

Oral Tactics in Principled Negotiation Based on AIDA Model

Milan Constantinovits

PhD in Management and Business Administration Sciences,
Associate Professor, Szent István University Gödöllő, Hungary
constantinovits.milan@gtk.szie.hu

Shougang Zhang

PhD School of Management and Business Administration,
Szent István University Gödöllő, Hungary
School of Business, Xi'an Siyuan University, Xi'an, China
zsg771126@sohu.com.

Abstract

This article has focused on the different negotiation strategies of the international business interactions making two significant categories: the competitive strategy and the cooperative strategy. R. Fisher, W. Ury (1981) invented the concept of principled negotiation, which was later further R. Fisher, W. Ury and B. Patton (1991) developed but the core idea remained unchanged. According to this study the principled negotiation is also one type of the cooperative negotiation strategy and there is a cooperative oral tactics of business negotiation which by the means of cooperative verbal coding ensures the greatest advantages and has got the similar algorithm to the old, classical AIDA model.

Keywords: Oral Tactics, Cooperative Strategy of Negotiation, Principled Negotiation

1. Introduction

From the first year of the 21 century the whole business communication has been changed due to the info-communication revolution. The number and volume of international transactions have been increased and thanks to the technical innovations – they could have made in real time. Despite this radical changes (e-business, e-commerce or online business), despite this technical innovations for being interactive (skype, facebook, twitter etc.) the role of personal selling has been untouched. The deep levels of culture can only be learned by acquiring the relevant interpretative skills and personal presence. There are several strategies of oral communication of business negotiation but all can be divided into two categories: the competitive strategy and the cooperative strategy. Competitive negotiations often have a cold atmosphere and both parties are doing everything to get the very best deal for themselves which usually means that the other party's objectives do not come into the equation (Staff, 2009). The outcome of a competitive negotiation is either win-lose or if the conflict boils up it could end with no outcome. In cooperative negotiation conflict is minimized and the whole idea is to reach a solution where everyone benefits (Staff, 2009). This way they will come to a conclusion that is acceptable to both parties. Cooperative negotiations are good for long-term relations.

Roger D. Fisher, a Harvard law professor and William Ury brought up principled negotiation in 1981 in "Getting to Yes: Negotiating Agreement without Giving In" (Roger D. Fisher, 1981). R. Fisher, W. Ury and B. Patton (1991) developed but the core idea remained unchanged. For over thirty years, the method of principled negotiation has been the dominant formative approach to negotiation in the world. According to Getting to Yes the four principles put together add up to a special strategy, which can be used in any negotiation regardless of the goal of that negotiation.

It is very valuable for negotiation theory to figure out the relationship between principled negotiation and cooperative negotiation strategy; on the other hand because principled negotiation excessively emphasizes the abstract “principles”, we should find some concrete tactics in order to apply to negotiation practice. This paper is written to study those problems by applying AIDA (A=Attention, I = Interest, D=Desire, A=Action) model, which is the most efficient selling tactics known from marketing.

2. Principled negotiation is one type of the cooperative negotiation strategy

Cooperative negotiation strategy involves parties in an effort to jointly meet each others’ needs and satisfy interests. Its goal is a wise agreement to reach by mutual problem-solving method. According to Fisher and Ury, the soft or hard negotiations are positional bargaining or competitive negotiation, that is lose-win or win-lose game. They suggest to change the game. They prescribe an interest-based approach with suggested principles that they refer to as “principled” negotiation or “negotiation on the merits.” The four basic elements of principled negotiation as listed by Fisher and Ury are:

2.1. Separate the people from the problem

The negotiators should focus on attacking the problem posed by the negotiations, not each other.

2.2. Focus on interests, not positions

Distinguish positions, which are what you want, from interests, which are why you want them. Look for mutual or complementary interests that will make agreement possible.

2.3. Invent options for mutual gain

Even if the parties’ interests differ, there might be bargaining outcomes that will advance the interests of both. A “win-win” agreement that furthers the interests of each becomes apparent.

2.4. Insist on objective criteria

Not all disputes and negotiations lend themselves to a “win-win” outcome. Fisher, Ury, and Patton suggest that the parties attempt to agree on objective criteria (market value, scientific judgment, professional standards etc.) to determine the outcome.

The central theme of cooperative negotiation strategy is that the negotiators focus on the parties’ underlying interests rather than on the positions they take. Interest-based bargainers begin with the assumption that a party’s position is simply one way (and often not the most efficient or effective one) to satisfy a need or interest. In most disputes parties have multiple interests of varying intensities (Folberg et al., 2016). This four principles will ensure to reach a mutual advantageous result in concluding an agreement. A win-win negotiation settlement is an integrative negotiated agreement. This means the negotiating parties have reached an agreement after fully taking into account each other’s interests, such that the agreement cannot be further improved by any other agreement (Zhang and Constantinovits, 2016).

3. The oral tactics of negotiation based on AIDA model

Principled negotiation as a type of the cooperative negotiation strategy gives four guiding principles of the negotiations, but it is too abstract to operate easy in practice. In our article we wanted to go into one of the special domains of marketing communication - the verballity of negotiations, of personal selling to find specific clear oral tactics in principled negotiation.

3.1. The AIDA model

The AIDA model(Strong, 1925) is the first and oldest model developed for salesagents and the idea is that a buyer's mind passes through several successive stages before the prospect decides to make a purchase. This model stresses that the message must attract the prospect's attention, gain interest, create desire and stimulate action to complete a sale successfully(Kotler, 2015). The steps proposed by the AIDA model are as follows(Rawal, 2013):

3.1.1 Attention

The consumer becomes aware of a category, product or brand (usually through advertising).

3.1.2 Interest

The consumer becomes interested by learning about brand benefits & how the brand fits with lifestyle.

3.1.3 Desire

The consumer develops a favorable disposition towards the brand.

3.1.4 Action

The consumer forms a purchase intention, shops around, engages in trial or makes a purchase.

3.2. A four stage negotiation process

Scott and Morley (Scott and Morley, 1988) think the negotiation process can be broken down into four major stages.

3.2.1 Exploration

Exploration is the early stage where you share information with others and learn more about them and what they want. This may be carefully planned, with checklists of needs and information to seek. Exploration may also be a relatively unstructured affair where the two parties get to know one another and discover that each has something that the other wants. This type of 'emergent negotiation' often appears in social situations where the initial contact has some purpose other than substantive exchange.Exploration not only discovers information, it sets the climate for the subsequent negotiation, most notably whether this is competitive or collaborative. For collaborative negotiation, the greater sharing and relationship development can make exploration a relatively lengthy process.

3.2.2 Bidding

When the parties have enough information, then the negotiation starts with someone offering an exchange. The essence of a bid is that it is an offer that may be accepted, rejected or trigger a counter-offer. If the initial bid is accepted then the deal is swiftly concluded. Otherwise there may be significant bargaining activity.The secret of good bidding is to be firm and clear. To retain credibility the bid should be realistic, but this does not mean it should be low if you are selling, or high if you are buying. In fact a good bid lies at the extreme end of what may be acceptable and leads the other party to consider that they may yet be able to reach agreement.

3.2.3 Bargaining

The heart of many negotiations is in bargaining, the adjustment of what is being

traded until both parties are satisfied with the arrangement. This is the activity that many view as being what negotiation is all about, although a much better result can be gained with attention to other stages as well.

An important part of bargaining is trading, where parties effectively say 'If you give me that, then I will give you this.' Trading may be about individual items or the whole package. It may also include non-material aspects such as support given and when things will be delivered. In collaborative negotiations, parties show more concern for one another while vigorously but carefully seeking an equitable deal.

3.2.4 Settling

When the deal is broadly agreed, it is formalized in a way that makes it difficult for either party to back out or change their commitment. The first step of settling is to agree what you have agreed. It is surprising how often people do not agree on this as they reflect on the detail, and returning to bargaining may be necessary. The simplest way of sealing the deal is with a handshake, which has a powerful effect in preventing people from backing out. This may be significantly strengthened with a formal contract, especially in commercial settings.

3.3. The oral tactics of negotiation in principled negotiation based on AIDA model

In order to form a more explicit and specific negotiating framework, we believe that it has gone through five levels from the cooperative strategy to the specific oral negotiation tactics: at the first level, we use a cooperative strategy rather than a competitive strategy to decide on the direction of negotiation, which will get a win-win result and maintain long-term friendly relations. At the second level, the four basic principles of negotiation can effectively achieve the strategic objectives of cooperative negotiations. At the third level, AIDA model is an effective method and tool according to principled negotiation. At the fourth level, the use of the AIDA model requires specific negotiation situation to be considered. At the fifth level, there are a number of oral tactics for using the AIDA model in each negotiation situation. The framework of oral tactics in principled negotiation based on AIDA model is illustrated by the following figure 1.

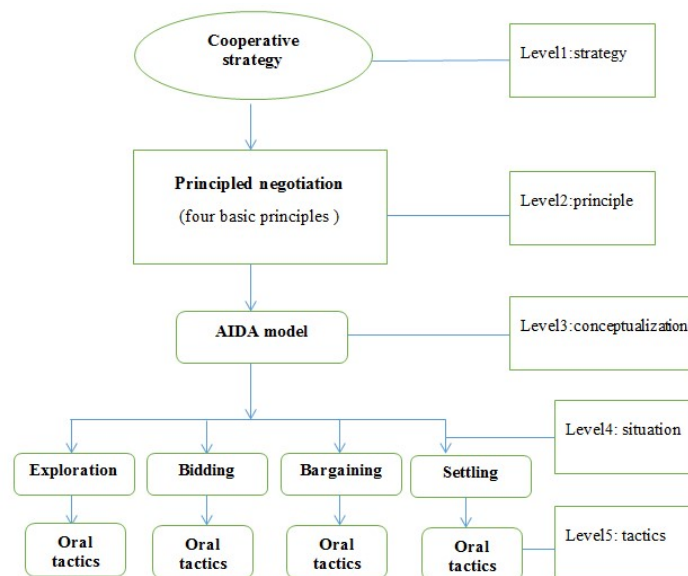


Figure 1. The framework of oral tactics in principled negotiation based on AIDA model

Most often the well-known communicational model is used to describe personal discourse situation. Interestingly enough, nearly all the elements of the model have been dealt with though little attention was paid to verbal coding forms of the messages. We would like to draw attention to the following important correspondence: Code choosing influences understanding and making something understood. The nature of how talks come to the point, shaping and retaining of speakers' image. Cooperative verbal coding ensures the greatest advantages, it may be made conscious, and it can be progressed. Cooperative verbal coding is depending on situational, word processing, syntactical, suprasegmental factors (CONSTANTINOVITS and VLADAR, 1996).

Table 1 Oral tactics based on AIDA model

AIDA model	Negotiation process	Oral tactics
A= Attention	Exploration	<ul style="list-style-type: none"> ■ high in news value ■ by using unexpected phrase: calling attention
I= Interest	Bidding	<ul style="list-style-type: none"> ■ to ease understanding by cooperative linguistic form
D= Desire	Bargaining	<ul style="list-style-type: none"> ■ to maintain the partner's willingness to talk
A= Action	Settling	<ul style="list-style-type: none"> ■ to agree on verbal code usage

3.3.1. Oral tactics of drawing attention to narrow distance

Before real talks start, the parties use various politeness forms that do not have forwarding, real informational value; their role is primarily to establish a warm atmosphere. The forms of politeness are always conventional and strictly fixed. They become only on exactly defined place and by exactly defined use what they are. Politeness aims to maintain our self-image primarily. Through communication we may endanger inevitably our partner's self-image, his 'face'. The speaker has to solve the conflict, has to persuade his partner to negotiate or to accept while maintaining the self-image of the other person. One type of politeness forms serve this function while the other serves the reinforcement of positive self-image in the listener. The judgement on preserving or loosing 'face' is culture dependent and one has to accommodate to it in his talk and in the evaluation of the other's. Essentially, the introductory part of the discussion, the small talk, is also a form of politeness, which seems to be causal as for the first sight, though its topic and depth is very strictly settled. So in exploration stage of negotiation, although it is the small talk, it is very important figuring out the high in news value and using unexpected phrase to call attention to others.

3.3.2 Oral tactics of exploring the other's interest

One can switch to the real discussion after small talk and its start brings characteristic change in the code system used and influences all linguistic levels. The most important are: compared to small talk more complete phonological forms are used, high-flown variants of the synonyms are used, longer and more elaborate syntactical structures are used, suprasegmentals become more even (changes in pacing, volume and intonation become smoother; tone is quieter slower, and more articulated),

metacommunication is reduced compared to verbal. This typically takes two forms, exchange proposal ('I'll give you this for that') or exchange request 'What do you want for that?' or 'What will you give me for this?'

3.3.3. *Oral tactics of provoking desire points to eliminate concerns*

The key oral tactic is discovering what people already want, and then presenting an offer that intersects with the preexisting desire. Your job is not to convince people, but to help them convince themselves that your offering will help them get what they want (Kaufman, 2010). People's wants start at the Core Human Drives. The more drivers you connect with, the more effective your offering will be.

3.3.4 *Oral tactics of taking action for getting to yes*

Similarly to the start, closing has also its rules whether it is one of an item on the agenda or it is one of the discussion. As a rule, closing has two steps: in the first parties agree, that they have nothing more to say about the given topic now, while the second offers possibility for established politeness forms that close the discussion or lead to the next topic.

4. Summary

In our article we want to go into one of the special domains of marketing communication—the verballity of negotiations, of personal selling. During personal selling partners will have to pay more and more attention to the negotiation strategies and tactics which help to reach quick and satisfactory agreements. Successful business sales executives and managers using these methods are appreciated more and more. In our article we tried to point out that: in the future negotiations aimed at reaching an agreement are going to become more and more important, an agreement on the verbal code will help an agreement on the contents, the agreement on the verbal code is based on the cooperative linguistic strategy, the cooperative strategy is based on fulfilling the speaker's preliminary expectations; it can be compared in many features to the well-known AIDA model. The question of choosing the verbal code has not been regarded noteworthy by the study of marketing so far. Though we are inclined to think that the important role of choosing the verbal code, and above all, the fact that it can be analysed, made understood and learned easily makes it worth going into it.

Foundation Item

The author, Shougang Zhang, was supported financially by China scholarship council (CSC NO.201500500079)

References

- Constantinovits, M. & Vldar, Z. 1996. THE COOPERATIVE VERBAL BEHAVIOR IN BUSINESS TALKS. *Társadalom és gazdaság Közép-és Kelet-Európában/Society and Economy in Central and Eastern Europe*, 123-133
- Folberg, J., Golann, D., Stipanowich, T. J. & Kloppenberg, L. A. 2016. *Resolving disputes: Theory, practice, and law*, Wolters Kluwer Law & Business
- Kaufman, J. 2010. *The personal MBA: Master the art of business*, Penguin
- Kotler, P. 2015. *Framework for marketing management*, Pearson Education India
- Rawal, P. 2013. AIDA Marketing Communication Model: Stimulating a purchase decision in the minds of the consumers through a linear progression of steps. *International Journal of Multidisciplinary research in social & management sciences*, 1, 37-44
- Roger D. Fisher, W. U. 1981. *Getting to yes: Negotiating agreement without giving in*, Boston: Houghton Mifflin

- Scott, B. & Morley, I. E. 1988. *Negotiating: constructive and competitive negotiations*, Paradigm Publ.
- Staff, A. C. B. P. 2009. *Negotiate Successfully: How to Get Your Way and Find Win-win Solutions*, A&C Black
- Strong, E. K. 1925. *The psychology of selling and advertising*, McGraw-Hill book Company, Incorporated
- Zhang, S. & Constantinovits, M. 2016. A Study of Principled Negotiation Based on the Chinese Harmony Thought. *BRAND. Broad Research in Accounting, Negotiation, and Distribution*, 7, 63-74



Milan Constantinovits received his MSc 1978 from Marx Károly University of Economics (now Budapest Corvinus University), in 2003 his PhD in Management and Business Administration Sciences from Szent István University, he is associate professor, works for the department of international economics of Szent István University Gödöllő, Hungary, and lecturer for the Corvinus University. He is author/coauthor of about 20 books and textbooks, 50 scientific papers.



Shougang Zhang, student in PhD School of Management and Business Administration, Szent István University Gödöllő, Hungary. Now he also is a teacher as associate professor in School of Business, Xi'an Siyuan University, Xi'an, China. His research orientation is communication and negotiation.