

19ENG230 -

BUSINESS COMMUNICATION NEGOTIATION

Negotiation:


A Business Negotiation is a process between two or more parties like their needs, aims etc., seeking to discover a common ground and reach an Agreement to settle a matter of mutual concern, resolve a conflict and exchange value.

Persuasion:

- Persuasion is an act or process of presenting arguments to move, motivate, or change your audience.
- Persuasion is the process, and motivation is the compelling stimulus that encourages your audience to change their beliefs or behaviour, to adopt your position, or to consider your arguments.

Why is persuasion important in negotiations?

- Persuasion is an important skill that you need to learn to negotiate successfully.
- Negotiation involves persuasion, necessarily, but not all persuasion is negotiation.

 For example, when I write a magazine ad or a fundraising email or a web page for a retailer, I'm persuading but I'm not negotiating.

Writing a Negotiation:

I am taking the example of Apple's Price-Fixing Defeat and writing a negotiation in my own words. The negotiation is as follows:

Apple's Price-Fixing Defeat

In 2007, when Amazon fixed a flat price of \$9.99 for buying of e-books, five of the major U.S. publishers negotiated a new business model with Apple for pricing of e-book, which was getting ready to launch its new variant of iPad.

Under the prevailing wholesaling model, publishers sold their books and e-books to retailers like Amazon, which could then set whatever price they liked. Apple and the five publishers negotiated to switch to a so-called agency model, which would allow the publishers to set their own prices for e-books in exchange for giving Apple a 30% sales commission. After at least one of the publishers threatened to delay the release of its digital editions to Amazon unless it switched to an agency model, Amazon reluctantly agreed, and e-book prices rose across the industry to about \$14.99.

The publishers said that their goal was to increase competition in the market of e-book by creating alternatives to amazon's kindle reader. But the U.S. Justice Department accused the parties of conniving to artificially raise e-book prices. The five publishers reached the government with a settlement, whereas Apple did not.

In U.S. district court testimony, Apple and publishing executives portrayed the publishers' e-book discussions with Apple as a typical negotiation in which each side pushed hard for concessions. But Department of Justice lawyers argued that the publishers engaged colluded with one another through Apple. On July 10, 2013, a U.S district judge ruled that Apple and the publishers had indeed engaged in a price-fixing conspiracy that resulted in consumers paying more for e-books.

Conclusion:

The story serves as a reminder that, in their zeal to reach a mutually beneficial agreement, negotiators often forget the importance of considering how parties away from the table—in this case, consumers—will be affected by the final outcome of their deal.

Summary:

In 2007, five major U.S. publishers had negotiated a new business model for e-book pricing with Apple, which was getting ready to launch the iPad. After at least one of the publishers threatened to delay the release of its digital editions to Amazon unless it switched to a more lucrative model, Amazon reluctantly agreed, and e-book prices rose across the industry to about \$14.99. The U.S. Department of Justice later accused the parties of colluding to artificially raise e-book prices.