

Preparation of Negotiation Activities in the Tourism Business

Nicolae Platon

Academy of Economic Studies of Moldova

Information Center and Tourism Promotion from the Republic of Moldova

platonanat@yahoo.com

Tatiana Juraveli

Academy of Economic Studies of Moldova

director@condor.md

Abstract

Neglecting the negotiation process and especially the poor training of the negotiator often leads to decreased organizational performance, and thus to the failure of certain revenues. For these reasons, the proper preparation of the negotiation process for the development of tourism business, is a vital one for tourism enterprises, which tend to become competitive on the national and international tourism market.

The aim of the research is to develop the theoretical, methodological and applied foundations of business negotiation management in tourism.

Key words: negotiation, negotiator, tourism

J.E.L. classification: M1, Z32

1. Introduction

The periodic changes that take place in the tourism business environment, determine its management to be constantly concerned with the implementation of certain strategies, which improve the quality of negotiations, in the context in which they are vital for the activity of any tourism enterprise.

It is enough to recognize that the advantages of competition and free competition in tourism, make the tourism product of the tourism enterprise competitive, only if we have a well-thought-out strategy when participating in negotiations.

Negotiation specialists investigated the effects of neglecting to adopt a negotiation strategy and found that the poor training and unprofessionalism of the negotiator, leads to a huge risk that the tourism company may face in terms of achieving performance in the tourism market. For these reasons, the tourism business should not save resources for the proper training of negotiators, as in the medium and long term this investment will be recovered with added value for that business.

2. Theoretical background

Practice has shown that a simple approach to the process of organizing negotiations in the tourism business is not enough. The goals set do not simply have to be stated, but require changes in the behavior of those involved in the negotiation process, so that they are prepared to achieve organizational performance.

From these perspectives, this article is made in a comprehensive and well-structured study of the development of business negotiation related to the tourism business, and a widely used bibliographic study allowed us to provide a multidimensional image of the researched field.

We consider that this article is a complex scientific work, which will add value to the respective topic, in terms of how to organize and conduct negotiations, by offering practical solutions.

Approaching such an important topic as business negotiation management, the authors dedicate this scientific study to the tourism business environment, which in our opinion, would improve the quality of negotiations, and participants in the negotiations will only gain, following the recommendations.

As arguments that are required for the research of this topic are:

- analysis of the theoretical-conceptual approach of the main elements and categories that characterize the management of negotiations;
- concretization of the place, content and specificity of the management of negotiations within the tourist enterprises;
- generalization of the main trends that are attested in the management of business negotiations;
- identifying the main obstacles related to the organization and conduct of business negotiations;
- determining the need to resize business negotiation activities within the tourism enterprise, in order to increase both organizational performance and professionalism of employees involved in organizing and conducting negotiations;
- formulating recommendations on improving the organization and conduct of business negotiations related to the tourism business in the Republic of Moldova.

Informational support of research

As bibliographic support for the research of the topic in question served: scientific publications on the investigated topic, analytical and institutional materials, materials of scientific articles, materials of national and international scientific conferences, monographs and periodicals.

The applicative value of the researched topic

The theoretical findings and conclusions formulated on the basis of that investigation will be a consistent basis for the development of a complex study in the field of business negotiation management in tourism.

3. Research methodology

For researching the topic of business negotiation management in tourism, traditional methods of analysis were used, such as: *structural-functional method*, *comparative method*, *behaviourist method*, *institutional method* and *observation*. Our scientific approach has also been strengthened through the use of qualitative content analysis, the aim of which is to analyse written text or transcribed speech. In this order of ideas, the rhetoric was channelled towards the use of qualitative content analysis, oriented towards the description of the researched phenomenon. *The structural-functional method* ensured an overall research of business negotiations, related to the specifics of the tourism business, highlighting the defining elements and principles of operation of the tourism market, examining the functions of different models as part of an integrated system. *The comparative method* allowed to subject to analysis the subject approached by the general-particular relationship, aiming to determine the common features and elucidate the specific ones, to identify the repeatability and to specify the novelty in the evolution of negotiations at national and international level. *The behaviourist method* offered the possibility to study the behavior of the negotiators, who were influenced by various external factors. *The institutional method* was used to elucidate the way of establishing personal relationships in the process of organizing and conducting negotiations, while respecting the content of the deontology that accompanied this phenomenon. *The observation* was used to analyse the behaviour of negotiators, including in times of crisis, necessary information from gnoseological and theoretical-methodological reasoning.

4. Results and discussions

Representatives of the tourism business environment are aware that any negotiation must be well prepared. When we set off, we prepare the right luggage and know exactly where we are going and where we want to go.

By engaging in a complex activity, the negotiator cannot leave the development of things to the momentary inspiration. Negotiation preparation is important and a prerequisite for increasing the negotiator's performance for success.

Acting as a professional negotiator, he will find that when he is well prepared for the meeting with his partner, he will act in a coherent way, with a lot of self-confidence, he will be much more demanding in formulating and promoting his own requests. In the confrontation between a prepared and an unprepared negotiator, the former will always have an advantage over the latter.

The lack of preparation will be revealed sooner or later during the actual negotiations. The performance of the untrained negotiator will eventually prove unprofessional, with movements (proposals, objections, concessions, etc.) executed at random. The negotiator's position will weaken, as his weakness will certainly be noticed by the partner.

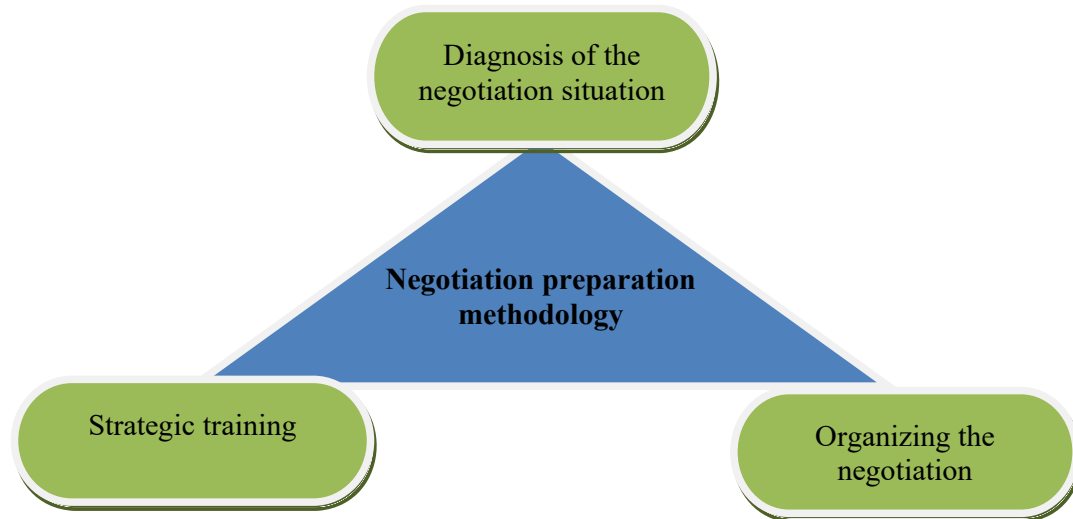
The solution is also not good when the negotiator prepares a unique solution that he intends to put into practice. This can lead to rigidity in negotiations. Focusing on a single solution makes the negotiator restrictive and limits his creativity. Obviously, he may lose sight of certain opportunities that may arise along the way and that are favourable to him, because he is in a position to argue only the solution he has in mind and to reject any other option.

Analysing the above, in our opinion, the preparation of the negotiation must be flexible. This involves a prodigious activity in order to establish a realistic plan, which should be a guide for the meeting with the business partner. At the same time, the negotiator must be aware that what he is doing in the preparation phase is an arrangement based on certain assumptions and assumptions. It follows, at the actual start of the negotiation, to verify these hypotheses, to complete them or to modify them. In this way, his performance will have a useful direction to order his movements, but at the same time he will leave room for adaptation to the context. Consequently, it will be possible to develop creative solutions, which were not visible from the very beginning, in order to respond pertinently to the evolution of the negotiation.

In the opinion of Mr. Vasile Dragoş, the preparation of the negotiation must include the diagnosis of the negotiation situation, the establishment of the objectives and the adoption of some decisions of strategic and tactical nature through which they can be made (Dragoş, 2011, p.114).

A methodology for preparing for the negotiation includes the following steps, shown in **Figure 1**.

Figure no.1 Negotiation preparation methodology



Source: Elaborated by authors in base of Vasile Dragoş (Dragoş, 2011, p.114)

I. The diagnosis of the negotiation situation is an activity that is based on a work of collecting data and relevant information on the negotiation situation, their interpretation and analysis, subsequently becoming a fundamental basis for subsequent decisions.

Before specifying what it is desired to be achieved, the negotiator must understand as well as possible: "**Where do we start?**". To answer this question the negotiator needs as much information as possible. Based on it, he will be able to understand the configuration of the

fundamental elements that outline the structure of the negotiation (object, context) and the relationship between the parties (interests, power).

The sources of relevant information are both primary and secondary. **Table 1** shows the internal and external sources from which the information can be taken.

Table no.1 Informational sources

Internal secondary sources	External secondary sources
1. Existing databases in the tourism enterprise	1. International tourism exhibitions
2. Analysis performed by managers	2. Comments from consumers-tourists served
3. Advertising materials of the potential partner existing in the enterprise	3. Specialized professional organizations in the country where the potential partner operates
4. Existing records in the tourism enterprise that are relevant for the respective negotiation	4. The tourist business environment with which the potential partner works
5. Data collected through a special research carried out for the respective negotiation	5. Reports from the trade mission in that country
6. Information provided by the partner	6. Discussions with third parties who know the future partner

Source: Elaborated by authors

In addition to knowing the tourism business with which you want to develop a partnership, you need to know aspects of the tourism business environment of the partner country, including relevant legal and commercial regulations, the structure and trends of the market evolution.

A useful method by which the negotiator can gain a better knowledge of the future partner is to travel to his headquarters. Whatever he sees: what the headquarters and the interior of the offices look like, how the staff behaves, etc., discussions with the potential partner can provide valuable information.

II. The strategic preparation of the negotiation puts the negotiator in front of crucial decisions. A first set of questions concerns the objectives to be achieved and the strategic approach of the meeting. Therefore, the relevant questions are: "*what do we want to achieve*" and "*how do we negotiate*". The answers to these questions aim to provide benchmarks for reducing uncertainty in the later stages of the direct meeting between the partners. They are formulated on the basis of the information collected, but they also presuppose the anticipation of the future development of the negotiations or the constitution of some hypotheses, based on the thinking and experience of the negotiator.

A methodology of strategic training, in the opinion of David Patrick, includes the following steps, presented in **Figure 2**.

Figure no.2 Strategic training methodology



Source: Elaborated by authors in base of David Patrick (Patrick,2007, p.190)

a) Preparation of negotiation objectives. Objectives can be defined as achieving the goals or expected results set by the negotiator in order to achieve his interests. In a negotiation we can talk about a *global objective and specific goals*.

- *The global objective*, as a rule, provides for the conclusion of a profitable and fair business, the creative resolution of the conflict, the agreement of a level playing field for the realization of the project related to the tourism business.

- *The specific goals* aim at more detailed issues, ie to be open and cooperative in negotiations.

The objectives set by the tourism undertaking must meet certain requirements: be precise and measurable, not be vague or abstract, be realistic and flexible. These requirements are often summarized by the **SMART** phrase (Doran, 1981, p. 35-36):

- **Specific** – the objectives must be precise and not vague;
- **Measurable** - the objectives must correspond to this desideratum as much as possible;
- **Adequate** - the objectives must correctly approximate the interest of the negotiator and be related to the issue in question;
- **Realistic** - the objectives must always be based on a prudent and relevant analysis;
- **Temporal** - the objectives must aim at a precise time horizon.

Objectives that are too rigid can impede the negotiator's performance. As an example, it can serve the situation when the negotiator prepares a single solution which, in his view, is reasonable and advantageous for both parties, but which is not accepted. The error of approaching the single solution is that the latter does not result in the contribution of both parties.

Based on these arguments, we consider that the preparation of the negotiations must be flexible, which means setting a set of objectives, to be expected, according to the specification presented in **Table 2**.

Table no.2 Expected target levels

Nr	Expected objectives	Deciphering the objectives
1.	The maximum objective	It can be materialized by the best result that the negotiator can expect.
2.	The minimum objective	When starting the negotiations, it is important to establish the lower target beyond which the negotiation is no longer of interest.
3.	The target	As a result of the negotiations, the parties reached a common denominator, achieving a realistic result, able to satisfy the interests of both sides.

Source: Elaborated by authors in base of Roger Launay (Launay, 1990, p.133)

b) Preparation of negotiating positions. In the negotiation, the parties do not have the discussions starting from interests or objectives, but from negotiating positions. The preparation of the position comes in completing and deepening the objectives, involving the realization of a projection on the requests and claims that the negotiator will formulate. At the same time, it must provide for the negotiating positions of the partner.

In our opinion, *the negotiating position* represents the affirmation of a tourist offer or demand, pretensions, preferences or point of view regarding a certain element of the negotiation, which refers to the way of organizing and starting the business on the tourist services market.

To be more explicit in the reports, the negotiating positions can be presented according to **Table 3**.

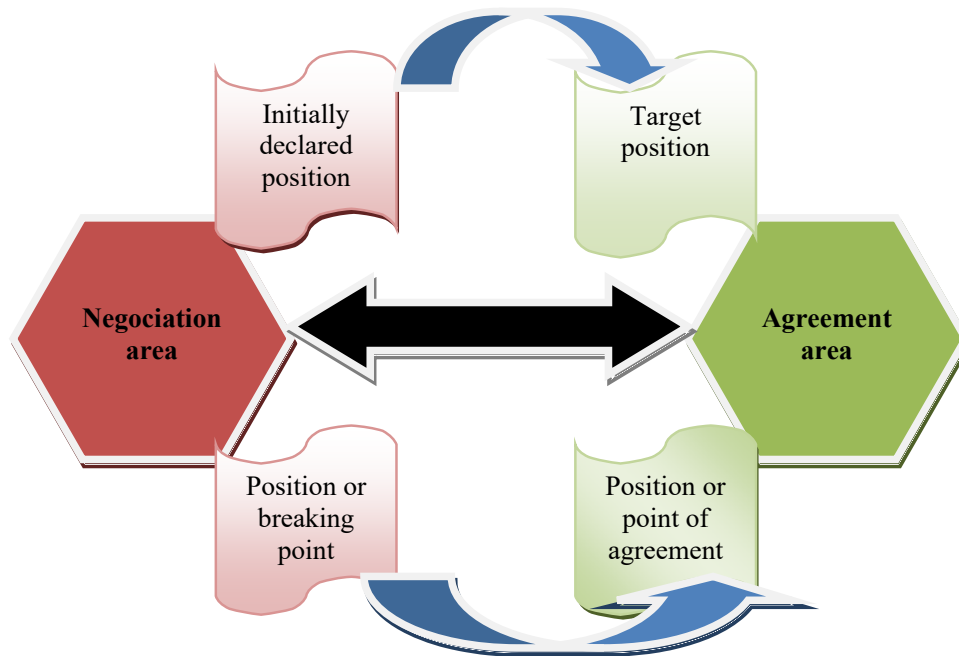
Table no. 3 Negotiation positions

Nr	Typology of negotiating positions	Characteristic of negotiating positions
1.	Initially declared position	Represents the level of the first offer or request made by the negotiator for a certain section of the negotiation.
2.	Position or breaking point	Represents the limit to which the negotiator agrees to make concessions and which he does not want to exceed.
3.	Target position	Represents the level of aspiration of the negotiator, considered realistic and likely to satisfy their own interests, but also not to harm the interests of the business partner.
4.	Position or point of agreement	The position at which the representatives of the tourism business reached a common denominator and concludes the agreement for the object of negotiation discussed.

Source: Elaborated by authors

The combination of the negotiating positions of the parties leads to the shaping of some negotiation areas, reflected in **Figure 3**.

Figure no.3 Combining the negotiation positions



Source: Elaborated by authors

Combining negotiating positions is an important task, given their impact on the overall process configuration (Benoliel, 2011).

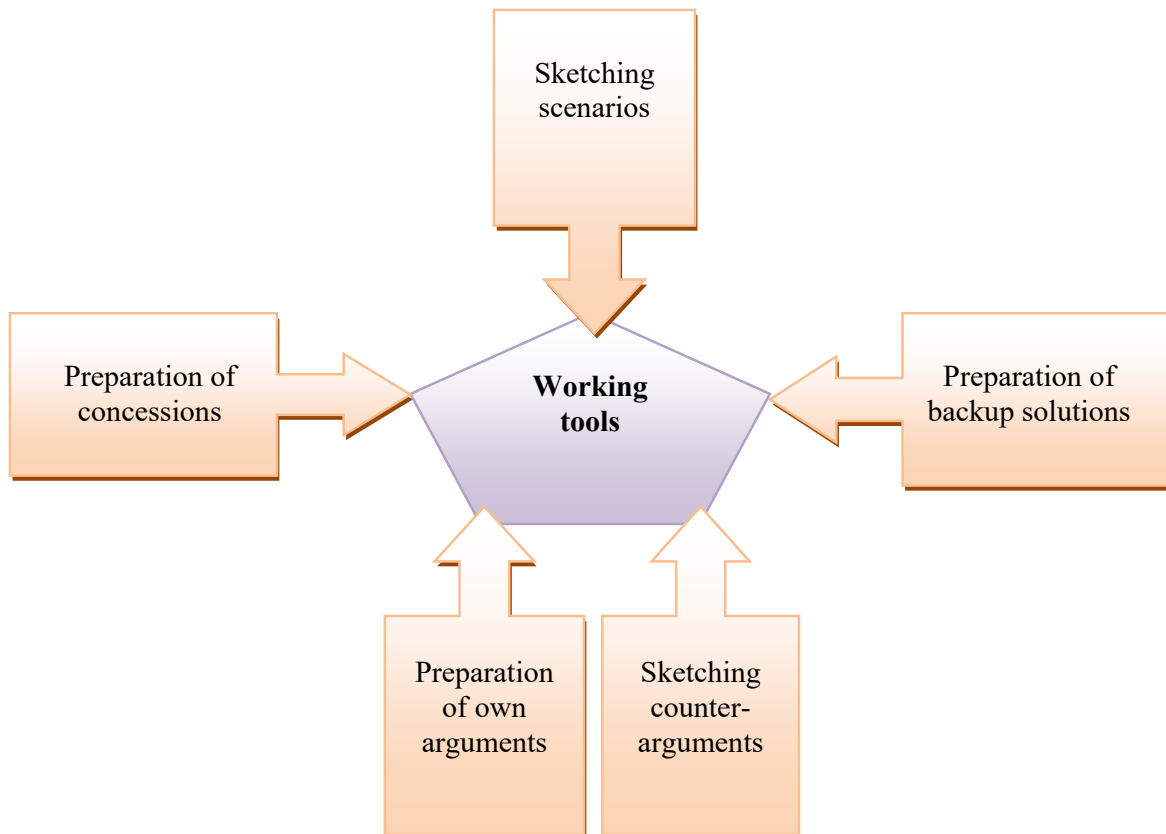
c) Strategy preparation. An important part of the training is to establish the right negotiation methods, i.e. we must provide an answer to the key question: "*How do we negotiate?*". Thus, the ways and methods by which the objectives can be achieved must be identified, thus defining the strategic dimension of the negotiation.

The negotiation strategy represents an overview of the tourism enterprise, which determines the approach and behaviour of the negotiator throughout the negotiations, in order to achieve the established objectives. In these circumstances, all the decisions that must be taken to meet the objectives pursued, will be taken by considering both internal and internal factors, related to the specifics of the company (Patriche, 2007, p.543).

From a practical point of view, strategic preparation involves taking decisions on possible manoeuvres performed by the potential partner throughout the negotiation. These decisions concern various major aspects of negotiation, such as: the complex approach to behaviour towards the future partner, the treatment of the object of the negotiation, the use of time, the use of power or the use of certain tactics.

In addition to the general guidelines, strategic training should also include the design of concrete working tools, shown in **Figure 4**.

Figure no. 4 Strategic working tools



Source: Elaborated by authors basing on Bill Scot (Scott, 1996, p.152)

III. Organizing the negotiation. It is important that in the negotiation process we start from the premise that in business you do not get what you deserve, but only what you negotiate. (Burduş, Căprărescu, Androniceanu, Miles, 2003, p. 442). In this context, the proper organization of negotiating meetings is a condition for an accurate and operational communication. It can allow for a climate of dialogue and understanding between the parties from the outset. In this regard, the partner organizing the negotiations, ie the host, must take into account, from the preparation phase, the following aspects (Popa, 2006, p.211-212):

- establishing the participants;
- establishing the agenda and the way of working;
- creating favourable conditions for negotiation;
- logistical support of negotiations.

An essential condition for starting negotiations is to maintain the openness of the communication, to ensure a working climate and cooperation between the parties. But to meet this condition it is necessary to properly prepare the team by solving certain key problems.

The key issues to be resolved for the preparation of the negotiating team are presented in **Table 4**.

Table no. 4 Key issues related to business negotiation

N/o	Key issues	Characteristics
1.	Team size	It is influenced by the complexity and stakes of negotiation. The number of participants must be kept to a minimum, so as not to distort the message.
2.	Team structure	It is related to its size and results from the application of at least two criteria: the content of the business and the functionality of the business. The more complex tourist negotiations may claim the need to join people with deeper knowledge in the financial, commercial, economic or legal field. In fact, the functional roles of the members differ, each having concrete tasks (example: some play the role of negotiators and others have document preparation tasks).
3.	Communication way	It is an organizational aspect, which provides for the establishment of communication channels both within the team and between the teams of negotiators.
4.	Negotiating mandate	It is an official document, issued and signed by the management of the tourist enterprise, which contains instructions for the negotiator.
5.	Preparation of the negotiating venue	For the actual meeting, optimal conditions must be ensured regarding the place of the negotiations, fixing the moment and duration of the negotiation, arranging the space for the negotiations, ensuring the facilities for the guest team.

Source: Elaborated by authors basing on Guhan Subramanian (Subramanian, 2011, p.256)

Properly conducted negotiations involve a dialogue that, beyond the way of completion, must be characterized by mutual respect (Gavrila, 2002, p. 260).

5. Conclusions

Negotiation is a cognitive phenomenon, it can only be carried out seriously and efficiently on the basis of a thorough training, which necessarily involves extensive documentation and information on developments in the tourism business, the study of the domestic and foreign tourism market, potential partners, defining as precisely and clearly as possible the own objectives and, as far as possible, identifying the objectives of the partners.

Developing the respective theme, we can say that the process of preparing the negotiations is a very important aspect in the conduct of negotiations, because the essential condition for the success of trade negotiations related to the tourism business is to obtain advantages, able to favour the tourism company with the competitive environment, respectively by creating premises that would strengthen its positions.

For these reasons, in order to engage in an important negotiation, the tourism company must take a series of actions in order to ensure a relevant logistics to the negotiation process.

At the same time, it is important to specify that the negotiator involved in the negotiations must have the appropriate training. His lack of training or experience will have a negative impact on the final results of the negotiations.

Before specifying what he wants to achieve, the negotiator must understand as well as possible the situation that exists on the tourism market, which requires a very good documentation.

The balance must also respect the interests of the parties involved in the negotiations. This will allow: the delimitation of areas of agreement and disagreement, compliance with ethics in the behavioural approach of negotiators, reaching the bargaining stake.

6. References

- Benoiel, M., 2011. *Negotiation Excellence: Successful Deal Making*. World Scientific Publishing Co., Pte., Ltd.
- Burduş E., Căprărescu Gh., Androniceanu A., Miles M., 2003. *Management of the organizational change*. Bucharest: Economic Publishing House
- Doran G.T. 1981. There's a S.M.A.R.T. way to write management's goals and objectives. *Management Review*, No.70(11), pp. 35–36

- Dragoș, V., 2011. *Business communication and negotiation*. Bucharest, ASE Publishing House
- Gavrilă T., Lefter V., 2002. *General management of the company*. Bucharest: Economic Publishing House
- Launay R., 1990. *Negotiation*. ESF
- Patriche D., 2007. *Commercial management treaty*. Bucharest: Universitara Publishing House
- Patrick D., 2007. *La négociation commerciale en pratique*, 2eme édition. Eyrolles
- Popa I., 2006. *International commercial negotiation*. Bucharest: Economic Publishing House
- Scott B., 1996. *The art of negotiation*. Bucharest: Tehnic Publishing House
- Subramanian G., 2011. *The new strategy of negotiauctions*. W.W. Norton & Company