proposal and Pervious Studies**

## **1.1 Introduction:**

In today's complex world according to globalization which is lead to open market policy that is produce very big competitive, Negotiation process is a conflict between different sides. It could be one to one, many to one and many to many. The main aim of each party is to achieve satisfactory gains. Negotiation involves negotiator interaction with various negotiation elements (Negotiation Strategies, Negotiation skills, Negotiation approaches) using suitable catalysts (IT tools), so the negotiation process is a vital and crucial operation in the buying and selling process for improve negotiation outcomes. Using negotiation techniques and approaches each negotiation process parts involved in a trading transaction try to reach a deal that secure maximum profit (seller) or minimum cost (buyer). Negotiation Support Systems (NSS) are useful because they improve the quality of negotiation outcomes through their various functionalities [de Moor and Weigand; 2004]. Performing negotiation efficiently ensures maximum gains for the trading party. two main directions for current negotiation process, traditional negotiation, face-to-face negotiations using traditional tools that depend on human skills expertise and competences otherwise there is many traditional tools like Fax, Telephone, E mail act).and formal models of idealized negotiators involved in complex negotiation strategies and tactics, Information technology tools for negotiation process like electronic negotiations and processes that involve information systems as actively participants, negotiations among both human and artificial agents [Bichler and other,2003].The aim of this study is to construct a model to support efficient trade negotiation, to form the basis for a negotiation support software tool. The model's components will be identified through carry the current negotiation practices and based on structured interview method involving medium-business companies in the Gaza Strip to examine their business to business trading negotiation behavior which is the business market which contain the firms that have goods and/or services and then resell it for another business customer [Kotler and keller;2006]. In this study B2B includes only service sectors. The parameters (and their values), negotiation strategies and measurement metrics will be determined. The main contribute of this study that's determined the components for modeling negotiation system which will increase the efficiency of outcomes. The components to be identified include parameters or factors and the data base or (information) is consider as main parameter that impact on

negotiation outcomes, the strategies and tactics, the stages of the process and the metrics to evaluate and measure negotiation process's outcomes.

## **1.2 Research Problem:**

Although negotiation is central to business-to-business buying-selling transactions, it is not well understood. This motivates the work to identify the parameters that affect the negotiation process, the strategies and tactics that are applied in the process, the different stages of the process itself and the metrics used to measure its effectiveness. Identifying the components above would contribute to building a model which forms the basis for software supporting efficient negotiation in the buying-selling process. The following question will help us to solve the problem:

- 1- What is the parameter and factors which impact the negotiation process?
- 2- What about negotiation strategies and tactics? And what is the strategy you implement?
- 3- What are the negotiation stages you go through?
- 4- What criteria do you use to measure negotiation outcomes?
- 5- Do you think a software model to support your neg. will be effective?

## **1.3 Importance of the Study:**

The importance of the study undertaken can be summarized as follows:

- The study is the first of its kind to investigate the current negotiation practices in the Gaza Strip for the business to business trade market.
- A better understanding of the effectiveness of IT- tools supported trade negotiations process is achieved.
- A model that would improve the effectiveness of the negotiation process and aid the better utilization of IT facilities in trade negotiations is constructed.

## **1.4 The Aim and Objectives of the study:**

The aim of this study is facilitate the better utilization of IT-supported trade negotiation, through constructing a model to form the basis for a software tool that enhances the efficiency of negotiation according to supporting and improvement negotiation outcomes in the buying/selling process.

### **Objectives:**

The objective of this study will be do for achieve main research goal which determine model or diagram that will be base for e negotiation which purpose serve negotiation process in Gaza strip for business to business trade market.

- 1- To understand the current negotiation practices the in buying/selling process in the Gaza Strip for business to business trade market sector.
- 2- To identify and classification for the main parameters and their values that affects the negotiation process outcomes and share with built negotiation model which will use as base for software.
- 3- To identify and classification for the main negotiation strategies and tactics that affects on negotiation process outcomes.
- 4- To identify negotiation stages that involves negotiation process and which impact on negotiation process outcomes.
- 5- To identify and classification the main criteria which can be used to measure efficiency in trade negotiation?
- 6- To use what is achieved above to construct a model that forms the basis for a software tool that can be used to improve the outcomes of trade negotiations.

## **1.5 Methodology:**

- A comprehensive literature review is carried out, to have better understanding of the topic, and to review related work undertaken by other researchers.
- A primary source is used through performing a survey collecting data on the negotiation practices in the Gaza Strip for the business to business trading market. Data will be collected through interviews with small-business companies' personnel.
- Data collected was analyzed to identify negotiation outcome measures, negotiation stages, negotiation strategies and tactics and parameters (and their values) affecting trade negotiation.
- A model is constructed to support trade negotiation.

## **1.6 Society and Sample of Study:**

The population of this study can be identified as all companies in medium-business companies performing business-to-business goods buying/selling transactions in the Gaza Strip. Service companies are not considered in this study. There is no national consensus on the definition of small, micro and medium business. Mostly, the definition of small firms is based on four groups of indicators. The indicators are: capital size, technology level, legal form of business ownership and finally the labor size (number of employees). As labor size is one of a common indicators of defining small and medium firms [2002; Fariz]. The Palestinian National Information Center defines a medium enterprise to be a one which employs 5 to 19 employees [2002; PNIC]. The good trading sector companies which are interested in throughout this study make which represents 2% of the total registered companies in Gaza strip that's equal 613, which represents the study population [2005; PCBS].



## **1.7 The structure of the study:**

### **Chapter1 (Introduction):**

General introduction, Study importance, aim and objectives, methodology and the structure of the research.

### **Chapter2 (Background): Theoretical and A Conceptual Framework for Negotiation:**

- Introduction.
- Negotiation definitions and concepts.
- Negotiation Types.
- Classification of negotiation.
- Negotiations stages.
- Negotiation approach, strategy, tactics and protocol.
- Negotiation tools.
- Negotiation models.
- Negotiation successful.
- Negotiation characters.
- Negotiation skills.
- Related work.

### **Chapter3 Methodology of research (Studying the B2B trade negotiation in the Gaza Strip):**

- Methodology
- Elicitation techniques
- Interview design covering questions on:
  - Negotiation concept and electronic negotiation.
  - Negotiation strategies, tactics and tools which effects on negotiation outcomes.
  - Negotiation approaches and stages which include negotiation process..

- Negotiation parameters which impact on negotiation process.
- IT tools.

#### **Chapter4 (Analysis of study result):**

- Methods used for result analysis
- Determining parameters affecting the negotiation process
- Determining negotiation strategies and tactics which used in the Gaza Strip B2B market.
- Determining negotiation stages which include negotiation process and used in Gaza strip for business to business sector.
- Determining the metrics used to measure the output of the negotiation process.

#### **Chapter 5: (Model Construction): Construct**

- Outlining the supporting efficient negotiation in the buying/selling process for business to business market.
- Defining the components making the model.
- Describe how the results analyzed in Chapter 4 are used to construct the model.
- Describing the events that take place in the negotiation

#### **Chapter 6: Further work and conclusions.**

- Further work and recommendation.
- Conclusions.

## **CHAPTER 2**

# **Theoretical and A Conceptual Framework for Negotiation**

## **2.1. Introduction:**

Theoretical and A Conceptual Framework for Negotiation is described in this chapter. This includes according negotiation definition, types of negotiation, negotiation Stages, negotiation strategies, tactics, protocol, models, and tools. Tips for successful negotiation are also provided.

## **2.2. Negotiation Definition:**

There are numerous definitions of negotiation in the literature, some of which are presented in this section and from which a definition is adopted for this study.

- With reference to *Raiffa 1982*, " *negotiation* is both an art and a science. It is a science as the negotiator must learn techniques, understand the various strategies, and certain tactics and approaches. The science of negotiation is the science of rigorous theorization and empirical validation. Negotiation is an art as the negotiation also entails study, but of a different type". In addition to learning techniques and strategies, the artist must search deeper into the principles underlying the strategies. "The artist must also have an appreciation for the creative elements of the negotiation process, and must therefore understand his or her unique self. The artist reflects, and relies, not only on the parameters of the strategic context, but also on the nature of the interaction between the person and the situation. The art of negotiation is the path of understanding oneself in the context of conflict" [Malhotra; 2002].

- *Negotiation* is "the process by which at least two parties try to reach agreement on matters of mutual interest. The negotiation process proceeds as an interplay of perception, information processing, and reaction, all of which rely on images of reality, on implicit assumptions regarding the issue being negotiated, and on an underlying matrix of conventional wisdom, beliefs, and social expectations" [Gulbro and Herbig ; 1996].

- *Negotiation* is "a process by which a group of people who are working together arrive at a group decision" [Stahl, G.,; 2002].

- *Negotiation* as presented by *Gulliver*, defines negotiation as "a process in the public domain in which two parties, with supporters of various kinds, attempt to reach a joint decision on issues under dispute" [de Moor and Weigand; 2004].

- *Negotiation* according to *Robinson and Volkov*, view negotiation as "a process in which participants bring their goals to a bargaining table, strategically share information, and search for alternatives that are mutually beneficial" [de Moor and Weigand; 2004].

- *Negotiation* as *Putnam and Roloff* presented it, is a special form of communication that centers on perceived incompatibilities and focuses on reaching mutually acceptable agreements [de Moor and Weigand; 2004].

*Moor and Weigand* conclude that negotiation process have some common elements for negotiation process which consider base for negotiation arena:

- 1- There are two or more interdependent participants.
- 2- Each of whom has some individual goals that may be partially incompatible.
- 3- Negotiation has a process.
- 4- Alternatives are investigated,
- 5- with the purpose of agreeing upon one of them.

- *Negotiation* is an iterative communication and decision making process between two or more agents (parties or their representatives) [Bichler and other; 2003], who:

1. Cannot achieve their objectives through unilateral actions;
2. Exchange information comprising offers, counter-offers and arguments.
3. Deal with interdependent tasks and need.
4. Search for a consensus which is a compromise decision.

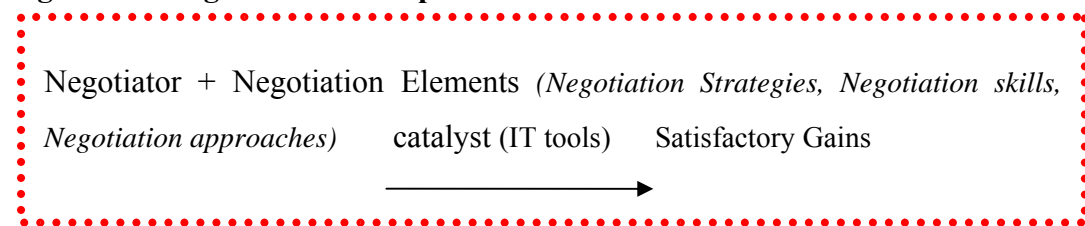
- According to *Pruitt*, the negotiation process is the process of social relation and interpersonal communication for the purpose of forming and modifying perceptions and attitudes. Negotiation is every process of social interaction and communication involving distribution and redistribution of power, resources, and commitments.

-*Negotiation and bargaining*, reference to *Lim, Benbasat, Putnam and Roloff* and some authors consider the negotiation and bargaining processes to be identical, while *Gulliver's* adopted narrower definition of bargaining as a sub-process of negotiation that consists of the presentation and exchange of more or less specific proposals for the terms of agreement on particular issues[de Moor and Weigand; 2004].

According to *Bulow and Klemperer* in the economic and business literature, especially in game, auction and economic theories, the “negotiation” is sometimes used synonymously with bilateral bargaining and contrasted with auctions. Reference to *Wurman, Wellman et al* negotiation will be as negotiations in which every structured message exchange used in negotiation process [Bichler and other,2003], We focus on negotiation here because of the some authors agree and consider bargaining and negotiation as identical and also negotiation is generalist. The following negotiation definition will be adopted for the purpose of this study:

As illustrated in Figure 2.1, the Negotiation process is a conflict between different sides. It could be one to one, many to one and many to many. The main aim of each party is to achieve satisfactory gains. Negotiation involves negotiator interaction with various negotiation elements (Negotiation Strategies, Negotiation skills, Negotiation approaches) using suitable catalysts (IT tools).

**Figure 2.1: Negotiation Concept:**



*Design By: Researcher.*

In this paragraph will carrying some concept about Electronic negotiation for arrive to best separate between negotiation process and e-negotiation process, so e-negotiation, reference to *Bichler* is the partially structured e-negotiations supported by NSS, NSA or used for selected tasks, to completely structured negotiations conducted autonomously by computer systems. In e-negotiations, all communication is performed using an *electronic medium* with electronic channels that transport data. The consideration of a medium as a space (physical or virtual) where the negotiation is being conducted and the agents who interact in this space allows distinguishing between three categories of information systems used in e-negotiations [Bichler and other, 2003]:

- 1- Negotiation support tools, such as DSSs and NSSs, assist a decision maker with communication or decision tasks in a negotiation process, e. g. with information gathering, problem structuring, or generation of alternatives [Bichler and other, 2003]
- 2- Negotiation software agents (NSAs) replace human negotiators in all their decision-making, communication and other negotiating activities. The agents may represent others, e.g., a software agent that is responsible for a cluster of printers may negotiate with a number of computers requesting printing services [Bichler and other, 2003].
- 3- E-negotiation media are information systems comprising electronic channels that process and transport data among the participants involved in a negotiation and provide a platform where transactions are coordinated through agent interaction. They implement the rules of communication in a negotiation protocol[Bichler and other, 2003].

### **2.3. Negotiation in the B2B Buying-Selling Process:**

Of course the negotiation cross-interacts with all things in our life for example in political, family, schools, university trading field and so on. In this study, negotiation in the buying/selling process is considered. Every organization has specific purchasing objectives, policies, procedures, organizational structures and systems. In principle, business buyers seek to obtain the highest benefit package (economic, technical, service, and social) in a relation to market offering's costs. The buyer's motivation to purchase will increase with more perceived benefits and decreases with the decrease of cost [Kotler and Keller; 2006].

The Business to business market (B2B) is the business market which contains the firms that have goods and/or services and then resell it for another business customer [Kotler and Keller; 2006]. In this study B2B includes only service sectors and avoids industrial fields e.g. Mr. Ghassan Haboush is Owner for some company in Gaza strip import diapers from America and then sell it for supermarket which its role is to sell it to end user, in this case Mr., Ghassan did B2B process..

### **2.4. Types of Negotiation:**

Negotiation can be classified into different types, according to structure and according to strategies or approach as: **A. Unstructured negotiations**, traditional negotiation (example: face-to-face negotiations) that do not implement any protocol or strategies and do not conform to any rules. **B. Semi-structured negotiations**, (example: negotiations supported by NSS), follow certain rules but the protocol is not fully defined so that the participants have some flexibility in their decision making and information exchange activities. **C. Structured negotiations**, (example: auctions) follow a set of rules which fully defines the parties' decision-making and allowable activities. Hnang Jinghna proposed another classification of negotiations based strategies, that is Integrative negotiation that is win-win and cooperative, otherwise the distributive negotiation that is competitive and win-lose [Jinghna; 1996]:



**A. Distributive bargaining:** It's a competitive or win-lose bargaining. The objectives of two parties are in fundamental conflict. Resources are constant and limited and each party wants to maximize its share.

**Characteristics of distributive bargaining:**

- 1- Reach final settlement close to other party's resistance.
- 2- Gather information about the opposition.
- 3- Convince the other party.
- 4- Promote your own goals.

**B. Integrative Bargaining:** It's win-win bargaining or cooperative bargaining in which all parties share objectives and outcomes and they gain benefits simultaneously.

**Characteristics of integrative bargaining:**

- 1- Focus on communalities.
- 2- Address needs and interests.
- 3- Commit to meet the need of all parties.
- 4- Exchange information and ideas.
- 5- Invent options for mutual gain.
- 6- Use Objective criteria for standards of performance.

## **2.5. Negotiation stage:**

Negotiation process has many stages which affect its outcome negotiation. Harris presents the following stages of the negotiation process noting that those stages can vary according to the negotiation model used [Harris; 2004].

**1- Searching for an arena:** Searching for arena of negotiation which contain two parties or more tow, negotiation issue or goal, place of negotiation e.g. office, according IT- tools, open place, restaurant and so on, arena of negotiation is very important for negotiation result that is impact on negotiation outcomes [de Moor and Weigand; 2004].

**2-Assessing the other side:** In the first phase of a negotiation process. At the outset, most negotiators know what they want, preferences and priorities and assume the other party wants the opposite. The efforts to establish a powerful negotiation position should be evident in persuasion and influence communications. Because negotiators do not yet have an understanding of the other side's positions, needs, and interests, it would be difficult at this stage to make persuasive arguments that lead to rational argument about the issues. Thus, at this early stage, negotiators should focus on influence of negotiations issue. **Adair and Brett** emphasizes this issue through ***Relational Positioning stage*** which concern with determine and assessing the two parties through identifying whether the parties are going to cooperative or competitive in the process. A negotiator should be interested in knowing the following about the other side[Adair and Brett ;2005]:

A- Imagining what the other side needs and goals and can he achieves it?

B- Priority of goals and ranking of them.

C- Strength and weakness points.

D- Negotiation tactic's for other side. E- Negotiation Tools for other side.

E- Plan questions to explore the other party's position in terms of what they want? why they want it?

Short says the following about this assessment stage: conduct an analysis of the other party's strengths and weaknesses. Then plan how to use your strengths and manage your weaknesses [Short, 2003].

**3- Identifying the problem:** This stage is marked by a detailed discussion of the issues of negotiations [Adair and Brett; 2005]. It is characterized by reciprocal exchange of priority information as negotiators focus on the negotiation issues, options, and underlying interests; build trust; and begin a serious search for an agreement. Reciprocal sequences of priority information should decrease after this stage, because once information about interests and priorities is available, negotiators can turn to structuring a deal and claiming value. Of course if you can determine problem, then you will touch best solutions so we can say the road map for arrive agreement its identify problem exactly Reference to (Olekals and Smith; 2000) cited from [Adair and Brett; 2005].

**4- Formulating an agenda and definitions:** In this stage will make formulation for agenda and working definitions of the issues to be negotiated which help us to use it in next stage for building a plan, generation solutions and built offers which use as alternative through negotiation process [de Moor and Weigand; 2004].

**5- Build negotiation plan and generating solutions:** In this stage the parties did spend some time to collect and analysis the information's which help them to have some understanding of the negotiators needs and priorities and enough sense of whether agreement is possible. At this point we expect negotiators to begin to make planning or offer solutions. However, we do not expect that negotiations will remain purely cooperative until agreement is reached [Adair and Brett; 2005]. When negotiators arrive to this stage they must differentiate between cooperative and competitive approaches. This would help them to put optimal plan or solutions which have efficient strategies and tactics throughout the negotiation process. The following can be part of a negotiation stage generated at this stage [Harris; 2004]:

- A- Determine goals of negotiator and determine priorities of these goals e.g. (Maximize profit/ minimize cost, Enhance confidence, Maximize image and act).
- B- Determine optimal strategy and tactics or even alternative strategy and tactics which will be use in targeted negotiation process.
- C- Determine optimal negotiation tools like (face to face, IT's tools, intermediates, Act), which lead to efficiency.
- D- Set a wide range of options for each issue you have to negotiate in order to give yourself maximum flexibility [Short, 2003].

According to *Moor and weigand*, planning must include preliminary statements of demands and offers, exploring the dimensions and limits of issues, and emphasizing the differences between the parties [de Moor and Weigand; 2004]. So don't just plan what you want to achieve. Rather, plan how you will persuade the other party to agree to it [Short, 2003].

**6- Narrowing the differences and reaching agreement on some issues:** This stage involves narrowing the differences which representative with problem issue, needs, goals and requirements to reach an agreement [de Moor and Weigand; 2004].

**7- Preliminaries to final negotiation:** Through this stage, parties can do preliminary phase before implemented negotiation process which help him to determine some factors and parameter which help him for choose best strategies and tools of negotiation. In preliminaries to final negotiation phase it must be notify that don't dilute your arguments by giving too many reasons to support your position. Because this stage very important to enhance negotiators gains other and I think will achieve one rock bottom reason and stick to it[de Moor and Weigand; 2004].

**8- Implemented negotiation process:** In this stage the negotiators will implement negotiation process using suitable strategies, such as emotional and social strategy, otherwise it must be the negotiators interested with all factors which impact on negotiation out , not only strategies, we means tactics, parameters which have some types like negotiators-specific, company specific, product-specific market-specific and negotiation requirements specific. *Moor and weigand* named this stage final bargaining [de Moor and Weigand; 2004].

**9- Reaching Agreement:** In this stage, negotiators reach a conclusion whether an agreement is possible or not. At this point, parties work to reduce alternatives and move toward a final decision. By this time negotiators should have sufficient information to construct offers to be reasonably confident that an agreement is possible. The aim is to get as much outcomes of that agreement for oneself as possible [Adair and Brett; 2005].

**10- Re-negotiation process:** Some time the parties do not reach full agreement or find some new issues requiring re-negotiation to arrive to efficient outcome and it must be we know the re-negotiation depend on kind of deal, volume of deal and some of conditions will discuss later . Otherwise is not base stage but its complementary stage.

**11- The implementation of the outcome:** Negotiators can implement results of negotiation process in their firms. E.g. negotiators arrive to discount 10% from price offered then the benefited side will transfer money according to agreement reached.

**12- Evaluation:** Test agreement very carefully, then summarizing it so there is no doubt about what has been agreed. This involves evaluating the negotiation process by comparing the process outcomes with its objectives.

## **2.6. Negotiation Strategies:**

There are eight major negotiation strategies which are discussed in this section [McCracken and others; 2006]:

**1-Distributive negotiation strategy(win-lose bargaining):** Distributive negotiation strategy defined according to *Jinghna 1996* as competitive or win-lose bargaining. The objectives of two parties are in fundamental conflict. Resources are constant and limited and each party wants to maximize its share [Jinghna; 1996]. A distributive negotiation strategy may also be defined as “a procedure for dividing a fixed pie of resources” referenced to *Bazerman 1986*. Normally results in a “distributive” outcome where only one, or neither, party “wins.” Distributive negotiation is the most common strategy [McCracken and others; 2006]. Two tasks are essential in all distributive negotiations: influencing where the other party sets his/her “resistance point”, and determining where that point is. There are two general strategies for carrying out these tasks: Contending negotiation Strategy and Conceding negotiation strategy.

**2-Contending negotiation Strategy:** According to *Pruitt and Carnevale 1993*, this strategy aims “to make the other party make concessions or to resist similar (contending) efforts by others. Contending strategies might include the following characters [McCracken and others; 2006]:

A- *Threats*, such as, “a commitment to punish the other party if one’s demands are not met”.

B- *Irrevocable commitments* such as the auditor clearly stating that he/she unambiguously will qualify the audit report if the current accounting is not changed referenced to *Chow and Rice 1982, McConnell 1984*.

C- *Persuasive arguments* such as attempting to convince the management to change its position by explaining broader implications of an accounting choice referenced to *Beattie, Fearnley, and Brandt 2004*.

D- *Insist* that one’s preferred position be adopted referenced to *McConnell 1984*.

**3- Conceding negotiation strategy:** According to *Pruitt and Carnevale 1993*, this strategy defined as, the conceptual opposite of contending, involves changing one's position so that it provides less benefit to oneself, and therefore more benefit to the other party. Reference to *Komorita and Esser 1975, Olekalns and Smith 2000*, the conceding effect on the outcome through these factors, timing of the concession, the amount of the concession, and the resistance offered before conceding. A concessionary strategy's most extreme form would be to give in to the other party's position during the negotiation, so that the other party need not concede anything [McCracken and others; 2006].

**4- Integrative negotiation strategy(win-win Bargaining):** Integrative negotiation strategy define according to *Jinghna 1996* as bargaining in which all parties share objectives and outcomes and they gain benefits simultaneously[Jinghna; 1996]. Otherwise a distributive negotiation strategy may be defined as attempts to "find a means by which the parties can make tradeoffs or jointly solve problems to the mutual benefit of both parties", referenced to *Bazerman 1986*. An integrative strategy attempts to lead to an "integrative" solution where both parties are better off (a "win-win" solution).

**5-Problem solving negotiation strategy:** This strategy involves learning more about the underlying interests of both parties and searching for new solutions that are not immediately obvious at the start of the negotiation. Indeed, even without new solutions being generated, a focus on interests as opposed to outcomes can reveal ways to reconcile preferences for different outcomes in a way that benefits both parties" referenced to *Fisher and Ury 1981*[McCracken and others; 2006].

**6-Expanding the agenda of issues as negotiation strategy:** This strategy involves adding new issues to the negotiation, such that the resolution of the overall issue set has potential gains for both parties [McCracken and others; 2006].

**7-Compromising negotiation strategy:** Compromising is often situated as a cross between contending and conceding, perhaps with a little problem solving or expanding the agenda of issues. It is an attempt to find a middle ground, where both parties move

from their preferred positions towards an “in between” solution. While notionally this is a “mutually acceptable” solution, normally neither party calls the compromise outcome a “win”, and both can call it a “loss”. One key difference between compromising and conceding is that a compromise strategy explicitly proposes a “split the difference” solution and uses mild contending tactics to suggest consequences if it is not accepted, while a concessionary strategy implicitly attempts to have the *other* party make a concession or propose to “split the difference” [McCracken and others; 2006].

**8-Social and emotional negotiation strategy:** These strategies involve adding some characters or practices to the negotiation process, that’s practices lead to successful negotiation for both parties. These practices are related to relations, friendship and so on. The social negotiation strategy can be considered as a generalization of the emotional negotiation strategy.

**9- Strategies When? How? And Where?** When strategy use when new variable inter to negotiation process for other variables for example if the raw material is increase through negotiation process. How and where use it, it use in both of negotiation process are cooperative, so cooperate to solve the trouble shot or problems which produce through negotiation process [Tarek; 2006].



## **2.7. Negotiation tactics:**

Reference to *Fisher and others, 1991, Young. 2001 and Lewicki and other 2003*, the following are tactics can be used by negotiation participants [Rahwan, and other; 2003]:

*1. Seek to change a counterpart's beliefs:* One participant in a negotiation may judge it to be in its interests to have other participants believe certain propositions about the beliefs, intentions, preferences, or constraints of the first participant. It has been argued that agreement is more likely in negotiation interactions when participants understand each others' interests (desires, preferences, goals, etc.) rather than their current positions referenced to *Fisher and other 1991 and Rahwan, Sonenberg, and Dignum 2003*[Rahwan, and other; 2003].

*2. Gain a better understanding of a counterpart:* Counterparts may be seeking to mislead a participant about their beliefs, intentions, preferences, constraints, etc., or about the domain. The other participant may then seek to gain a better understanding of its counterparts' true mental states or constraints[Rahwan, and other; 2003].

*3. Seek to discuss a particular issue:* By moving the interaction towards particular issues, a participant may be able to frame the problem in certain ways, and thus influence the mental states of its counterparts [Rahwan, and other; 2003].

*4. Seek to avoid discussion:* For the same reasons, a participant may wish to steer discussion away from particular issues[Rahwan, and other; 2003].

*5. Seek fast termination:* A negotiation participant with time constraints might seek a fast resolution or termination of the negotiation[Rahwan, and other; 2003].

*6. Seek to delay:* A participant who believes it has greater time or other resources than other participants may seek to delay resolution of the interaction beyond the perceived resource limits of its counter-party[Rahwan, and other; 2003].

*7. Resist a counterpart:* A participant may resist attempts by a counterpart to achieve one of the above tactics[Rahwan, and other; 2003].

*8- Respect other side and give him confidence:* The confidence is very good tactics according to enhance negotiation process outcomes and achieve negotiation goal. The confidence achieves from offer strengths point with support it through documentation. What means documentation? Documentation means support facts with reference according financial situation as liquidity and asset, or about ability and resources to implement or response for negotiation requirements. Otherwise respect otherwise through choose high class place for negotiation arena, give other part flower or smile or gift that's achieve respect from other side [Maher; 2005].

*9- Attractive tactic:* when negotiators apply with big attractive as offer for other side will share other tactics with achieve goal and improve negotiation outcomes. Otherwise this attractive tactic do not use alone, but use with some tactics in negotiation process if the negotiators interested to arrive to success negotiation [Maher; 2005].

*10- Partition or segmentation of issue tactic:* Off course the negation process interested with problem and separate the component of this problem support the part negotiation process to arrive to solutions with efficiency outcomes [Maher; 2005].

## **2.8. Negotiation protocols:**

In business negotiations, protocols can play an important role. They increase the transparency of the process and help engender trust. They also can make the negotiation process more efficient. Standard protocols are very helpful to regulate the negotiation process. When the parties make use of a support system, it can implement the protocol by showing at each moment what actions are permitted or required and by making explicit the effects of a particular step at a certain stage. Protocols are necessary when the negotiation process is being delegated. The transparency and showing options or limits is very important in business negotiations. Also trust in the negotiation process and knowledge of its context are therefore essential [de Moor and Weigand; 2004]. Negotiation protocols are devised by:

1. Specification of the structure of the negotiation problem and process. the structure of the negotiation process had three type so it must put this consider when use or prepare for negotiation protocol.
2. Specification of rules of feasible activities, and their sequencing and timing will help negotiator for both negotiation part from determine and prepare for negotiation protocol.
3. Imposition of limitations on the form and content of information exchange will share as limitation for negotiation process. Otherwise if negotiation not determined with so limitation off course will impact negatively for negotiation outcomes..

## **2.9. Negotiation Models:**

There are many studies interested in theoretical and practical negotiation models. A negotiation model includes all elements that could have an impact on the negotiation process and its outcome. In this section, a number of negotiation models described in the literature are discussed.

### **2.9.1. Game Model:**

Game theory is one approach to model negotiation when interested is studying the outcomes of the negotiation process. "The game models are fundamentally static models in that they focus on outcomes rather than on processes. Consequently, these models are relevant for prescriptive purposes, but are inadequate for descriptive purposes. Game models assume that the number and identity of players are fixed and known, that players are completely rational, that alternatives and utility functions are fixed and known, and that communication takes place only within the model and does not affect either the form or the content of a game's payoff matrix"[Jinghna; 1996].

### **2.9.2. Economic Model:**

The economic model is another way to model negotiation focusing on the actual bargaining involved in the process of the negotiation as well as its outcomes. Forming expectations about other parties' behavior and compromising can be represented in such modeling. "The economic models treat negotiation as a process of convergence over time involving a sequence of offers and counteroffers. They are dynamic models that focus on the bargaining process as well as the ultimate outcome of bargaining. But they assume that the utility functions of the participants are fixed and known from the outset, that a compromise zone exists, is identifiable, and remains stable over time. They tend to emphasize the formation of expectations about the behavior of the relevant others"[Jinghna; 1996].

### **2.9.3. Multi-Criteria Model:**

In Multi-Criteria model the preference of each negotiator is specified and assessed. The preference of all participant are then combined to reach a compromise and outcomes." and the multiple-criteria models recognize the multiplicity of goals and objectives underlying negotiators' behavior and aim at developing a decision rule. These models assume that the utility function of each negotiator is stationary, and may be assessed separately and then aggregated. Following the utility independence assumption, the negotiations process is reduced to specifying preferences, which are combined for each participant and then for the group. The group utility function is used to generate compromises. But the models that do not require the definition of a group utility use decision rules derived from available alternatives [Jinghna; 1996].

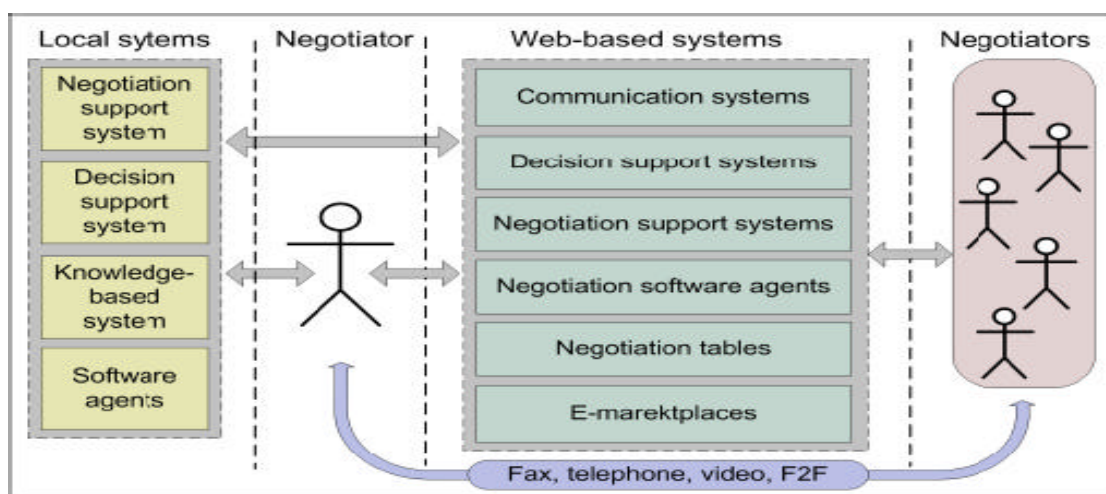
### **2.9.4. Experience model:**

The experience model uses the history of negotiation to predict the strategy of each negotiator. "Experience models focus on the recording agenda, process and the final outcome in each instance of negotiations. Such recordings allow the development of a database of negotiation histories that can be used to study negotiation strategies adopted by different individuals and simulate consequences of adopting a different strategy from the one in current use. Expert system techniques, like case-based reasoning, can be used to provide expertise to one or more players in a particular problem domain" [Jinghna; 1996].

## 2.10. Negotiations Tools:

When we discuss negotiation tools we consider negotiation support system tools. The required functionalities of NSS are implemented by sets of information tools, like e-mail applications, web servers, telephone, Fax, mobile, SMS and so on. The tools that are used in negotiations are not neutral and actively shape negotiation situations and outcomes referenced to *Putnam and Roloff 1992*. *Poole et al. 1992* said that no single tool is best suited for all (sub-) stages of the negotiation process. Thus, to assemble successful support systems, the choice of the right mix of tools is not trivial, and complex social context factors must be assessed Referenced to *Preece 2000*. For example, e-mail-mediated negotiation is known to be less successful than face-to-face negotiation due to the lack of social context cues. Nevertheless, e-mail-based negotiation is known to be more productive when negotiators establish trust and rapport, which they themselves can promote by mutual self-disclosure. Experiments have shown how this can be facilitated by making available personal information about counterparts (e.g. through home pages on the web) and by having a non-task-related conversation prior to the actual negotiation process, mediated, for instance, by an electronic chat tool like ICQ (Referenced to *Moore et al. 1999* [de Moor and Weigand; 2004]). Figure 2.2 illustrates a range of negotiation tools that can be used by negotiators including local and web-based systems.

**Figure 2.2: Negotiation Tools**



*Resource:* E-negotiations: Towards Engineering of Technology-based Social Processes [Kersten; 2002].

## **2.11. Tips to Succeed in Negotiation:**

Reference to Short, Graham recommended with some tips which enhance the negotiators through negotiation process implementation [Short, 2003]:

1. Don't just plan what you want to achieve. Rather, plan how you will persuade the other party to agree to it.
2. Conduct an analysis of your (and the other party's) strengths and weaknesses. Then plan how to use your strengths and manage your weaknesses.
3. Set both an upper limit and a bottom line for what you want to achieve on each issue. This will help ensure you don't push the other party too far and don't give away more than you can afford to lose.
4. Work out the full cost of any concession before you make it.
5. Set a wide range of options for each issue you have to negotiate in order to give Yourself maximum flexibility.
6. Plan questions to explore the other party's position in terms of what they want, why they want it, and to explore possible weaknesses in their position.
7. Test all agreements very carefully, then summarize them so there is no doubt about What has been agreed.
8. Don't dilute your arguments by giving too many reasons to support your position. Find one rock solid reason and stick to it.
9. Expect low levels of reaction from the other party and regularly check how they Feel about the negotiation.
10. Don't make immediate counteroffers when they put something on the table, but Explore each proposal with care before responding.

## **2.12. Negotiation characters and skills:**

Negotiator characters is very important factors which give success for achieve goal, so neither strategies or tactic impact on negotiation process, nor negotiation arena also impact so it must be carry this point and discuss it carefully and with more detail. And we can mention negotiators characters and negotiators skills as tow main point as the following [Abu baker; 2005]:

### **2.12.1 Negotiation characters:**

#### **1- Equilibrium of Emotional and Compatibility of Psychological:**

Negotiators it must be quit with deal with negotiation objective and objectively with it, so the deal and communication with issue it must be progress without any emotional effectiveness, some time the one of two part of negotiation process is woman and other part men, so the negotiators which have good skills it must unaffected with emotional impacts. Otherwise women consider emotional issue is very good tools or tactics in negotiation process and she achieve good outcomes from there tactic. Furthermore Compatibility of Psychological is a vital character for negotiators, so the party of negotiation it must be apply for the negotiation process without any family problem or job problem so must be have Compatibility of Psychological[Abu baker; 2005].

#### **2- Negotiator logically and objectively:**

The negotiators as we discuses in the above paragraph is must be objective and do not bias for achieve special goal or use un legal tools or even use information collected according un legal approach if you have good relationship with decision makers, thus we consider it not ethics situation if used it in negotiation process. Otherwise logic request and offers, some directors/negotiators offer price for good or item with double price or request discount may be arrive to 60% without any information that is not logical request and will lead the process to fail and maybe will lose a lot ant long-term. For the rezone we say if the negotiators logic and objectively will lead to success in negotiation process and serve his in long-Term [Abu baker; 2005].



### **3- Objectively of negotiator confidence:**

Is not enough confidence find in negotiator self, but in it must be find with all negotiation parts or surrounding of negotiation arena so the confidence with negotiation parts produce atmosphere ready to success and arrive to agreement. This issue impact directly on negotiations process outcome and consider as very important negotiation tactics when negotiator use it as power point in his negotiation tactics. Otherwise the confidence achieve through good information for all negotiation component like negotiators characters, companies characters, market characters and product characters [Abu baker; 2005].

#### **2.12.2 Negotiation skills:**

The known about successful negotiation achieved according to factors or parameters and value of this parameter impacted on negotiation process . strategies, tactics also impacted on negotiation process according how negotiator choose it? and when is the suitable time? And who is suitable strategies and tactics use? Otherwise the negotiator skills play very important role foe success negotiation process and also consider from main negotiators parameters. Negotiation skills were classified under negotiators-specific. The following is quick offer for negotiation skills reference to Abu Baker [Abu baker; 2005].

##### **1-Good lessoning skills:**

Good lessoning is very important skills for negotiators; it's lead to understood exactly and evaluate other side which put him as strengths situation through negotiation process. For example if the seller sense through good lessoning that buyer have very big quantity from stock and he need liquidity so will support his situation in negotiation process and off course arrive to good outcomes [Abu baker; 2005].

## **2- Good speaking skills:**

Persuasion issue need various methods or even various skills, so good speaking is method from this methods or skills. Excellent speaker for negotiator will heal to achieve negotiation goal through persuasion other part. So the negotiator it must be have good language and offer the sentence with suitable time [Abu baker; 2005].

## **3- Alternative creation skills:**

From successful negotiation process have various alternative and offer through negotiation process, not only have alternatives put it must the negotiator have ability to create new alternative in negotiation arena [Abu baker; 2005].

## **4-Best act skills through counter questions and objections:**

Some time through negotiation process produce some objections or some questions so it must be negotiators have best act and good ability with the objectives and questions with persuasion answer and adsorption situation at objections [Abu baker; 2005].

## **2.13 Related Work:**

### **2.13.1 [Smolinski1; 2006]:**

This dissertation interested with cultures as effective factor on negotiation process. The research results can be summarized as follows:

1- The culture has a great impact on negotiators' behavior and in international negotiation become even intensified by the perception of the participants. 2- As demonstrated by various research results, the differences in cultures are manifested in distinct differences between negotiating styles typical for these cultures. This does not mean that all members of a particular culture negotiate in the same way but rather that there are patterns of behavior which are typical for most of them. 3- To be successful in the international negotiation arena, negotiators need to develop high sensitivity to cultural factors, identify and pursue a culturally responsive strategy most appropriate in a given negotiation setting but at the same time acknowledge and consider also individual and structural aspects occurring in this setting.

### **2.13.2 [Carraro and others; 2006]:**

Authors in this paper describe that the relevance of negotiations to everyday life cannot be overemphasized. Yet, a comprehensive theory of negotiation is still missing: the factors involved in the processes of negotiations are so complex and varied, that they have been tackled in isolation, with the consequence that many theoretical results of the standard models do not always find support in empirical evidence. This study is interested in the general approaches related with modeled negotiation model including:

1- The *non-cooperative approach* to negotiations is useful in that it allows for the analysis of players' incentives to cooperate. Moreover, the outcome of a non cooperative game has the property of being self-enforcing. 2- The *sequential-move approach* enables the process of negotiation to be modeled. This, in turn, allows for the analysis of some particular issues (such as bargaining and political power, asymmetric information, time preferences) which may have relevant effects on the bargaining outcome. 3- However, standard bargaining theory is not well suited to deal with bargaining situations where (positive) externalities are involved. The presence of

externalities opens up the possibility of intermediate agreements, neither fully cooperative, nor fully non-cooperative. These more complex situations can be better explored by non-cooperative coalition theory.

### **2.13.3 [Houba and Wen; 2006]:**

This paper is concerned with the effect of having different time preferences in the negotiation process and how this affects the outcome. The authors state that “There has been a long debate on equilibrium characterization in the negotiation model when players have different time preferences. We show that players behave quite differently under different time preferences than under common time preferences. When players have different time preferences, inter-temporal trade may lead to continuation payoffs above the bargaining frontier.

### **2.13.4 [Li and Yahyapour; 2006]:**

Negotiation is the process of creating agreements in which the different and typically conflicting objectives of the negotiation parties are taken into account. For the broad proliferation of Grids and the efficient use of Grids, this negotiation process must be automated and should only require minimal interaction from the actual providers and users. To this end, strategic negotiation models are required that can be used to perform this task. In this paper, a strategic negotiation model is analyzed for Grid computing. Discrete event based simulation is used to evaluate the proposed negotiation model. The simulation results demonstrate that the examined model is suitable and effective for Grid environments. The current research in Grid computing shows that there is a trend for future resource management systems to include automatic management features for quality of service and cost consideration. The inclusion of these features requires negotiation and agreement support. However, this negotiation cannot be expected to be manually conducted by the users or resource providers themselves. Therefore, support for automatic negotiation is expected to become a key component for Grid systems. Here, the foundations of protocols as well as strategies are yet missing. As we can see from our experiments, the user can obtain quality of service and reliable agreement for the Grid jobs by applying the presented negotiation strategies. The presented results indicate that the negotiation overhead in terms of exchanged messages is manageable

for practical application. The obtained agreement results can also be considered to be good enough for real world scenarios.

### **2.13.5 [de Moor and Weigand; 2004]:**

The work presented in this paper represents a tool to automate the negotiation process. The MeMo project allows small and medium enterprises (SMEs) to conduct negotiations over the internet. It includes a negotiation model focuses on the communication involved in the negotiation process rather than the decision stages it supports. It supports different communication protocols to be suitable for various business types. Aldo de Moor and Hans Weigand use MeMo system through negotiation support system (NSS) included which suitable for explicit international trading orientation. Aldo de Moor and Hans Weigand describe that a wide gap looms between theory and practice in the business negotiations. Otherwise they have been tried from bring theory and practice closer together. Aldo de Moor and Hans recommended that the Theory-based decision and communication tools are valuable, but need to be embedded in business practice and deal with all the related requirements, such as cultural norms, language issues, legal aspects, standard and frame contracts, role assignments, document management, and integration with back-office systems). Furthermore they consider the basic challenge to theory is to take all these considerations into account, if it wants to be relevant, and to systematically analyze and compare the findings.

### **2.13.6[Kersten; 2004]:**

This research describe the majority of e-negotiation systems do not have unrealistic assumptions or required analytical skills from their users limitations because they are designed for the negotiators rather than analysts and These ENSs are active or pro-active; they participate in the conflict resolution process undertaking activities that traditionally were in the domain of facilitators, mediators and arbitrators. Kersten consider the potential and the limitations of computer-mediated communication for conflict resolution as well as the differences between face-to-face and computer-mediated communication have since then been studied. There is an agreement that the loss of some communication channels is, at least partially, offset by synchronicity,

storage, and access. These three aspects of the information and communication technologies (ICTs) coupled with the ease of use, led to both organized and spontaneous use of software in social and economic transactions, including negotiations and alternative dispute resolution. ICTs, in addition to connecting people, and allowing them to store and access information, make it possible to use models and procedures to process this information. Software systems have been designed to support decision-making, solve difficult problems and suggest agreements. These systems were used in teaching and training and also in aiding negotiators in resolving their conflicts. Kersten interested with offset by synchronicity, storage, and access as three parameters impact in on negotiation outcomes. otherwise, there is many difference parameters in this study impact on negotiation product.

### **2.13.7 [Rahwan and others; 2003]:**

In this paper, they describe Argumentation-based techniques are being increasingly used to construct frameworks for flexible negotiation among computational agents. So they depend on arguments as main techniques for e negotiation which touch part of elements this study, this study contain many bounds like parameters, factors, strategy and the body of negotiation process which depend mainly on argument. They initiated an investigation into understanding the relationship between bargaining and argumentation-based negotiation frameworks. they described both types of frameworks using a uniform "vocabulary". and made some intuitions more precise. In particular, we provided a precise account of how argumentation can influence preferences over contracts. then showed how the ability to exchange such arguments can help overcome some problems with bargaining. In particular, we have demonstrated that: Rational agents *may* change their preferences in the light of new information; rational agents should *only* change their preferences in the light of new information; Negotiation involving the exchange of arguments provides the capability for agents to change their preferences; Such negotiations could increase the likelihood and quality of a deal, compared to bargaining, particularly in situations where agents have incomplete and/or inaccurate beliefs; Such negotiations could also lead to worse outcomes compared to bargaining; We are now extending our framework in order to capture richer types of argument-based influences. For example, they are investigating allowing agents to

influence each others' desire set it. In this case, we must distinguish between perceived and actual state worth. The same could be done to plan costs. Our study also paves the way for a more systematic study of strategies in argument based negotiation. Understanding the possible effects of different types of embedded dialogues can help an agent make decisions about how to argue during negotiation. This also enables studying more complex strategies that result in multiple related changes in utility. For example, a car seller may first attempt to persuade a customer of adopting a new desire towards safety, then attempt to convince him that his current preferred contract does not achieve this desire.

### **2.13.8 [Bichler and Others; 2003]:**

In this paper, Bichler and Others describe and sketch out an engineering approach towards developing electronic negotiations and argue in favor of an interdisciplinary engineering approach to promote an increased understanding of the variety of contributing factors to understanding, modeling and designing negotiations. Several questions arise in this context: Which assumptions can we make about negotiators, both in terms of rationality and computational capabilities? Besides, how should we treat the issues of culture, ego and pride? These issues certainly play an important role in many real-world negotiations. Where do we need to take these issues into account? Is it better to rule out these issues? For example, in a procurement negotiation one could argue that the outcome of the negotiation should be independent of the procurement specialist's ego and pride.

### **2.13.9 [Kersten; 2002]:**

This paper emphasizes the importance of automated negotiation tools to provide negotiators with services and to satisfy their requirements rather than direct their activities so that they conform to rationality and optimality principles. They propose an e-negotiation view integration model. The purpose of the model is to allow for the integration of behavioral, scientific and engineering views on e-negotiations. Models that are proposed in experimental economics, anthropology, psychology and other areas that incorporate the social concepts as fairness, reciprocity, attitude and culture allow to enrich the expressive powers of E-negotiation model. and to establish some form of

synergy between the user and the system. Through integration of the scientific and engineering views the model also provides a consistent progress from theoretical solutions to their implementations in the form of tools, systems and protocols.

#### **2.13.10 [Jinghna; 1996]:**

Jinghna uses an additive scoring system to combine the parameter (variables) important of each negotiator. A weight is determined for each variable. His study introduces a quantitative method used in negotiation support system, which systematically analyses trade-offs between variables and is an additive scoring method to get to the efficient frontier in order to recommend high quality alternatives near it. The principle and techniques of this approach are also suggested.

#### **Most of the existing research concentrates on two directions:**

- 1- Traditional negotiation, face-to-face negotiations using traditional tools that depend on human skills expertise and competences otherwise there is many traditional tools like Fax, Telephone, E mail act).
- 2- Formal models of idealized negotiators involved in complex negotiation strategies and tactics, Information technology tools for negotiation process like electronic negotiations and processes that involve information systems as actively participants, negotiations among both human and artificial agents [Bichler and other; 2003].

Otherwise this study will touch second direction but interested with study all factor which impact on negotiation requirements as explore issue , and then make model diagram which will be base for any software model.



## **2.12. Summary:**

This chapter provides a literature review to construct a conceptual framework for negotiation. This included reviewing various definitions of negotiations. In addition, negotiation types, stages, strategies, tactics, protocols, tools, tips to achieve successful negotiation, negotiation characters and skills and related work.

## **CHAPTER 3**

# **Methodology for Studying the B2B Trade Negotiation in the Gaza Strip**

### **3.1 Introduction**

The methodology adopted to conduct this study is described in this chapter. The study population and sample are first discussed. This is followed by a description of the primary data elicitation technique used, that is structured interviewing. A description of the questions discussed during the interviews is provided. The obstacles, limitations and biases of the study are then outlined.

### **3.2 Methodology:**

Qualitative method is a reliable scientific approach that is used in this study. The research problem is solved and the study objectives were achieved through analyzing primary data, collected using interviewing, qualitatively.

### **3.3 Population and sampling:**

The population of this study can be identified as all companies in medium-business companies performing business-to-business goods buying/selling transactions in the Gaza Strip. Service companies are not considered in this study.

The Palestinian National Information Center defines a medium enterprise to be a one which employs 5 to 19 employees [PNIC; 2002]. This represents 8.6% of the total registered companies in Gaza strip, estimated as 2634 companies [PCBS; 2005].

The good trading sector companies which are interested in throughout this study make 23.275% of medium-size companies (2% of total companies in the Gaza Strip), i.e. 613 companies, which represents the study population. A summary of how the study population is given below:

Total companies in the Gaza Strip = 30620 companies

8.6% of total companies are medium-size =  $30620 * 0.086 = 2634$  companies

23.375% of medium size companies are in the good trading sector (i.e. 2% of total companies in the Gaza Strip) =  $2634 * 0.23275 = 613$  companies.

**Thus, the total study population for this study is 613 companies.**

In this study, representatives (negotiators) of 30 companies from the study population were interviewed. I.e. the population sample interviewed represents about 5% of the total study population as summarized in Table 3.1

**Table 3.1 Sample Percentage:**

#	No. of interviewers	Society	Interviewers rate
1	30	613	5%

In choosing the population sample, it was ensured that it is distributed geographically, making the type of sample geographic based (single stage) [Al Fara and Megdad, 2004] over various parts of the Gaza Strip. Table 3.2 illustrates the sample's geographical distribution:

**Table 3.2 Population sample distributed according to area:**

#	Geographical area	No. Of interviewers
1	Gaza City	17
2	North City	2
3	South City	3
4	Mid Gaza	3
<b>Total Of Interviewers</b>		<b>30</b>

### **3.4 Interview preparation:**

Literature review was not enough to identify all aspect of the study, thus the researcher had to revert to use a suitable tool for the purpose of this study. The structured interview has been the most convenient and efficient technique to obtain the data required in this research. The structured interview was designed on the basis of the literature review.

The questions were designed to elicit data specific to this study, and were divided into two parts (as shown in appendix 1):

#### **Part A: General information:**

Related to the member of population, through this part, information's are gathered about the interviewee's personal information and the company profile he/she is part of. Information related to the interviewee includes name, age, education/qualification, company role and years of experience. Shown in the questions: *Paragraph A 1- 5*, Can you see in Appindex1. The company profile details include questions on company name, company category, number of employees, company address and Email. Shown in the questions: *Paragraph B 1- 5*, Can you see in Appindex1.

#### **Part B; Evaluate current negotiation processes:**

This section is directly related to problem and objectives of the study, which include questions to evaluate current negotiation processes including trying the understand parameters, strategies and outcomes that are crucial to the company's negotiation practices.

### **3.4.1 Pilot study:**

These structured interviews questions should be based on a carefully prepared set of question piloted and refined until the researcher is convinced of their validity. Therefore the pre-testing is an important stage in the interview questions design process, prior to finalize the form of question [Al Fara and Megdad, 2004].

For that, the researcher made initial interviews with four members of the sample to make sure that the questions are well understood by negotiators of different backgrounds. The questions comprehensiveness and coverage of various aspects of negotiation is checked.

### **3.5 Interview administration:**

The structured interview questions were finalized for the purpose of collecting the primary data. The interview process was arranged with company directors having established relationship with the researcher. Some other interviews were arranged through intermediate parties. Fixed appointments were made for each interview. Interviews length average was one hour. All points discussed with each interviewee were logged for analysis. All interviews were conducted in a two weeks periods ending on the 5<sup>th</sup> November, 2007.

### **3.6 Data Analysis:**

Logged interview discussions were read and filed in details the interviews results were analyzed in depth as discussed in the next chapter.

### **3.7 Obstacles, Limitations and Research Biases:**

One of the obstacles faced by the research is that the interviewees were businessmen who are very busy. Arranging interviews with them was a challenge.

Conducting such a study with a population and sample covering all Palestine would have been very beneficial. However restriction of movement imposed by the occupation was a limitation here.

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The study was biased toward male negotiators as there were no interviews conducted with female negotiators. That is due to the male dominance at the management level of the business sector of concern in this study.

## **CHAPTER 4**

# **Result Analysis**



#### **4.1 Introduction:**

In this chapter, an analysis of the results obtained through interviews is presented. This includes the stages of the negotiation process, the parameters, strategies and tactics and finally the metrics used to evaluate the negotiation process outcomes.

#### **4.2 Members of the Study Sample**

The member of study lists the 30 companies making the study sample. Each company's category, number of employees and address are show in Appendix2. Otherwise there is in list criteria which express about company work inB2B trade market.

#### **4.3 The Negotiation process stages:**

One of the issues was raised during the interview with each company representative and negotiator is the negotiation process adopted by the company in its B2B transactions. Table 4.1 shows the stages of the negotiation process adopted by each company in the study sample, based on the interviews analysis performed which include his question What are the negotiation stages you go through?

**Table 4.1: Negotiation process stages for different companies in the study sample:**

#	Company	Negotiation process stages adopted					
01	ALHELLO	Determine market needs	Collect information about product and competitors and determine market share	Determine weaknesses and strengths for other party.	Determine selling method for product	Determine suppliers	Enter to negotiation process using tactic
02	ADVANCE D-TECH	Determine needs and collect information about product and competitors	Preparing for neg. process, determine tactics which will be used	Request Primary offer	Negotiation implementation using tactic.	Evaluating result and renegotiate	Outcomes

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#	Company	Negotiation process stages adopted					
03	INTERPAL	Collect information about product and competitors	Sample request	Negotiation implementation	Result	Purchase order	
04	HONEST	Determine needs and Collect information about product and Supplier	Market research	Select strategy and Tactic. (Offer Company Profile)	Negotiation implementation	Result	Purchase order
05	EPCO	Determine needs and Collect data	Determine Alternative price.	Select strategy and tactic	Negotiation implementation and Result	Renegotiate	Purchase order
06	GOLDEN FALCON	Search for suppliers and product	Market research for demand	Determine strategies	Negotiation implementation	Result	Purchase order

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#	Company	Negotiation process stages adopted					
07	CHEMPAL	Planning	Determine weaknesses and strengths for other party	Determine target price [High and Low]	Determine Alternative product	Negotiation implementation using strategies and tactic.	Result
08	PALESTINE	Determine needs	Market research for Demand, competitors and price	Determine and study alternative suppliers	Negotiation implementation using strategies and tactics.	Result evaluation and Renegotiation.	Final result and purchase order
09	ADWAA ALBASHER	Determine needs and Collect data	Negotiation implementation using strategies and tactics.	Result	Renegotiation	Final result and purchase order	---

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#	Company	Negotiation process stages adopted					
10	ALSAQQA	Determine needs	Collect information about product and Supplier	Select strategy and Tactics (Offer Company Profile)	Negotiation implementation	Result	Purchase order
11	ALASREA	Determine needs	Collect information about product and Supplier	Market research for quantity demand, competitors and price	Evaluating end user reaction to offered price	Negotiation implementation using strategies and tactics.	Result and purchase order
12	Al AMRAA	Determine needs and Collect data	Determine strategies and profitability	Determine target price	Negotiation implementation	Result	Evaluation
13	SANABEL	Collect data	Public Relation	Choosing a suitable negotiation venue	Negotiation implementation	Result	Evaluation

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#	Company	Negotiation process stages adopted					
14	AL HUSARI	Determine needs and Collect data	Negotiation implementation	Determine strategies and profitability	Result	Renegotiation	purchase order
15	YUSSUF HABOUSH AND SONS	Determine needs and Collect data	Negotiation implementation	Determine strategies and profitability	Result	Purchase order	
16	TAAMER	Determine needs	Environment study	Weaknesses and Strengths	Profitability evaluation	Negotiation implementation	Result
17	GEBREEL	Determine needs	Collect data about product	Negotiation implementation	Result	Purchase order	
18	MASHARE Q	Determine needs and Request quotations	Determine strategies	Negotiation implementation	Result	Purchase order	

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#	Company	Negotiation process stages adopted					
19	ANAS	Determine needs and Collect data	Determine strategies and profitability	Negotiation process and Result	Renegotiation	Final result evaluation	Purchase order
20	SEDNY	Determine needs	Collect data	Determine strategies	Negotiation implementation and result	Renegotiation	Final result
21	RAMALLA	Determine needs and Collect data	Determine strategies	Negotiation process and Result	Renegotiation	Final result	Purchase order
22	HAMODA	Determine needs	Negotiation implementation	Result	Purchase order		
23	ABUJARAD	Determine needs	Negotiation implementation	Result	Purchase order		
24	MASHHRAWE	Determine needs and Market research	Alternatives products and suppliers	Negotiation implementation	Result	Purchase order	

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#	Company	Negotiation process stages adopted					
25	MORTAJA	Determine needs and Market research	Negotiation implementation	Result	Purchase order		
26	ABUHMA D	Determine needs and Collect data	Determine strategies	Negotiation implementation and Result	Renegotiation	Final result evaluation	Purchase order
27	TELBANE	Collect data	Negotiation implementation	Result	Purchase order		
28	TECHNICAL ELECTRICAL	Negotiation implementation	Result	Purchase order			
29	GAZA	Negotiation implementation	Result				
30	SUHEL ABU HALEMA	Negotiation implementation	Result				



From Table 4.1, it can be seen that there is some pattern of negotiation stages that is followed in all the companies in the study sample, which is summarized in Table 4.2. Most negotiators in such companies start with a planning stage. Activities in this stage vary as follows: Determining market needs, collecting information about product and competitors, collecting information about supplier, market research and determining weaknesses and strengths for other party. Choosing the negotiation strategy and tactic to implement such a strategy seems to be almost a common stage adopted by most companies. The actual negotiation implementation is the next stage in the negotiation process for various companies. The outcomes reached are evaluated. At this stage, some companies get into a renegotiation phase to make more gains. Finally, an agreement could be reached represented by making a purchase order (or a selling transaction).

**Table 4.2 Summary of negotiation process stages:**

<b>Negotiation process stages</b>					
Planning	Choosing strategy and tactics	Negotiation implementation	Primary negotiation outcome evaluation	Renegotiation	Possibly reaching an agreement

#### **4.4 Parameters affecting the negotiation process:**

The parameters that affect the negotiation process in B2B transactions were discussed with company representatives during the interviews according to this question, what is the parameter and factors which impact the negotiation process? Table 4.3 shows the parameters that are thought by each company in the study sample to affect the negotiation process.

**Table 4.3: The parameters affecting the negotiation process according to interviewees:**

#	Company	Parameters affecting the negotiation process					
01	ALHELLO Co.	Negotiation time constraints and tools	Environment of supplier and competitive	Negotiators sense and Needs	Cash and Quantity	Experience, skills and negotiator. age	Negotiation strategies
02	ADVANCED-TECH CO	Strategies and tactics	Economy and political situation	Competition in the market sector	Cash and Quantity	Tools and needs	Brand name and company power
03	INTERPAL CO.	Quantity, quality, price and delivery requirements	Advertising material	Cash payment	Negotiator level of need	Age, sex, Experience, and skills	Image and volume

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#	Company	Parameters affecting the negotiation process					
04	HONEST CO.	Strategies and tactics	Negotiator education and experience	Cash payment	Whether the negotiator or is the decision maker	Product, competition in the sector	Strength of relationship between negotiating parties
05	EPCO CO.	Strength of relationship between negotiating parties	Quantity and quality requirements	Purchasing for sold product	Data and information	Weakness and strengths of negotiating parties	Economy and political situation
06	GOLDEN FALCON CO.	Quantity, quality, price and delivery requirements	Demand and Offer	Stock	Disputant	Weakness and strengths of negotiating parties	Negotiator confidence
07	CHEMPAL	Market price	Needs	Stock	Natural of product	information	Quantity requirements
08	PALESTINE	Negotiator experience	Negotiator skills	Good information	New tech.	Strategies and tactics.	Tools

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#	Company	Parameters affecting the negotiation process					
09	ADWAA ALBASHER	Planning	Quantity , quality, price and delivery require ments	Demand and Offer	Needs and Brand name	Product, supplier competit ion	Cash Payment and stock
10	ALSAQQA	Payment Method	Quantity , quality, and price require ments	Compan y Profile and Desire	Strategie s and Tactics.	Advertis ing and offers	Full informat ion about other negotiati ng party
11	ALASREA	Strategie s and tactics.	Quantity , quality, price and delivery require ments	Payment Method and payment guarante es	Warrant y and insuranc e	Product origin	Political situation
12	AI AMRAA	Culture	Quantity and Volume	Nature of meeting and behavior s of two parties.	Tools	Negotiat ors sense and needs	Experie nce and Skills of negotiat ors
13	SANABEL	Negotiat ors	Strategie s and tactics	Estimate d actual cost	Demand and Offer	Religion	National ity

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#	Company	Parameters affecting the negotiation process					
14	AL HUSARI	Strategies and tactics	Brand Name	Cash payment	Competitors	Liquidity	Negotiation and tools
15	YUSSUF HABOUSH AND SONS	Strategies and tactics	Needs, stock. Time, quality, quantity requirements.	Cash payment	Period of deal and confidence	Political situation	Brand Name
16	TAAMER	Negotiator Confidence	Quality requirements	Tools	Negotiators sense	Experience and Skills	Age and sex
17	GEBREEL	Cash payment	Quantity requirements	Competitors	Economic and Political situation	Information	Sex and Need
18	MASHAREQ	Need and tools	No. of Suppliers	Volume Of Deal	Cash payment	Strategies	Experience and Skills of negotiators
19	ANAS	Negotiation parties prestige	Need and tools	Cash payment	Quantity and quality	Quick decision	Negotiators strength
20	SEDNY	Brand name	Cash payment	Quantity requirement	Competitors	Quality requirements	Age and sex of negotiators

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#	Company	Parameters affecting the negotiation process					
21	RAMALLA	Negotiat or confiden ce	Image	Relation ship	Stock	Demand	Eloquen tly of negotiat or
22	HAMODA	Turnove r of sales item	Cash payment	Delivery	Price		
23	ABUJARAD	Cash payment	Quantity and quality require ments	Confide nce of negotiat ors	Stock		
24	MASHHRA WE	Cash payment	Stock	Quantity require ments			
25	MORTAJA	Expiry date					
26	ABUHMAD	Expiry date	Quantity and Quality require ments	Competi tors	Profitabi lity		
27	TELBANE	Quantity require ments	Cash payment	Confide nce of negotiat ors			
28	TECHNICAL ELECICAL	Quantity require ments	Cash payment	tools			

#	Company	Parameters affecting the negotiation process					
29	GAZA	Cash payment	Confidence of negotiators	Image			
30	SUHEL ABU HALEMA	Cash payment	Confidence of negotiators	Image	Profitability	Quantity requirements	Relationship

From Table 4.3, it can be seen that there are some common parameters viewed by company representatives interviewed to affect the negotiation process. Such parameters are summarized and classified in Table 4.4.

Some of the parameters are negotiator-specific related to the characteristics of the negotiators. This includes personal characteristics of the negotiator such as age, sex, religion, nationality, skills, confidence and eloquence. The work experience and the negotiator role in the organization, his/her confidence and the power he/she has to make decision on the spot also affect the negotiation process. Any previous relationship between negotiators could also be an influencing factor on the way the negotiation proceeds. The strategies, tactics and negotiation tools used by each negotiator will certainly affect the negotiation process.

According to interviewees, company-specific parameters were found to affect the negotiation process. This includes the image and profile of the company. The current state of the company in the market influences the negotiation process. This includes its strength, liquidity, and share in the market, its sales turnover and its stock. The strength of the company's competitors is a parameter affecting the company's position in the negotiation. The economical and political situation surrounding the company will affect the negotiation process.

The requirements and priorities of the negotiation for each negotiating party have a direct effect on the negotiation process according to interviewees. Such requirements

can be of quantitative nature. Quality requirements could be a crucial parameter in the negotiation process. Another important parameter is the price and profit margin each negotiation party is aiming for. Timing issues represented by the time of delivering the product could be influential. In some commodities, the expiry date could be a requirement affecting the negotiation process. Method of payment including cash payments and the payment guarantees and assurances expected/offered could also change the course of negotiation.

Product-specific parameters including the brand and the origin of the product could also be affecting the negotiation process according to the results obtained. The market sector of the product, including the volume of demand and supply can also influence the negotiation process.

**Table 4.4 Classification of parameters affecting the negotiation process:**

<b>Negotiator-specific parameters</b>	<b>Company-specific parameters</b>	<b>Negotiation Requirements parameters</b>	<b>Product-specific parameters</b>	<b>Market Sector parameters</b>
Age	Image	Quality	Brand name	Demand
Sex	Profile	Quantity	Product origin	Offer
Religion	Liquidity	Profitability margin (price)	New product	The political situation in the surrounding environment
Culture	Competitors	Tools	Advertising products	The economical situation in the surrounding environment
Nationality	Strength	Delivery	Natural of product (storage method)	
Experience	Market Share	Expiry date	Volume prod.	



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<b>Negotiator-specific parameters</b>	<b>Company-specific parameters</b>	<b>Negotiation Requirements parameters</b>	<b>Product-specific parameters</b>	<b>Market Sector parameters</b>
Skills	Stock	Payment Method: cash, payment guarantees, insurance		
Confidence	Sales turnover	Strategies and Tactics		
Decision Making Abilities		Needs		
Eloquently		Data base and information		
Prestige		Negotiation Arena Or place		
Relationship between negotiators				
Sense of the negotiation situation				
Desire				

The number of interviewees indication for each parameter described above was calculated as a percentage to give a rough estimate on the importance of each parameter. Negotiator-specific parameter estimates are summarized in Table 4.5, e.g. Age and sex impact on negotiation outcomes with 16.6% when compared with another parameters rate as indicator. Otherwise religion, culture, nationality, prestige and ability of decision making effected with 6.6% and Eloquently and desires with 3.3% when compared with other parameters rate, while we see the skills and experience impact on out comes with 36.6%, and Relationship between negotiators and Sense of the negotiation situation with 20% according to another's parameters value. Finally the confidence effect with 40% as soon as, From above percentage we consider the parameter effect on negotiation outcomes according its weights.

**Table 4.5 Estimated Negotiator-specific parameters affecting the negotiation process as indicator:**

#	Negotiator-specific parameters	No. Of Samples	No. of Repeats	Percentage%
1	Age	30	5	16.6
2	Sex	30	5	16.6
3	Religion	30	2	6.6
4	Culture	30	2	6.6
5	Nationality	30	2	6.6
6	Experience	30	11	36.6
7	Skills	30	11	36.6
8	Confidence	30	12	40
9	Decision Making Abilities	30	2	6.6
10	Eloquently	30	1	3.3
11	Prestige	30	2	6.6
12	Relationship	30	6	20
13	Negotiators Sense	30	6	20

#	Negotiator-specific parameters	No. Of Samples	No. of Repeats	Percentage%
14	Desire	30	1	3.3

Otherwise in this point, the number of interviewee's indication for each parameter described table 4.4 was calculated as a percentage to give a rough estimate on the importance of each parameter. Company-specific parameters are given in Table 4.6, we see in the mentioned table that stock, competitors, parameter and image is the more importance from other rate with 26.6%, 23.3 and 16.6%. From above percentage we consider the parameter effect on negotiation outcomes according its weights.

**Table 4.6 Estimated Company-specific parameters affecting the negotiation process as indicator:**

#	Company-specific parameters	No. Of Samples	No. of Repeats	Percentage%
1	Image	30	5	16.6
2	Profile	30	2	6.6
3	Liquidity	30	3	10
4	Competitors	30	7	23.3
5	Strength	30	3	10
6	Market Share	30	2	6.6
7	Stock	30	8	26.6
8	Sales turnover	30	3	10

The number of interviewee's indication for each parameter described table 4.4 was calculated as a percentage to give a rough estimate on the importance of each parameter. The frequency of occurrence for parameters related to the negotiation process requirements are summarized in Table 4.7. The main parameter in this point is quantity with 76.6%, payment method, quality 40%, strategies and tactics with 36.6% price 33.3%, tools with 33.3, needs with 33.3% and information or (data base) with 23.3%. Finally from above percentage we consider the parameter effect on negotiation outcomes according its weights.

**Table 4.7 Estimated Negotiation Requirements parameters affecting the negotiation process as indicator:**

#	Negotiation Requirements parameters	No. Of Samples	No. of Repeats	Percentage%
1	Quality	30	12	40
2	Quantity	30	23	76.6
3	Price	30	10	33.3
4	Tools	30	10	33.3
5	Delivery	30	6	20
6	Expiry Date	30	3	10
7	Payment Method	30	23	76.6
8	Strategies and Tactics	30	11	36.6
9	Needs	30	10	33.3
10	Data base and information	30	7	23.3
11	Negotiation Place	30	1	3.3
12	Disputant	30	1	3.3

The number of interviewee's indication for each parameter described table 4.4 was calculated as a percentage to give a rough estimate on the importance of each parameter. Product-specific and estimates are outlined in Table 4.8. In this point the brand name is best importance with 23.3% when compared with other weights. This point and others need depth studies to arrive to high accuracy. Our study put forward the reader only indicators.

**Table 4.8 Estimated Product-specific parameters affecting the negotiation process as indicator:**

#	Product-specific parameters	No. Of Samples	No. of Repeats	Percentage%
1	Brand name	30	7	23.3
2	Product origin	30	3	10
3	New product	30	1	3.3
4	Advertising products	30	2	6.6
5	Natural of product	30	1	3.3
6	Volume product	30	1	3.3

Finally, in this point, the number of interviewees indication for each parameter described table 4.4 was calculated as a percentage to give a rough estimate on the importance of each parameter. Market-specific requirement estimates are outlined in Table 4.9. In this point the Offer and political situation is best importance with 16.6% when compared with other weights. This point and others need depth studies to arrive to high accuracy.

**Table 4.9 Estimated Market Sector parameters affecting the negotiation process as indicator:**

#	Market Sector parameters	No. Of Samples	No. of Repeats	Percentage%
1	Demand	30	4	13.3
2	Offer	30	5	16.6
3	Political situation	30	5	16.6
4	Economical situation	30	3	10

#### **4.5 Determining negotiation strategies and tactics used in the Gaza Strip B2B market:**

The strategies and tactics that are used in the negotiation process in B2B transactions were discussed with company representatives during the interviews according this question What about negotiation strategies and tactics? And what is the strategy you implement? Table 4.10 illustrates such strategies and tactics.

**Table 4.10 Negotiation strategies and tactics used in the Gaza Strip B2B market according to interviewees:**

#	Co. Negotiators	Negotiation strategies and Tactics					
01	ALHELLO Co.	Short-term strategy using camouflage tactic	Long-term strategy using confidence tactic	Good Service and facilities	Target price tactic	Reciprocity and emotional tactic.	Other tactics. (Quantity, quality, Price, Delivery date)
02	ADVANCED-TECH CO	Loyalty, cash payment, Advertising tools and bonus	Long-Term strategy using confidence tactic	Good Service and Facilities	Body language tactic (face expressions)	Competitor price	Other tactics. (Quantity, quality, Price, Delivery date)

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#	Co. Negotiators	Negotiation strategies and Tactics					
03	INTERPAL CO.	Advertising and promotion.	Relationship	Cash payment	Prestige	Negligence target product	Other tactics (Quantity, quality, Price, Delivery date)
04	HONEST CO.	Camouflage	Relationship	Confidence	Company strength points	Emotional tactic	Negligence target product
05	EPCO CO.	Payment condition and cash payment	Warranty	Confidence	Legality	Relationship and Company strength points	Other Tactics (Quantity, quality, Price, Delivery date)
06	GOLDEN FALCON CO.	Cash payment	Alternatives for product	Relationship and Confidence	Sympathy	Company strength point	Other tactics. (Quantity, quality, Price, Delivery date)



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#	Co. Negotiators	Negotiation strategies and Tactics					
07	CHEMPAL	Low price from offered	Alternatives for product	Disputant	Sympathy and emotion	Company strength points	Win-Win
08	PALESTINE	Playing on Competitors	Alternatives for product	Relationship Confidence	New market and product	Company strength points	Potential
09	ADWAA ALBASHER	Relationship Confidence	Alternatives for product	Playing on Competitors	Other Tactics. (Quantity, quality, Price, Delivery date)	Respect Supplier	████████ ████████ ████████ ████████ ████████ ████████ ████████
10	ALSAQQA	Relationship Confidence	Quantity	Cash payment	Sympathy and emotion	Company strength point	Warranty
11	ALASREA	Cash payment	Other tactics (Quantity, quality, Price, Delivery date)	████████ ████████ ████████ ████████ ████████ ████████	████████ ████████ ████████ ████████ ████████ ████████	████████ ████████ ████████ ████████ ████████ ████████	████████ ████████ ████████ ████████ ████████ ████████

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#	Co. Negotiators	Negotiation strategies and Tactics					
12	Al AMRAA	Camouflage and Request Facilities after agreement.	Kind of supplier	Cash payment	Other tactics. (Quantity, quality, Price, Delivery date	Short-Term	Long-Term
13	SANABEL	Give value for product and psychological part	Relationship (Value for another part)	Camouflage	Other Tactics. (Quantity, quality, Price, Delivery date	Cash payment	Sympathy and emotion
14	AL HUSARI	Camouflage	Cash payment	Playing on Competitors	Company strengths points		
15	YUSSUF HABOUSH AND SONS	Relationship Confidence	Camouflage	Playing on Competitors	Other tactics. (Quantity, quality, Price, Delivery date	Stock	Sympathy and emotion

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#	Co. Negotiators	Negotiation strategies and Tactics					
16	TAAMER	Quantity	Cash payment	Playing on Competitors	Relation ship	Confidence	Quality
17	GEBREEL	Quantity	Cash payment	Easy Bargaining			
18	MASHAREQ	Relation ship Confidence	Camouflage	Quantity			
19	ANAS	Relation ship Confidence	Camouflage and Drain negotiator power through mediators	Other tactics Quantity, quality, Price, Delivery date	Cash payment	Playing on Competitors	Smooth negotiation and Use face shape
20	SEDNY	Relation ship Confidence	Camouflage	Playing on Competitors	Other tactics. (Quantity, quality, Price, Delivery date	Cash payment	

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#	Co. Negotiators	Negotiation strategies and Tactics					
21	RAMALLA	Relation ship Confide nce	Camoufl age	Quantity			
22	HAMODA	Cash payment					
23	ABUJARAD	Cash payment	Quantity and quality	Confide nce	Stock	Demand	
24	MASHHRA WE	Cash payment	Stock	Quantity			
25	MORTAJA	Cash payment					
26	ABUHMAD	Ponies	Other tactics. (Quantit y, quality, Price, Delivery date				
27	TELBANE	Quantity	Cash payment	Confide nce			
28	TECHNICAL ELECRICAL						
29	GAZA	Quantity	Cash payment	Confide nce			

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#	Co. Negotiators	Negotiation strategies and Tactics					
		30	SUHEL ABU HALEMA	Cash payment	Low price from offered	Quantity	Confide nce

**Table 4.11 Summary of negotiation strategies and tactics used in the Gaza Strip B2B market according to interviewees:**

Strategies					
Long-Term strategy: WIN-WIN			Short-term strategy: WIN:LOSS		
Tactics					
Confidence	Relationship	Other tactics (Quantity, quality, Price, Delivery date	Camouflage	Playing on Competitors	Drain negotiator power through mediators
Smooth negotiation	Company character (Power)	Product character(New market and product)	Sympathy	Emotion	Early Negotiation Process
Use face shape	Payment condition	Legality	Low price from offered	Disputant	Warranty
Good Service and facilities	Demand and offer	Advertising and promotion materials	Target price tactic.	Stock	Reciprocity

From Table 4.10, it can be seen that there are strategies and tactics commonly used according to the interviewees. Such strategies and tactics are summarized in Table 4.11. It can be seen that some companies tend to use a win-win negotiation strategy while others go for the win-loss strategy. The use of both a win-win and a win-lose strategies is followed by some companies, given the negotiation setting of concern.

A variety of tactics are used by companies including showing flexibility in the requirements of the negotiation process (quantity, quality, price, delivery date, payment methods, etc.) in order to make maximum gains from the process. Some tactics tend to be strategy specific such as confidence for a win-win strategy and the camouflage tactic for a win-loss strategy.

#### **4.6 Determining the metrics used to measure the output of the negotiation process**

The metrics that are used to measure the success of the negotiation process were discussed with company representatives in the interviews according to this question, what criteria do you use to measure negotiation outcomes? Table 4.12 shows the metrics that are used by each company to evaluate the negotiation process success.

**Table 4.12 the metrics used to measure the output of the negotiation process according to interviewees:**

#	Co. Negotiators	Criteria of the negotiation process					
01	ALHELLO Co.	Negotiation or Commitment	Relationship continuity	Image	Win-Win	Discount	Time and Effort
02	ADVANCED-TECH CO	Achieve objectives	Long-Term relationship	Add new product	Exclusive relationship with supplier	Discount leading to profit	
03	INTERPAL CO.	Finished process	Discount				
04	HONEST CO.	Profitability	Relationship continuity	Purchase potential	Image	Time	
05	EPCO CO.	Profitability	Relationship continuity				

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#	Co. Negotiators	Criteria of the negotiation process					
06	GOLDEN FALCON CO.	Profitability	Long-Term relationship	Discount	Exclusive relationship with supplier		
07	CHEMPAL	Satisfaction of all parties	Long-Term relationship	Discount	Image	Time	Effort
08	PALESTINE	Profitability	Long-Term relationship	Good Impression	Image	Finished process	Time and Effort
09	ADWAA ALBASHER	Profitability	Long-Term relationship	Good Impression	Time	Effort	
10	ALSAQQA	Profitability	Long-Term relationship	Supplier and customers Satisfaction	Time	Effort	
11	ALASREA	Profitability	Long-Term	Good managing and control	Image	Time	
12	Al AMRAA	Profitability	Payment Condition	Discount			



**Towards a Software Model Supporting Efficient Negotiation in the Buying/Selling Process for the Business-to-Business market.**

#	Co. Negotiators	Criteria of the negotiation process					
13	SANABEL	Profitability	Finished process	Discount			
14	AL HUSARI	Profitability	Image	Time			
15	YUSSUF HABOUSH AND SONS	Profitability	Long-Term relationship	Discount	Image	Time	Effort
16	TAAMER	Profitability	payment condition	Delivery date			
17	GEBREEL	Discount					
18	MASHAREQ	Profitability	Long-Term relationship	Good Impression	Satisfaction of all parties	Time	Effort
19	ANAS	Profitability	New relationship	Long-Term relationship	Image		
20	SEDNY	Profitability	Long-Term relationship	Image			
21	RAMALLA	Profitability	Relationship				
22	HAMODA	Profitability	Satisfaction of				

#	Co. Negotiators	Criteria of the negotiation process					
			all parties				
23	ABUJARAD	Profitability	relationships	Time			
24	MASHHRA WE	Discount	Quality				
25	MORTAJA	Discount					
26	ABUHMAD	Discount					
27	TELBANE	Discount					
28	TECHNICAL ELECICAL	Profitability					
29	GAZA	Profitability					
30	SUHEL ABU HALEMA	Profitability					

From Table 4.12, it can be seen that there are some common metrics that are used by companies to evaluate the negotiation process success. Such parameters are summarized and classified in Table 4.13. It can be seen that closing a deal and meeting the negotiator objectives is one measure of negotiation success. This can be reflected by a purchase order with the target discount/profit which includes the quality, quantity, delivery date, payment conditions, etc. i.e. managing to achieve the requirements of the negotiation process. The company's image and impression felt by the other negotiating party is another metric that is used to evaluate the negotiation process. The resources used in the negotiation process such as the time and effort are an important metric when measuring the negotiation process success. The nature of the relationship with the other

negotiating party in terms of the continuity and the length of such a relationship is also a metric used by companies to measure the negotiation process outcome.

**Table 4.13 Summarized criteria used in the Gaza Strip B2B market according to interviewers:**

<b>Negotiation Process Metrics</b>			
Meeting negotiation process objective	Company image and impression on other negotiating party	Resources used in the negotiation process	Relationship with other negotiating party after the end of the process

#### **4.7 Summary:**

In this chapter, an analysis of the results obtained through interviews was presented. This included the stages of the negotiation process, the parameters, strategies and tactics and finally the metrics used to evaluate the negotiation process outcomes.

## **CHAPTER 5**

# **Model Construction**

## **5.1 Introduction:**

In this chapter, the negotiation process in B2B is modeled, based on the results analyzed in Chapter 4. Various components of the model are described including the input, processing and outcome components.

## **5.2 Outlining the model supporting efficient negotiation in the buying/selling process for business to business market:**

Based on answer of this question, do you think a software model to support your neg. will be effective/ and the analysis given in Chapter 4 of the results collected by interviewing the study sample, a model describing negotiation in the buying/selling process is constructed. Figure 5.1 illustrates the different components of the model. The model can be divided into three main parts, the input unit, which contains the parameters, strategies and tactics of the negotiation process. The second unit is the processing unit which contains the stages of the negotiation process. The third unit is the output unit which contains the metrics to evaluate the negotiation process outcomes.

## **5.3 The input unit:**

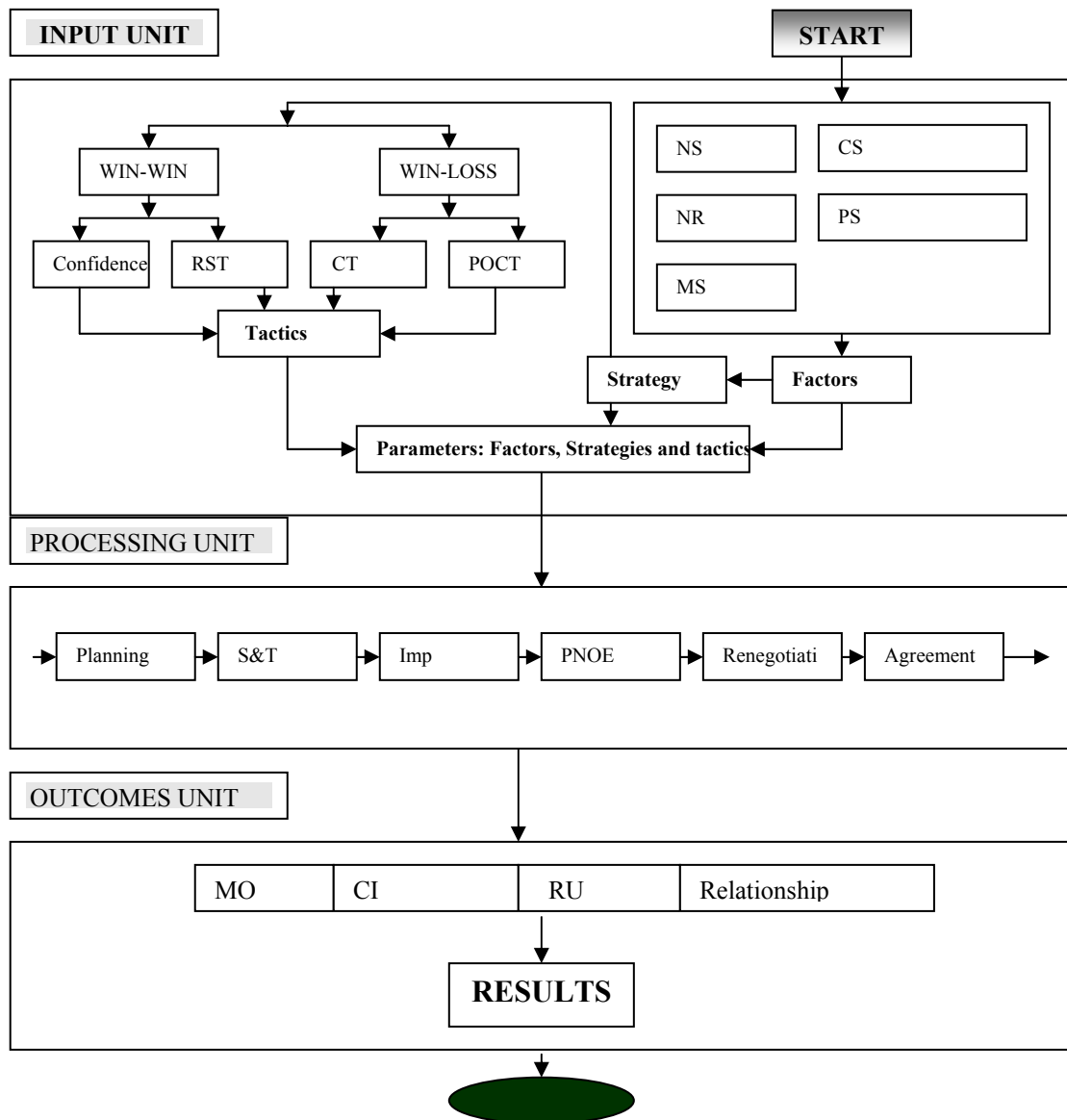
The input unit represents the parameters, strategies and tactics that affects the negotiation process. The main parameters include:

### **5.3.1 Parameters**

#### **Negotiator-Specific parameters (NS):**

Which are related to the negotiator's character including work experience, eloquently, skills, qualifications, age, sex, religion, culture and nationality. The ability of the negotiators to predict the supplier/customer attitude or needs/requirements is also a parameter that affects the negotiation process. The negotiation tools the negotiator use such as the phone, fax, e mail or even face-to-face also affects the negotiation process.

Figure 5.1: Negotiation Model Diagram:



*NS: Negotiator-Specific Parameters*  
*CS: Company-Specific Parameters*  
*NR: Negotiation Requirements Parameters*  
*PS: Product-Specific Parameters*  
*MS: Market Sector Parameters*  
*CON.T: Confidence Tactic*  
*RST: Relationship Tactic.*  
*CT: Camouflage Tactic.*  
*POCT: Playing on Competitors Tactic.*

*S&T: Choosing Strategies & Tactics*  
*Imp: Negotiation Implementation.*  
*PNOE: Primary Neg. Outcome Eva.*  
*MO: Meeting Objectives.*  
*CI: Company Image.*  
*RU: Resources Used.*

Design By: Research

**Company-Specific parameters (CS):**

Including strength of the company, share in the market, sales turnover, image and liquidity. The locality of the company represented by the political and economical conditions also affects the negotiation process. Stock is also an important parameter, if the supplier has huge stock, with little pressure he/she will be cooperating in good deal for the other negotiating party. Competitors and their strength can also affect the negotiation process. In particular, increasing the needs to get a better deal out of the negotiation process in order to effectively compete.

**Negotiation Requirements parameters (NR):**

Quantity, quality, target price (profit/discount), delivery date and payment method are all negotiation requirements that can impact the negotiation process. For example if the profit margin is small, then it can be a requirement to sustain it and this could make the negotiation more aggressive and tense to ensure that this requirement is met. The degree of the product need for the company also can affect the negotiation process.

**Product-Specific parameters (PS):**

Such as product brand and origin are parameters that could have an impact on the negotiation process.

**Market Sector parameters (MS):**

The level of demand and the number of suppliers can affect the negotiation process and affects parties strengths in the negotiation process.

### **5.3.2 Strategies and Tactics:**

#### **Long-term strategy (Integrative Bargaining, WIN- WIN):**

It's win-win bargaining in which all parties share objectives and outcomes and they gain benefits simultaneously. The aim of following this strategy is to establish a continuous relationship with the other negotiating party. Such a strategy will influence the choice of the tactic to be used, which in turn will influence the course of negotiation.

#### **Short-term strategy (Integrative Bargaining, WIN- LOSS):**

It's a competitive or win-lose bargaining. The objectives of two parties are in fundamental conflict. Resources are constant and limited and each party wants to maximize its share. The aim is to close a deal with maximum gains without considering any future possible relationships with the negotiating party.

A variety of tactics can be used in the negotiation process and thus have an impact on it. Such tactics include:

#### **Confidence tactic:**

The confidence tactic is an efficient tactics that effect the outcomes positively. It realizes the long-term strategy win-win strategy. Confidence can be achieved through the presentation of some information which presents company facilities and strengths.

#### **Relationship Tactic:**

This tactic depends on public relation and making friend relationship between negotiation process parties.

#### **Mix Tactic:**

This tactic is based on changing the various requirements of negotiation such as quantity, quality, price and delivery date to achieve maximum gains. The idea is to show some flexibility in the requirements for better outcomes.



**Camouflage:**

This tactic depends on negotiator skills in hiding away from the other negotiator his/her real objectives in the negotiation process. For example, if a number of products are negotiated, the negotiator can try hide away the product that he/she is most interested in to get a better deal.

**Playing on competitors:**

This tactic will achieve target objective through playing on competitors by price, quality and all supplier facilities.

**Drain negotiator power through mediators:**

This tactic will achieve target objective through mediators which lead to drain counter party power. As he/she will do negotiation process as primary negotiation process, and then the main negotiator will lead final stage (renegotiation).

#### **5.4 Defining process unit components:**

In this unit, the main stages of the negotiation process are described.

##### **Planning phase:**

The main points in planning phase according to the interviewees were as the following:

A- Determine the need of negotiators which represented with product, and if negotiators want efficiency through determine his request so must be determine market needs, for example; Mr. Nasier Salman Alhello who is the general manger for some companies in Gaza strip says that he determines his needs according to market need which are identified through market research.

B- Collect all information about product target like ( competitors prices, weakness and strengths, other offer brands name, quality, customer prefers, market share for competitors, market demand and the method of sell product according to tender (huge quantity or through distributor channel).

C- Determining internal and external suppliers according to company criteria, and then select suitable supplier and supplier alternatives.

##### **Choosing Strategies & Tactics (S&T):**

In this stage, a strategy is selected and also the tactics to realize such a strategy. The choice of strategy and tactic is influenced by the main parameters and factors of the process. In this stage, the negotiators determine the tools to be used in the process, e.g. face-to-face if the deal is substantially big, otherwise fax, or email can be used for small value deals.

##### **Negotiation Implementation (Imp):**

The actual negotiation implementation occurs at this stage in the negotiation process

### **Primary negotiation outcome Evaluation (PNOE):**

From the last stage, outcomes are produced, which are evaluated to decide on the next stage. If the deal is huge or capital goods, the negotiators will get into the next stage of renegotiation. However, if the deal is low volume, then the negotiators will enter a procurement process.

### **Renegotiation:**

Renegotiation is entered if the value of the deal to be reached is of great importance to the negotiating parties.

### **Possibly reaching an agreement:**

In this phase the negotiators arrive to final outcomes, and they evaluate it through many metrics including discount via profit, business continuity, image, time and potential).

## **5.5 The output unit:**

In this unit was described the main criteria which used in negotiation outcomes evaluation which will define as the following:

### **Meeting Objectives:**

Meeting objectives is a main metric that is used to evaluate the outcome of the negotiation process. Direct or indirect profit is a central metric here

### **Relationship with other negotiating party:**

This metric considers is important in evaluating the negotiation process. The continuity of the relationship is an indicator for the success of the process. It certainly proportional to profit, the longer the relationship will last, the more profit will be gained.

### **Company Image:**

This metric is also used to evaluate the negotiation process. The impression that the negotiator passed to other party can be crucial to a return for business in the future and thus making more profit. So there is a correlation between the company image and profit.

### **Resources Used:**

The cost of the negotiation process in terms of the time, effort and possibly the financial cost is a metric that can be used to evaluate the negotiation process outcomes. It is certainly related to the profit. The cost of the process itself should be justified by the profit to be gained.

## **5.6 Summary:**

In this chapter, the negotiation process in business to business trade market was modeled, based on the results analyzed in Chapter 4. Various components of the model were described.

## **CHAPTER 6**

### **Further work and Conclusions**

## **6.1. Further work and Recommendation:**

The following further work is recommended:

- 1- Evaluation and scoring of parameters and relations between them.
- 2- Designing and implementing the negotiation model based on the work done in this study.

## **6.2. Conclusion:**

In this study, interviewed were performed with negotiators in the Gaza Strip working the B2B trade market to understand the negotiation process in this sector. Results obtained from interviews were analyzed. The results obtained represent the negotiation stages used by negotiators in the sector identified above which includes the planning, choosing strategies and tactics, negotiation implementation, outcome evaluation, possibly renegotiation and finally the potential of reaching a final agreement. Parameters affecting the negotiation process were identified and classified to negotiator-specific, company-specific, product-specific, negotiation requirements parameters and market sector parameters. Various negotiation strategies and tactics were identified. Metrics to evaluate to outcomes of the process were identified and classified to: meeting objectives, resources used, future relationship with other negotiating party and company image. Finally, a model is constructed based on the above to represents the details and dynamics of the negotiation process in the B2B trade sector in the Gaza Strip.

## Appendix

**Appendix (1)**

**Interview Questions Preparation**

**Towards a Software Model Supporting Efficient Negotiation in the  
Buying/Selling Process for the B-to-B Market in Gaza Strip**

**Part A:**

**A- Profile of Negotiators:**

1. Name on Negotiators: (.....).
2. Age: (.....).
3. Education /Qualification: (.....).
4. Role : (.....).
5. Years Of Experience: (.....).

**B- Profile of company:**

1. Name of company; (.....).
2. Company major: (.....).
3. No. of employees: (.....).
4. Company address: (.....).
5. Email address: (.....).



**Part B:**

**A- Evaluate current negotiation process:**

1- What is negotiation in your opinion?

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.....

2- What are the negotiation stages you go through?

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.....

3- What about negotiation strategies and tactics? and what is the strategy you implement?

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.....  
.....

4- What is the parameter and factors which impact the negotiation process?

.....  
.....  
.....  
.....

**5- Do you think the following parameters impact the negotiation process? If yes, How?**

**Negotiation Tools: No [ ]; Yes [ ]**

.....

**Negotiators Prediction: No [ ]; Yes [ ]**

.....

**Negotiators Need: No [ ]; Yes [ ]**

.....

**Company Characters:**

**Volume: No [ ]; Yes [ ]**

.....

**Image: No [ ]; Yes [ ]**

.....

**Brand name: No [ ]; Yes [ ]**

.....

**Liquidity ration: No [ ]; Yes [ ]**

.....

**Negotiators Characters:**

**Experiences: No [ ]; Yes [ ]**

.....

**Skills: No [ ]; Yes [ ]**

.....

**Towards a Software Model Supporting Efficient Negotiation in the Buying/Selling Process for the Business-to-Business market.**

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Educational: **No** [  ]; **Yes** [  ]

.....

Age, sex, religion and nationality: **No** [  ]; **Yes** [  ]

.....

6- Do you use any negotiation tools? If Yes, How? **No** [  ]; **Yes** [  ]

.....

7- Do you think a software model to support your neg. will be effective? **No** [  ]; **Yes** [  ]

.....

8- What criteria do you use to measure negotiation outcomes?

.....

.....

.....

.....

.....

**Appendix (2)**

**Companies List:**

<b>#</b>	<b>Company</b>	<b>Category</b>	<b>No. of Emp.</b>	<b>Address</b>
01	ALHELLO	Import and Distribute Doors and Windows.	15	GAZA
02	ADVANCED-TECH	Import and Distribute Medical and Scientific equipments.	5	GAZA
03	INTERPAL	Import and Distribute Drugs and Cosmetics.	14	GAZA
04	HONEST	Import and Distribute Furniture's and Office equipments.	5	GAZA
05	EPCO	Import and Distribute Computers and Accessories.	....	GAZA
06	GOLDEN FALCON	Import and Distribute Food Materials.	10	GAZA
07	CHEMPAL	Import and Distribute medical & scientific supplies.	10	GAZA
08	PALESTINE	Import and Distribute Computers and Telecom. Equipments.	5	GAZA
09	ADWAA ALBASHER	Import and Distribute Electrical Materials.	9	GAZA
10	ALSAQQA	Import and Distribute House Electrical Equipments	17	GAZA
11	ALASREA	Import and Distribute Raw Materials for Plastics.	7	South GAZA
12	Al AMRAA	Import and Distribute Home Furniture's.	7	GAZA
13	SANABEL	For Agricultures Trading and marketing.	5	Middle of

**Towards a Software Model Supporting Efficient Negotiation in the Buying/Selling Process for the Business-to-Business market.**

#	Company	Category	No. of Emp.	Address
				GAZA
14	AL HUSARI	Import and Distribute Food Materials and General Trading.	5	GAZA
15	YUSSUF HABOUSH AND SONS	Import and Distribute Food Materials and Clearing Materials.	5	GAZA
16	TAAMER	Lands Trading.	5	SOUTH GAZA
17	GEBREEL	Import and Distribute Mobiles Equipments and Accessories.	6	GAZA
18	MASHAREQ	Import and Distribute Advertising Materials.	10	GAZA
19	ANAS	Import and Distribute Electrical Tools.	5	MID. OF GAZA
20	SEDNY	Import and Distribute Clearing Materials and Cosmetics.	5	GAZA
21	RAMALLA	Import and Distribute Hospitals and Restaurants Equipments.	5	GAZA
22	HAMODA	Import and Distribute Building Materials.	9	GAZA
23	ABUJARAD	Import and Distribute Chocolates and Food Materials.	12	SOUTH GAZA
24	MASHHRAWE	Import and Distribute Households Requirements.	10	GAZA
25	MORTAJA	Import and Distribute Laboratory Reagents.	5	GAZA
26	ABUHMAD	Import and Distribute Vegetable Oil and foods supplements.	6	GAZA
27	TELBANE	Import and Distribute Food	10	MID.

**Towards a Software Model Supporting Efficient Negotiation in the Buying/Selling Process for the Business-to-Business market.**

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#	Company	Category	No. of Emp.	Address
		Materials.		OF GAZA
28	TECHNICAL ELECTRICAL	Import and Distribute Electrical Materials.	6	GAZA
29	GAZA	Import and Distribute Gas and Fuels.	18	NORTH GAZA
30	SUHEL ABU HALEMA	Import and Distribute	10	NORTH GAZA

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