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How Culture Influences Information Exchange and First Offers in
Negotiation: An Intercultural Email Negotiation Experiment
between Austrian and Mexican Negotiators

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Abstract (English)

This thesis investigates the impact of culture on communication patterns in international electronic negotiations, using Hall's Context dimension as a theoretical framework. By examining literature from Cross-Cultural-Negotiation and Computer-mediated communication, hypotheses were formulated regarding the behaviors of High-Context and Low-Context cultures, specifically focusing on initial offers and information exchange. An international negotiation experiment was conducted with Mexican and Austrian students who participated in a buyer-seller negotiation via email and completed pre-negotiation and post-negotiation questionnaires. The email messages (qualitative data) were converted into quantitative data, which, along with the questionnaire responses, underwent further quantitative analysis. Key findings indicated that Mexican participants exhibited High-Context cultural traits, while Austrian participants demonstrated Low-Context cultural traits. In the intercultural negotiation setting via email, behaviors were partially consistent with our expectations. Specifically, Mexican negotiators (High-Context) tended to make their first offer earlier than Austrian negotiators (Low-Context). However, the patterns of information exchange related to Relationship and Formal behavior were inconclusive due to mixed results. This thesis enhances the understanding of cultural differences in negotiation behavior in electronic settings and provides practical insights for professionals involved in international negotiations.

Abstract (Deutsch)

Diese Masterarbeit untersucht den Einfluss von Kultur auf Kommunikationsmuster in internationalen elektronischen Verhandlungen und nutzt Halls Kontextdimension als theoretischen Rahmen. Durch die Untersuchung von Literatur zu interkulturellen Verhandlungen und computervermittelter Kommunikation wurden Hypothesen bezüglich des Verhaltens von Personen aus High-Context- und Low-Context-Kulturen formuliert, wobei der Schwerpunkt auf den ersten Angeboten in einer Verhandlung und dem Informationsaustausch lag. Ein internationales Verhandlungsexperiment wurde mit mexikanischen und österreichischen Studenten durchgeführt, die an einer Käufer-Verkäufer-Verhandlung per E-Mail teilnahmen und vor und nach der Verhandlung Fragebögen ausfüllten. Die E-Mail-Nachrichten (qualitative Daten) wurden in quantitative Daten umgewandelt, die zusammen mit den Antworten aus den Fragebögen einer weiteren quantitativen Analyse unterzogen wurden. Die wichtigsten Ergebnisse zeigten, dass mexikanische Teilnehmer Merkmale einer High-Context-Kultur aufwiesen, während österreichische Teilnehmer Merkmale einer Low-Context-Kultur zeigten. Im interkulturellen Verhandlungskontext per E-Mail verhielten sie sich teilweise gemäß unseren Erwartungen. Insbesondere neigten mexikanische Verhandlungsführer (High-Context) dazu, ihr erstes Angebot früher abzugeben als österreichische Verhandlungsführer (Low-Context). Die Muster des Informationsaustauschs in Bezug auf Beziehungs- und formelles Verhalten waren jedoch aufgrund gemischter Ergebnisse nicht schlüssig. Diese Masterarbeit trägt zu einem besseren Verständnis der Auswirkungen kultureller Unterschiede auf das Verhandlungsverhalten in elektronischen Umgebungen bei und bietet praktische Einblicke für Fachleute, die an internationalen Verhandlungen beteiligt sind.

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1. Introduction

Culture and negotiation have long been subjects of interest in the research field. Throughout the past decades, diverse developments, such as easier traveling, the dominance of English as a business language, the increase of Trade Agreements, and the use of trade finance tools, have pushed and facilitated international business and, thus, international negotiations. Indeed, technological advances have played an important role in facilitating and pushing the necessary communication. Computed-mediated communication (CMC), such as emails, messaging apps, and virtual meeting rooms, are tools every company uses in their daily business. This is also reflected in the academic world by the number of studies analyzing the relationship between CMC and negotiation over the past decades. However, the way we communicate at a global level has evolved after the worldwide COVID-19 pandemic. Especially due to the enforced quarantines, virtual was the only communication possible during that period. This allowed for improvements in CMC, and companies adopted new communication methods, mostly a mixture of CMC tools, which are still being implemented today. Despite the rise of instant messaging and Video conferencing tools in business communication, email continues to be a cornerstone of business communication. Thus, if email communication is still being used, is the way we communicate with this tool still the same? In a business setting where instant messaging tools are also being used, does this not impact how we negotiate via email? Furthermore, after the enforced quarantines, companies have seen that Face-to-Face (FTF) negotiations are not always necessary, and negotiations have shifted more towards virtual ones. Especially in international negotiations, where traveling and accommodation expenses can be drastically reduced. Hence, considering the past questions, how is communication in online international negotiations nowadays? Finally, since how we communicate is influenced by culture (Hall, 1959), we return to where we started by taking an interest in culture and negotiation but considering the email setting in this new light.

Indeed, Ahearne et al. (2022) pointed out the need to reexamine the existing theories due to the changes in Buyer-Seller interactions caused by the increase of accessible information and the technological shifts that are increasing rapidly. Simultaneously, Schoen (2021) highlighted in his review of the Cross-Cultural-Negotiation literature the need to research more specific issues within the negotiation

process that are highly researched in the Negotiation field but still lacking within the Cross-Cultural-Negotiation, such as First Offers. Thus, we saw the need to further research specific issues within the negotiation process, not only in an international setting but in an electronic one. Guided by these research gaps, and after reviewing the relative literature, we developed the following research question:

“How does culture influence information exchange and first offers in an intercultural email negotiation?”

To answer this question, we conducted an international negotiation experiment between Mexican and Austrian students who negotiated a Buyer-Seller situation via email. We first analyzed the cultural differences under the theoretical framework of Hall’s Context dimension (Hall, 1959). Then, we analyzed the negotiation behavior collected from diverse data obtained through the experiment to derive our results. With our study, we hope to contribute to academia and to the daily business of negotiators engaging in international electronic negotiations.

Therefore, the structure of this study is based on answering this research question. The first step is to fully understand the significance of the question. For this purpose, we start with the chapter on Literature Review, where we first explain the main concepts within the question, such as what is understood by Negotiation and Culture. We then explain the reviewed literature and the challenges that the specific fields of Cross-Cultural-Negotiation and CMC in Negotiation still face. Subsequently, based on the reviewed literature, we explain how we developed this research question and list the challenges and research gaps we aim to address. In the following chapter, Hypotheses, we explain our decision to analyze culture under the theoretical framework of Hall’s Context dimension and then elaborate on how we derived the three hypotheses designed to support answering our research question. In the following chapter, Methodology, we explain our decision to conduct a negotiation experiment between Mexican and Austrian negotiators in an email setting and describe the experiment's procedure. In addition, we explain which methods were used to collect the data from our sample and how the content of the emails was analyzed and transformed from qualitative to quantitative data. We continue to elaborate on how we analyzed the data and present the results in the chapter on Analysis and Results. We then proceed with the chapter Discussion, where all the results are examined and where we present our arguments. Finally, we close the study with the chapter on Limitations and Future Research, followed by the Conclusion.

2. Literature Review

The influence of culture has been a highly researched topic in many different fields, and the field of Negotiation is no exception. Researchers have attributed an important role to culture when dealing with intercultural negotiation settings, and the field of Cross-Cultural-Negotiation has been growing ever since the 1960s (Schoen, 2021). Simultaneously, another domain that has been increasing in the Negotiation field is Computer-mediated Communication (CMC) due to the importance of technological shifts and the decrease of FTF communication in negotiation settings (Ahearne et al., 2022; Geiger, 2020). Not only are both factors, cross-cultural communication and CMC important in today's globalized and technical business setting, but they also go hand in hand. Negotiators no longer must travel to settle an agreement; they can be satisfied with an email and/or a video conference, and moreover, the companies are more than happy to lower travel costs. This is reflected in the Negotiation literature by the studies (Gelfand et al., 2013; Gunia et al., 2016) that take a culture-by-context (or culture-in-context) approach, where the advocates defend this perspective by stating that the negotiation behavior is a social process too complex to clarify by solely using culture (Gelfand et al., 2013; Lewicki et al., 2016). Hence, this review aims to integrate the literature on Cross-Cultural-Negotiation and CMC because we want to understand how culture can influence negotiations, but specifically in an electronic context.

To have a clear understanding, we will start by explaining the main concepts and theories of negotiation and culture at an individual level and afterward gradually proceed to the literature where these concepts cross paths: Cross-Cultural-Negotiation. Finally, since we are interested in an electronic setting, we briefly review what CMC in negotiation is all about and discuss two communication media theoretical frameworks (Media Richness and Interactivity, and Social Awareness) that have been used in studies that also consider the factor of culture.

The search for the relevant literature was conducted in several rounds using different keywords and different combinations of keywords. The main keywords were culture, cultural dimensions, cross-cultural research, cultural differences, cultural tendencies, international, intracultural, and intercultural combined with the concepts of business, negotiation, strategy, and bargaining. These were also merged with the keywords of CMC, electronic, and email. There were other rounds with more specific

keywords derived from negotiation, such as offers, first offers, opening offers, and information exchange, as well as concepts from cultural theories. The literature was found through different tools, primarily through the Vienna University Library and other platforms such as Web of Science, Scopus, ProQuest One Business, Springer Nature Complete Journals, and Electronic Journals Library (EZB). As well as other search engines, such as Google Scholar and Research Gate. Finally, we also extracted literature from the reference lists of relevant studies.

From the review, it becomes clear that there is a wide variety of studies, approaches, methods, and even outcomes. These general findings from the review are in line with those of Schoen (2021), who makes the following conclusion: “Cross-Cultural-Negotiation research represents an accumulation of valuable but single, i.e., not connected findings that lack a categorization into a larger framework” (p. 397). Or, to put it in simpler words, as stated by Lewicki et al. (2020): “no simple cookbook exists” (p. 479). The following section will start with one of the main ingredients: Negotiation.

2.1. Negotiation

When thinking of negotiation, one might imagine the typical Buyer-Seller interaction. We have all been in such a situation when purchasing an object or service. Indeed, Buyer-Seller negotiations have been largely researched (Ahearne et al., 2022). However, the world of negotiation literature is much more elaborate than that. It also considers other real-life situations such as salary negotiation, conflict resolution, multi-party negotiations, and mediation and arbitration. The negotiation interaction, process, and behavior of its participants have been researched for more than 60 years through diverse lenses, such as those of economics, psychology, political science, communication, labor relations, law, sociology, and anthropology (Lewicki et al., 2015). Hence, different concepts of negotiation are found in the literature. There are simple definitions, such as from Carnevale and Pruitt (1992): “Negotiation involves a discussion between the parties with the goal of reaching agreement” (p.532). To even more complex definitions containing more elements, where negotiation is a mixed-motive decision-making process, where two or more people are motivated to cooperate with one another to reach agreement but compete with one another to claim resources (Lax & Sebenius, 1986; Walton & McKersie, 1965).

The element “decision-making process” is a keyword because it highlights that there are different paths to take and different strategies to decide, and it is viewed as a process that has different steps, leading to the goal of a final consensual decision. These aspects of negotiation have been highly researched and are explained below in the sections of Negotiation Strategies and Negotiation Process. In addition, both definitions consider the final goal of reaching an agreement. However, this goal may not always be reached. In order to achieve an agreement, both parties must accept the settlement. For this, they might believe that it is the best possible solution they can obtain, even if the results are less desirable than what they would prefer (Lewicki et al., 2016). Nevertheless, the concerned parties may not even be focused on reaching an agreement; their goal is not reconciling interests but on being right or on being more powerful (Lewicki et al., 2015). Hence, not all negotiations might contain the element of an agreement.

Finally, another key element, and the purpose of this research, is how the parties discuss, compete, or cooperate, meaning how they communicate. The messages conveying information regarding preferences, offers, and counteroffers are considered the most important communication during negotiation (Lewicki et al., 2016). Hence, we focus on information exchange and particularly on first offers, which might be seen as a form of information exchange. This particular interest is also due to the first offer effect, which has also been highly researched and is also explained below in the section on First Offers.

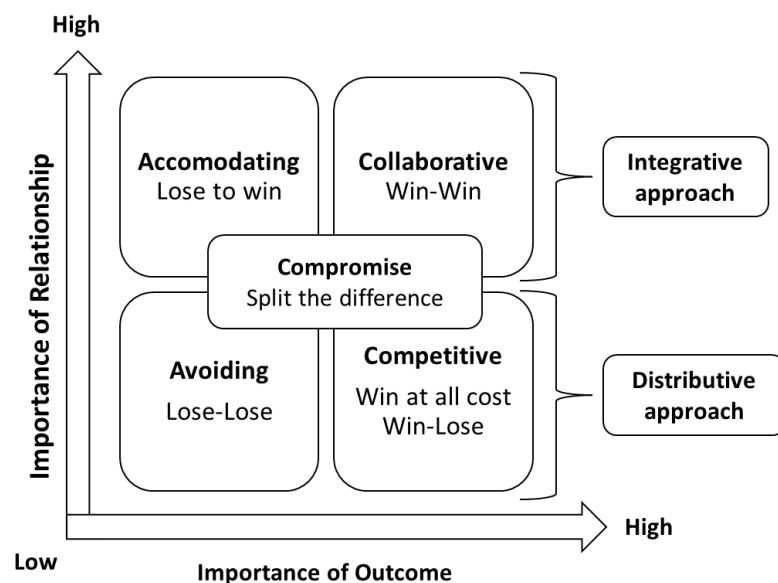
2.1.1. Negotiation Strategies

Regarding negotiation strategies, two main strategic orientations dominate the literature and are the pillars for other more developed models: integrative and distributive. An integrative approach is when the party is not only concerned about their own interests but also with the interests of their counterpart, whereas a distributive approach only considers their own interests and has little to no regard for their counterpart (Carnevale & Pruitt, 1992; Lewicki et al., 2016; Olekalns et al., 2003).

These approaches are also reflected in other frameworks/models of negotiation strategies, such as the one seen in Figure 1 (Lewicki et al., 2015, p. 16). The vertical axis, the importance of the relationship, reflects the concern the negotiator has for its counterpart. Whereas the horizontal axis, the importance of the outcome represents the concern the negotiator has for its own interests. From these two axes, five strategies

emerge. The first one, when both axes are low, is the avoiding strategy, which is when the negotiator is not active and avoids negotiating. Thus, it is a losing situation for both parties (lose-lose). In the accommodating strategy, the second one, the relationship has priority over one's own interests, and hence, the negotiator sacrifices its own interests (lose to win). The third strategy, the competitive one, is a pure distributive strategy, where the negotiator only cares about winning, even if it is at the expense of their counterpart (win-lose). The fourth strategy, the collaborative, is pure integrative; it is when the negotiator cooperates with their counterpart to find the best possible solution for both parties (win-win). Finally, the last strategy shown is compromising, the middle ground strategy, where both parties may not be able to have a winning situation, but the negotiator still considers both the outcome and relationship important and will hence surrender some, but not all, the interests (in contrast to accommodating) for the sake of the relationship (Lewicki et al., 2015).

Figure 1. Negotiation Strategies



Note. Adapted from *Negotiation: Readings, Exercises and Cases* (7 ed., p.16), by R. J. Lewicki, B. Barry and D. M. Saunders, 2015, McGraw-Hill Education. Copyright 2015 by McGraw-Hill Education.

Another categorization found in literature is the typology of negotiation strategies by Olekalns et al. (2003, p. 193), as seen in Table 1, which is a categorization of speech acts that enact negotiation strategies. Besides having considered the strategic orientation (distributive or integrative approach), Olekalns et al. (2003) also included the dimension

of strategic function, which consists of information and action. From these two dimensions, they developed four strategy clusters: distributive information, integrative information, claiming value, and creating value. Hence, the exchange of information can be distributive or integrative. Distributive is when a negotiator states a fact like “Our company has years of experience” or pressures their counterpart for their best offer. In comparison, integrative is when a negotiator asks and informs their counterpart about interests, priorities, and any issues. Regarding claiming value, it refers to, for example, when a negotiator issues an offer with only one item and is persistent, whereas creating value is, for example, an offer with multiple issues or different packages, which allows one to have different options and hence find the most suitable solution.

Table 1. Typology of Negotiation Strategies

Strategic function	Strategic orientation	
	Distributive	Integrative
Information	Distributive Information - Positions - Facts	Integrative Information - Priorities - Needs - Interests
Action	Claiming Value - Substantiation - Threats - Power use - Bottom-line - Single-issue offers	Creating Value - Packaging - Tradeoffs - Creative solutions - Multi-issue offers

Note. From “Phases, transitions, and interruptions: modeling processes in multi-party negotiations” by M. Olekalns, J. M. Brett and L. R. Weingart, 2003, *The International Journal of conflict management*, 14(3/4), p.193 (10.1108/eb022898). Copyright 2003 Information Age Publishing, Inc.

Furthermore, if a negotiator chooses a specific strategy, it doesn’t necessarily mean that he will not use another one. Indeed, as mentioned before, negotiation is a decision-making process, and depending on the situation, the input of new information, and their counterpart, a negotiator might change their strategy to adjust to the new circumstances. Here, negotiation is seen as a dynamic process, and there is a need for a mixed strategy model. However, there is also a dominant strategy model, which considers that a negotiator will prefer a specific strategy and mostly continue with it. Here,

negotiation is seen as static. This model is often applied to short and simple negotiations, for example, when there is only one issue to negotiate, such as the price in a buyer-seller situation. Whereas the mixed strategy model is better suited for multi-issue negotiations, for example, price, delivery time, interest rate, and payment terms in a buyer-seller negotiation (Olekalns et al., 2003; Olekalns & Smith, 2003; Pesendorfer et al., 2007; Weingart et al., 2007).

2.1.2. Negotiation Process

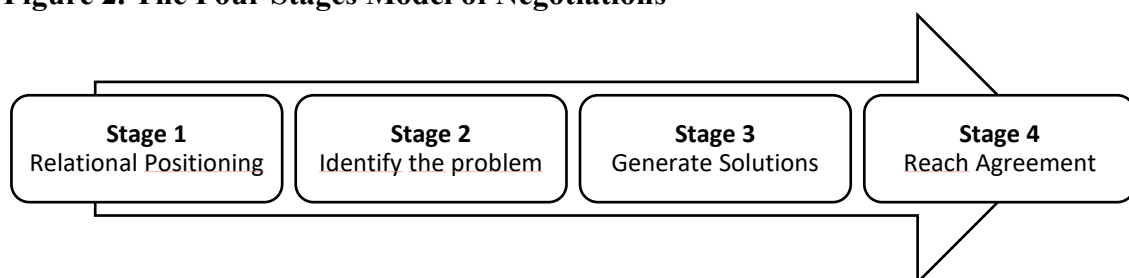
Since most real-life negotiations are complex, different approaches and tools have been developed to analyze negotiations in academia besides as a purely dynamic or static approach. For example, for analyzing the communication process in a negotiation, the following methods have been developed that have their own criteria and can address different issues: frequency analysis, sequential analysis, and phase analysis. Frequency analysis because it focuses on the frequencies of specific communication units. It is the count (absolute or relative) of the number of times that a communication unit is used by a negotiator. This allows us to observe and infer general strategies and negotiation behavior (Pesendorfer et al., 2007; Weingart et al., 2004) because "... negotiators talk about what they care about" (Adair & Brett, 2004, p. 163). Even though it is limited to a static view of the negotiation process, it still delivers insight into a relationship between the external factors, such as context, role, and culture, and the strategy choice, such as integrative or distributive. Indeed, Weingart et al. (2004) stated that: "Analyzing frequencies helps us to answer questions such as: Does the negotiating context affect the kind of strategies that are used?" (p.452).

Sequential analysis, a dynamic view of the negotiation process, focuses on how one negotiator interacts with another and how their strategies are employed to influence each other. This allows us to view if a negotiator reciprocates or not the same behavior as their counterpart by analyzing the patterns of action and reaction. However, it is limited to observing only actions and reactions and not the whole temporal process of negotiation (Pesendorfer et al., 2007; Weingart et al., 2004). There are three types of sequences: reciprocal, complementary, and structural. Reciprocal sequences are those when a negotiator really reciprocates the other negotiator's behavior. Complementary sequences refer to compatible but not exactly the same behavior, and finally, structural sequences

are those where negotiators mismatch each other's behaviors (Adair & Brett, 2004; Weingart et al., 2004).

Finally, the phase analysis does capture the whole temporal and dynamic negotiation process. It focuses on when the negotiators apply a certain strategy. There are two types of models for this approach: stage models and episodic models. The first, stage models, divides, based on theory, the negotiation process into specific segments (stages), which a negotiator will go through to achieve a goal. This allows the analysis of how the frequencies of specific communication units (specific strategies) change across these defined segments (Pesendorfer et al., 2007; Weingart et al., 2004). The second, episodic models, searches for periods where there is a certain strategy consistently being applied (Pesendorfer et al., 2007; Weingart et al., 2004). The stage model, has the benefit of allowing comparability across research, but it comes with its challenges. Firstly, there are different models found in the negotiation literature, where researchers have developed models that have between three and twelve stages. Secondly, there are two types of measures for the stages: based on time or speaking turns (Weingart et al., 2004). Nevertheless, a stage model that has been cited in both Cross-Cultural-Negotiation studies (Adair et al., 2007; Schoen, 2021) and electronic negotiations (Koeszegi et al., 2006; Pesendorfer et al., 2007) is the four negotiation stages model, developed by Adair and Brett (2005), as seen below in Figure 2. As the name clearly states, the model consists of four stages, and the negotiators go through these stages exactly in this sequence, regardless of the time spent negotiating.

Figure 2. The Four Stages Model of Negotiations



Note. Adapted from “The Negotiation Dance: Time, Culture, and Behavioral Sequences in Negotiation”, by W. L. Adair and J. M. Brett, 2005, *Organization Science*, 16(1) pp. 33-51 (10.1287/orsc.1040.0102). Copyright 2005 INFORMS

The first stage, relational positioning, is where negotiators assess the relationship; they might go faster through this stage if they already know each other. The second stage

is identifying the problem, where information about issues and interests is exchanged. Afterward is the third stage, generating solutions; since negotiators have already acquired information, they will begin to make offers, along with persuasive and rational arguments, to try and reach an agreement. Finally, the last stage is reaching an agreement, where final offers and concessions are made to conclude the deal (Adair & Brett, 2005).

Even though the issue of offers was initially located in the third stage, in a later study by Adair et al. (2007), first offers were also found in the second stage, serving as a form of exchange of information, dependent on the negotiator's cultural background. In their study, Japanese negotiators issued their first offer earlier than U.S. negotiators. Furthermore, they concluded that early first offers generated joint gains in Japanese negotiation dyads but had an anchoring effect that hindered joint gains in the U.S. negotiation dyads. Hence, they suggested that the anchoring effect of first offers may be culturally bound. Their findings are significant to Cross-Cultural-Negotiation research and will be further discussed in that sub-chapter. Its significance is due to the importance of the anchoring effect of first offers in negotiation literature, which we explain in the following section.

2.1.3. First Offers

The First-offer effect has been highly researched in negotiation (Bhatia & Gunia, 2018; Lewicki et al., 2016; Schoen, 2021) because of the anchoring effect. Anchoring was stated by Tversky and Kahneman (1974, p. 1112) as one of the biases that may happen under uncertainty when people make estimates (partially on the result of some incomplete computation) by starting from an initial value and not sufficiently adjusting it. Anchoring, considered a cognitive bias, is also found in negotiation because a negotiator can make an error in his performance (for example, make a counteroffer with a low economic outcome for themselves) by being overly influenced by an anchor, a starting numeric value (for example a high price in a first offer) (Lewicki et al., 2016).

In negotiation literature, there are also other types of anchors besides first offers, such as goals, information about prior deals, range offers, and phantom anchors (Lewicki et al., 2016). Range offers are, for example, a price range from \$150-180, while phantom anchors are the retracted and aggressive figures attached to a message with the actual and less aggressive offer (Bhatia & Gunia, 2018). Even though these are also important

anchors to consider, a negotiator might not always apply them. Hence, we focus only on the issue of first offers.

In their study, Galinsky and Mussweiler (2001) found that negotiators in a distributive setting, in both FTF and electronic settings, achieved better outcomes when making the first offer than when receiving it. This was due to the anchoring effect that their first offer had on their counterpart. This was also seen in the final settlement prices, showing that first offers were also a strong predictor for them. However, they also found limitations to this effect, such as information asymmetry. If the counterpart found inconsistencies between the information exchanged and the first offer, there was no longer an anchor effect.

The study from Rosette et al. (2012) further supported the anchoring effect of first offers in an electronic distributive negotiation, but this time also in an international setting. They compared the first offers of Hong Kong sellers to those of U.S. sellers and found that, indeed, the aggressive opening offers (the highest price) lead to higher distributive gains. Furthermore, their result that Hong Kong sellers made more aggressive first offers than U.S. sellers supported their suggestion that culture and the communication medium (email) both play a role in the aggressiveness of first offers.

In another study by Gunia et al. (2013), the first offer effect remained robust in multi-issue negotiations and in cross-cultural, single-issue negotiations. Within the multi-issue negotiations, the anchoring effect occurred only through the distributive issues and not the integrative nor the compatible issues. Within the cross-cultural negotiations, the first offer effect was overall present when negotiators from 32 different nations were paired, showing the robustness of the first offer effect. Additionally, no nationality seemed more inclined to initiate first. These last findings from the cross-cultural negotiation study seem inconsistent with the findings of Adair et al. (2007) since they suggested that the anchoring effect of offers may be culturally bound, as well as the timing of first offers. As mentioned before, the first offers were also found to serve as a form of indirect information-sharing by Japanese negotiators. Moreover, Japanese offer patterns suggested the use of offers for information gathering, while U.S. offer patterns suggested the use of offers to consolidate information (Adair et al., 2007). Hence, the timing of the first offer could also be seen as an indicator of a cultural communication pattern. Even though the negotiation settings differed in both studies and have different limitations, and

are thus not comparable, it still raises the question of whether, indeed, culture plays a role in the issue of first offers.

Thus, to summarize this section, negotiators' strategies are shown by the content and form of their communications (Olekalns & Smith, 2003), and how they communicate – when they issue their first offer, for example - can differ by their culture (Adair & Brett, 2005; Adair et al., 2001; Adair et al., 2007; Brett et al., 2017). This leads us to our following section, where we explain the concept of culture and the literature found in this field.

2.2. Culture

A proposition commonly used to explain the complexity of the concept of culture is the metaphor of the iceberg. Where the visible part of the iceberg, the one above the water, represents behavior and institutions, while the part underwater, invisible to the eye, represents knowledge structures such as values, beliefs, and norms (Hall, 1976; Koeszegi et al., 2004; Lewicki et al., 2015). Besides this metaphor, there have been several efforts to understand culture and establish a definition. On one side, there are simple statements such as those from Hall (1959), “Culture is communication and communication is culture” (p.160), defending the idea that culture cannot exist without communication and vice versa. While on the other side, there are substantial definitions, such as the one from Salacuse (1991): “Culture is defined as the socially transmitted behavior patterns, norms, beliefs, and values of a given community” (p. 45). This definition is in line with the concept of the iceberg, having elements that belong to both the visible and invisible parts of the iceberg and highlights that it is limited to a certain group. Another frequently cited definition is from Hofstede (1993): “the collective programming of the mind that distinguishes one group or category of people from another” (p. 89). The distinguishment between groups of people is essential to acknowledge how one's culture is. A person might not be aware of their own cultural characteristics until they are confronted with another different culture, making the distinguishments visible (Gelfand & Brett, 2004). Finally, also a known definition of culture is one of the Global Leadership and Organizational Behavior Effectiveness (GLOBE) project: “Shared motives, values, beliefs, identities, and interpretations or meanings of significant events that result from common experiences of members of collectives that are transmitted across generations”

(House et al., 2004, p. 15). This definition also is aligned with the elements of the iceberg, but also adding that the transmission is being done across “generations”. All these definitions allow us to understand the scope of culture, a group-level phenomenon where the elements of the iceberg (e.g., behavior patterns, norms, beliefs, and values) are being passed on from one generation to another. An important element that these different definitions of culture have in common is “transmission”. Thus highlighting the important role of communication, just as Hall pointed out. However, these diverse concepts also reflect the abundance of theories found in literature and the complexity of defining culture. Furthermore, it still leaves open how culture can be analyzed or even measured in a study.

One approach is to use the country as a proxy for culture, which is often found in literature as “national culture” to also differentiate it from “organizational culture” for example. However, this approach is criticized since different cultures can be found within the same country, known as regional cultures, or because also national groups tend to be stereotyped (Gelfand & Brett, 2004; Gelfand & Dyer, 2000; Schoen, 2021; Tsui et al., 2007). Nonetheless, “national culture” is amid the literature, and a reason for this is (besides it being pragmatic) that “...national boundaries define institutional boundaries...” (Adair & Brett, 2004, p. 159), and since institutions are the “visible” part of the iceberg, it allows for an objective way to differentiate cultural groups. This explanation comes, however, with its limitations due to the number of different institutions a nation may have. For example, international institutions or local institutions are directed only to certain social groups within a nation.

Another approach uses cultural values or cultural dimensions to analyze culture or different aspects of it. These values or dimensions of culture vary depending on the cultural framework being used, and there has been an abundance of cultural frameworks developed by different scholars throughout the years. Moreover, there is no clear paradigm (Tsui et al., 2007). Indeed, the authors mentioned earlier, Hall (1976), Salacuse (1991), Hofstede (1993), and the GLOBE project (2004), who have defined culture, have also developed their own theoretical framework. Their cultural frameworks have been applied to negotiation studies, and besides them, many other authors are also found in the literature, such as Triandis (1982a; 1982b), Schwartz (1994), Singelis (1994), Trompenaars and Hampden-Turner (1998), and Weiss and Stripp (1998). However, we have limited the theoretical frameworks and will only explain the selected ones that have

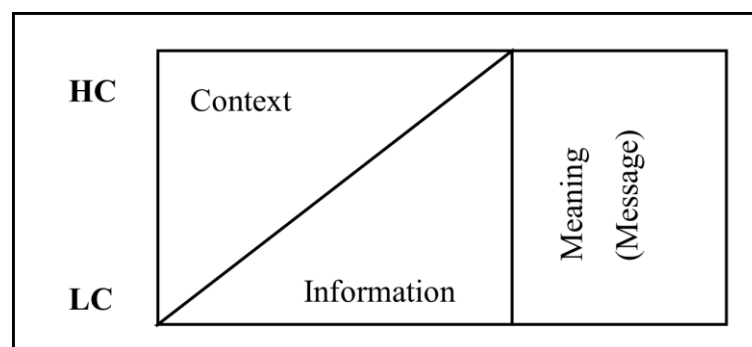
been considered most relevant for our study, considering both Cross-Cultural-Negotiation research and CMC studies. These are the cultural frameworks developed by Edward T. Hall and Geert Hofstede, which are explained in the following sections below.

2.2.1. Hall's Cultural Dimensions

As clearly stated by his argument, Edward T. Hall (1959,1966, 1976) developed a view on culture based on a communication-oriented perspective. He is considered an influential author thanks to his framework for interpreting intercultural communication patterns (Kittler et al., 2011; Warner-Söderholm, 2013). The basis of his work consists of three dimensions that influence the way a culture communicates: context, time, and space.

The first concept, context, is considered the most cited dimension (Holtbrügge et al., 2013; Kittler et al., 2011; Warner-Söderholm, 2013), and it is also the theoretical framework chosen for this study. According to Hall (1976), the meaning of a message may differ between cultures depending on their use of (non-verbal) context when communicating information. His model mainly distinguishes between High-Context (HC) and Low-Context (LC) cultures, as may be seen in Figure 3 (Hall, 1976, p. 102). HC cultures use implicit and indirect language when conveying a message. Thus, the context must be considered to fully understand the meaning of the message. Whereas LC cultures use explicit and direct language, therefore the information transmitted in their message is clear.

Figure 3. High- and Low-Context

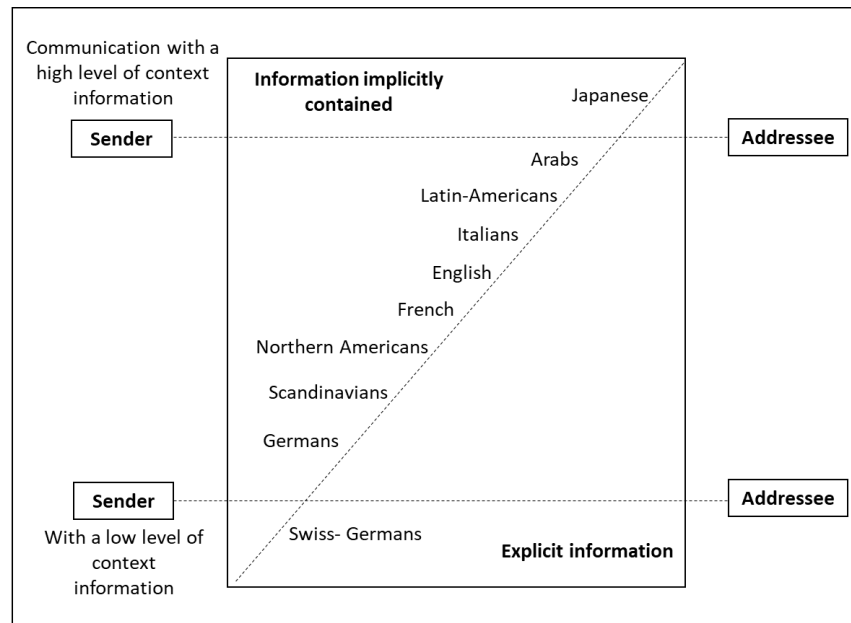


Note. From Beyond Culture (p.102), by E.T. Hall, 1976, Doubleday

Regarding the dimension of time, Hall (1983) classified cultures according to their perception and management of their time. On one side, there is the polychronic conception, where time is abundant, and several tasks can be managed simultaneously in that timeframe, whereas a monochronic conception considers time a scarce resource and tasks must be managed one at a time. Finally, the last dimension is space, where Hall (1966) stated that cultures have different perceptions of personal space; the size of their private sphere is based on how much private information a person shares with another. These last two dimensions are less cited, and a reason for this could be that Hall himself provided almost no evidence for these two concepts (Holtbrügge et al., 2013).

However, Hall's Context model is widely used and is the theoretical framework for other studies that have continued to classify countries, clusters, or regions as HC or LC (Adair et al., 2001; Kittler et al., 2011; Koeszegi et al., 2004; Mehta et al., 2006; Rosch & Segler, 1987). A general classification of cultures along the Context Continuum published by Rosch and Segler (1987, p. 60) can be seen in Figure 4. Those cultures that have a high level of context information will have information implicitly contained, such as Japanese, while those with a low context will transmit explicit information, such as the Swiss Germans. The ratio of information and context can vary depending on the culture, showing that LC and HC were intended merely as poles in a context continuum and not as a dichotomous variable (Kittler et al., 2011). Nevertheless, researchers in different fields have used the context dimension as dichotomous to categorize countries either as HC or LC, which is comprehensible when doing comparative analysis in a cross-cultural study because when comparing two countries, a natural dichotomy is created. This is also the case for negotiation studies, as will be seen in the sub-chapter of Cross-Cultural-Negotiation.

Figure 4. Significance of Message



Note. From “Communication with Japanese”, by M. Rosch and K. Segler, 1987, *Management International Review*, 27(4), p.60

2.2.2. Hofstede’s Cultural Dimensions

Geert Hofstede (1980a, 1980b) examined data on values that had been gathered from intracompany research with IBM employees from 50 cultures. From the data, he then developed four cultural dimensions: individualism/collectivism, power distance, masculinity/femininity, and uncertainty avoidance. Afterward, two additional dimensions were added to the model: long/short-term orientation (Hofstede, 1991; Hofstede & Bond, 1988) and indulgence/restraint (Hofstede, 2011). These dimensions have been used to describe the differences among different aspects of culture and are explained below:

- **Individualism/Collectivism:** This is the extent to which people in a society are integrated into groups. On one side of the spectrum, there are individualistic societies, where independence is important, and the language spoken is “I”, whereas in collectivist societies, extended family and the group where the individual belongs are important, and the language spoken is “we”.
- **Power Distance:** This is “the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally” (Hofstede, 2011, p. 9). There are cultures considered low-power distance, where hierarchy is less noticeable (a higher preference for equality),

whereas, in a high-power distance culture, hierarchy is clearly vertical (inequality is the basis of societal order).

- **Uncertainty Avoidance:** It is the extent to which a culture feels comfortable with uncertainty and unstructured situations. Those cultures with weak uncertainty avoidance are accustomed to change and ambiguity, while those with strong uncertainty avoidance try to minimize ambiguity by establishing clear rules and structures.
- **Masculinity/Femininity:** Refers to the distribution of values between the genders as a societal characteristic. In a masculine culture, society has different values for each gender. For example, men are considered assertive and competitive, while women have modest, caring values. In a feminine culture, however, there are no values specific to gender. This dimension has now been renamed as “Motivation towards Achievement and Success” due to criticisms of treating gender as a binary concept (Hofstede Insights Oy, 2004c). Hence, a “Masculine” society is now a “Decisive” society because it is driven by values such as competition and achievement. Whereas a “Feminine” society is now a “Consensus-oriented” society, meaning they are more oriented to caring for others and having a quality of life (Hofstede Insights Oy, 2004a).
- **Long/Short-Term Orientation:** This dimension refers to the focus on time, in the sense of whether a society is future-oriented (long-term orientation), constantly changing or adapting to new circumstances or gives priority to the past (short-term orientation), meaning traditions are honored (Hofstede, 2011; Hofstede & Bond, 1988).
- **Indulgence/Restraint:** The degree to which a society allows the enjoyment of basic and natural human desires. Indulgence represents free gratification, whereas restraint represents societies that control and regulate desires through strict social norms (Hofstede, 2011).

As we will clarify afterward, only some of these dimensions have been relevant to Negotiation and CMC studies, as will be seen in the following sub-chapter, Cross-Cultural-Negotiation.

2.3. Cross-Cultural-Negotiation

We have arrived at the crossroads where negotiation literature meets cross-cultural literature. According to Schoen (2021): “Cross-Cultural-Negotiations may be defined as an attempt to convince another party of one’s own goals by means of communication, inhibited by different cultural frames” (p.397). Indeed, as mentioned before, the way a negotiator communicates can differ by culture, and culture can be viewed from different cultural dimensions. As we have seen in the sub-chapter Culture, there is an abundance of cultural frameworks developed by different scholars, and even when applied to negotiation literature, there is still no clear paradigm (Tsui et al., 2007).

In his systematic review of the cultural dimensions in negotiation research, Schoen (2021) analyzed more than 470 publications from over 30 years that only included the cultural dimensions of Hofstede (1993) or The Globe Study (House et al., 2004). Although they are indeed all well-established cultural scholars (Schoen, 2021; Tsui et al., 2007; Warner-Söderholm, 2013), there are many other cultural frameworks (Hall, 1959; Schwartz, 1994; Singelis, 1994; Trompenaars & Hampden-Turner, 1998) that were not considered in his review, which are also relevant for Cross-Cultural-Negotiation research (Gunia et al., 2016; Tsui et al., 2007; Warner-Söderholm, 2013). Nevertheless, his review still provided an insight on what is still lacking in this field.

The main criticism that Schoen (2021) highlighted was the “lack of pluralism” in the use of cultural dimensions. His findings showed that most research only used one cultural dimension of Hofstede: individualism/collectivism. Meanwhile, the others from Hofstede were much less used or even not at all. Furthermore, there were studies that used the dimension of individualism/collectivism, which had contradicting discoveries. This dominance of Hofstede’s individualism/collectivism dimension had already been discovered in past reviews by Gunia et al. (2016), Tsui et al. (2007), and Gelfand and Brett (2004). Even though they included even more cultural frameworks beyond those of Hofstede (1991) and The Globe Project (2004) in their respective reviews, they each arrived at the same conclusion: the cultural dimension of individualism/collectivism from Hofstede dominated the culture and negotiation research. Thus, this demonstrates that this is still an ongoing issue and that there is a need for future research to expand the theoretical scope to include other cultural values from Hofstede and even other cultural

frameworks from other scholars. Nevertheless, the use of this dimension might also be an indication that it is the only relevant cultural dimension.

Another criticism that Schoen (2021) indicated was the lack of attention in research on specific topics such as "... the use of rational influence, affective persuasion, and first offers" (p.423). Therefore, we take this into consideration as a topic that needs to be addressed in future research. Even though Schoen's review of Cross-Cultural-Negotiation literature was limited to only two cultural frameworks, we still consider his insights valuable in understanding the current state of research.

Besides Schoen's input, there are other challenges identified by past studies from Gelfand and Brett (2004), Tsui et al. (2007), and Gunia et al. (2016), each in their own review of literature that is worth mentioning. One criticism of cross-cultural studies, in general, was the dominance of North American research. Moreover, several studies were based on experiments that had participants who were American students and, indeed, also international students but who resided in the U.S. or attended an American university. Therefore, these three studies pointed out the question of bias. Similarly, after North American research, European research came along in second place. Hence, these scholars encouraged future research to address studies beyond the "Western culture" and go towards other countries, especially developing countries, to enhance both the external and internal validity of past studies. Furthermore, another criticism by these scholars was that past studies mostly relied on one-shot laboratory experiments. Neither culture nor negotiation is considered static; thus, to comprehend the complexity of cross-cultural negotiations, there is a need to move toward field studies and long-term research collaborations.

Overall, there are indeed several challenges to tackle in the field of Cross-Cultural-Negotiation, especially the abundance of cultural frameworks from which a researcher can select. The relevant Cross-Cultural-Negotiation literature found has been allocated to the cultural frameworks from Hall and Hofstede. Which to the best of our knowledge, these are the two frameworks that have been mostly used in studies containing all the relevant elements of our research (cross-cultural and CMC communication, information exchange, and first offers).

2.3.1. Hall's Context Dimension in Negotiation

As seen before, out of the three cultural dimensions from Hall, the Context Dimension has been the most referenced one (Holtbrügge et al., 2013; Kittler et al., 2011; Warner-Søderholm, 2013) and has served as a basis for Cross-Cultural-Negotiation studies, since the communication patterns from HC and LC cultures can be applied to a negotiation setting. Moreover, there are also studies that use Context as an explanation of different communication patterns between different cultures in an electronic setting.

Within the negotiation field, a study by Graham et al. (1994) found support for the Context theory (and for Hofstede's dimensions as will be seen in the next section) in buyer-seller negotiations from 11 cultures: United States, Canada (Anglophone), Canada (Francophone), Mexico, United Kingdom, France, Germany, Union of Soviet Socialist Republics, Taiwan, China, and Korea. They found that for HC cultures, personal and status relations are more important than for LC cultures. A later study from Mintu-Wimsatt and Gassenheimer (2000) further supported these findings. In their study, Filipino exporters (HC) showed significantly higher levels of cooperative problem-solving approach than American exporters (LC). This, according to their research, demonstrated a stronger customer orientation approach, meaning a stronger focus on relationships.

In another study, Adair et al. (2001) classified Japanese negotiators as HC and U.S. as LC to compare negotiation behaviors in both intracultural and intercultural negotiations. Comparing the cultures in a FTF intracultural negotiation setting, they found that U.S. negotiators shared information directly (information on priorities, comparisons and contrasts between the parties, and direct reactions to offers and proposals), while Japanese negotiators shared information indirectly (offers and counteroffers, which can be single and multi-issue). However, in a FTF intercultural negotiation setting, the Japanese negotiators adapted their behavior to the U.S. negotiators; they increased direct information sharing and decreased indirect information sharing. Furthermore, U.S. negotiators in both intracultural and intercultural negotiation settings avoided the use of influence tactics: "Influence tactics include legitimacy (references to the status of one's company, competitors, and relationship to the other party); informational persuasion (positive and negative substantiation); information with sanctions (threats such as references to the best alternative to a negotiated agreement BATNA; or reservation price that convey a party's alternatives or power to walk away from the table); and sympathy,

or stressing one's personal stake in the negotiation” (Adair et al., 2001, p. 375). Meanwhile, Japanese negotiators differed in their use of influence tactics depending on the setting. In an intracultural setting, they used influence tactics more than in an intercultural one. Hence, it also supports the fact that the Japanese negotiators adapted their behaviors to those of the U.S. negotiators. This finding is in line with theory, stating that HC cultures have flexible use of both LC and HC communication norms (Hall, 1976).

The study from Adair et al. (2004) further supported the findings of information sharing between HC and LC cultures in an intracultural negotiation setting, however, with some exceptions. They compared six cultures: the U.S., Russia, France, Brazil, Japan, and Hong Kong. Indeed, U.S. negotiators (LC) used overall more direct information sharing and avoided power-based influence than the other negotiators, but so did the Brazilian negotiators, who were expected to behave differently since Brazil is considered a HC culture. Negotiators from Russia and Japan, both HC cultures, acted accordingly, using mostly indirect information-sharing strategies and power-based influence. French negotiators also acted according to theory, using a mixture of strategies. Since France is placed exactly in the middle of the HC-LC continuum, they show signs of both HC and LC communication patterns. Finally, another exception was the Hong Kong negotiators, who, although being classified as a HC culture, did not particularly use more indirect information strategies or power-based influence.

All the above-mentioned findings were also afterward used by Adair and Brett (2004). After conducting a thorough literature review, they developed the model “Culture and Negotiation Processes,” seen in Table 2 (Adair & Brett, 2004, p. 160). In their model, they integrated the Context dimension, along with the construct of self-construal theory, with negotiation processes. They defined self-construal based on Markus and Kitayama (1991) as the way a person understands their role in a social setting, which can be independent or interdependent. Being independent of society means being free to pursue individual goals, while being interdependent means being restrained by social responsibilities. Hence, Adair and Brett (2004) suggested that a culture belonging to the east part of the world might be considered a HC culture as well as an interdependent culture, with a relationship-building approach enacted through acts of trust (cooperation) and/or competitive dominance, as well as a behavior of affective influence and indirect information sharing approach.

Table 2. Culture and Negotiation Processes: A Model

Region	East		West	
Self-construal	Interdependent		Independent	
Communication Norms	High Context		Low Context	
Beliefs	Relationship Building		Distribution of Resources	
Goals	Cooperative trust	Competitive dominance	Cooperative joint gains	Competitive individual gains
Behaviors	Indirect information sharing	Affective influence	Direct information sharing	Rational influence

Note. From “Culture and Negotiation Processes”, by W. L. Adair and J. M. Brett, 2004, *The Handbook of Negotiation and Culture*, p.160, EBSCO Publishing. Copyright 2004 by Stanford University Press

However, the model’s predictions regarding influence behavior did not receive strong empirical support because HC cultures seemed to use both kinds of influences (Adair & Brett, 2004). Another criticism of this model is that it is limited to the East-West mindset, ignoring other parts of the world, such as Latin America and the Middle East (Brett, 2014). Although this model may not be completely accurate and might be outdated, the suggestions of indirect information sharing for HC and direct for LC have been further supported by later studies, such as the following one from Adair and Brett (2005) and Adair et al. (2007).

In their study, Adair and Brett (2005) examined the negotiation process in intra- and intercultural FTF integrative negotiations. They confirmed that the pattern of sequences varied across their proposed normative model of transactional negotiations, which is the Four Negotiation Stages model (explained earlier in the section Negotiation Process). They also confirmed that the frequency of particular sequences varied with culture, using Hall’s Context dimension as their framework. Their studies comparing both intracultural negotiations and intercultural negotiations provided several findings. For the intracultural setting, the HC dyads were negotiators from Russia, Japan, Hong Kong, and Thailand, while the LC dyads were from the U.S., Germany, Israel, and Sweden. Comparing these negotiations, they found that HC negotiators used more flexible, complementary information sequences than LC negotiators. Additionally, HC negotiators reciprocated offers more and priority information less than LC negotiators throughout all four stages of the negotiation. Regarding the intercultural setting, there were two types of

mixed HC-LC dyads: U.S.-Hong Kong and U.S.-Japan. They concluded that the mixed dyads showed similar communication patterns to those of the LC dyads. Their explanation was that HC negotiators are more flexible communicators than LC (Hall, 1976). However, they also pointed out that this could be because of other factors, such as language, because the negotiations were conducted in English. Overall, their findings, especially the Four Negotiation Stages model, are considered an important contribution to negotiation literature and to Hall's Context theory and have encouraged further studies.

Following this encouragement, in a later study, Adair et al. (2007) proceeded to examine more specific parts of the negotiation process according to the Four Negotiation Stages. As mentioned before in the section on the Negotiation Process, they compared the timing and function of offers between U.S. (LC-dyads) and Japanese (HC-dyads) in an integrative FTF negotiation setting. They found that the timing and use of first offers differed between HC and LC. First, they found that Japanese negotiators (compared to U.S. negotiators) made their first offer earlier and exchanged less information prior to making their first offers. They additionally found that Japanese negotiators generated higher joint gains by making offers early in the negotiation. Meanwhile, the exchange of information prior to the first offer generated higher joint gains for U.S. negotiators. Finally, they showed that there is a cultural difference in the use of offers. Japanese offer patterns suggested the use of offers as information gathering, while the U.S. offer patterns suggested the use of offers to consolidate information. Although Adair et al. (2007) considered their findings insightful and consistent with the anchoring effect of first offers, they also cautioned about the influence of the negotiation settings. Indeed, the lower joint gains of U.S. negotiators indicated the presence of the anchoring effect and is consistent with past research. Additionally, since Japanese negotiators seemed to not be anchored by the first offers, they suggested that the anchoring effect of offers may be culturally bound. Yet, their findings come from a multi-issue integrative negotiation setting, while past research has been mainly done in a distributive setting, such as the one seen before by Galinsky and Mussweiler (2001). Hence, they warned that their findings might not be applicable to single-issue distributive negotiations nor to similar situations, where negotiators tend to be more competitive.

Even though the above-mentioned studies did not integrate electronic communication, they have still contributed to the Cross-Cultural-Negotiation literature and, more specifically, have supported Hall's Context approach in a negotiation context.

Nonetheless, there are other studies that have integrated Hall's Context dimension with electronic communication.

In their study, Koeszegi et al. (2004) used the context dimension to compare a user's perception and use of the Internet-based negotiation support system (NSS) called Inspire. The data was collected from 11 countries: Ecuador, Hong Kong (China), Taiwan, and India, considered HC cultures; U.S., Canada, Switzerland, Germany, Austria, Finland, and Russia, considered LC cultures. They found that HC cultures exchanged significantly more messages and offers during negotiations than LC cultures. They suggested that this might be due to the need for HC cultures to establish a social context in electronic negotiations. Hence, the lack of personal and social cues in electronic negotiations is compensated by the exchange of additional information. Furthermore, they found that LC cultures valued the analytical support tool of Inspire (a utility rating displayed with offers) as more useful than the HC cultures did. They explained that this might be due to the LC cultures' tendency to prefer direct and task-oriented communication. Although their findings shed light on how the Context dimension can be applied to an electronic negotiation setting, there are still some results that leave an open question. They also tested for the perceived ease of use of Inspire (e.g., ease of understanding the case, clarity of instructions, etc.) and the perceived usefulness of its communication platform (the possibility of sending messages with or without offers) but found that there were no significant differences between HC and LC cultures. Thus, this shows different patterns between the perceived usefulness of the analytical tool, measured with Likert-scale items, and the actual use of the system features, measured as a real numerical value obtained from the experiment. However, when testing the perceived ease of use of Inspire and the perceived usefulness of its communication platform at an individual country level, they did indeed find significant differences. Hence, this leads to the question of whether there are other cultural dimensions, besides the Context dimension, better suited to explain these differences. Finally, since their analysis was solely based on the quantitative data provided by Inspire, Koeszegi et al. (2004) encouraged future researchers the following: "Beyond analysis of the quantitative data provided by the system, a qualitative analysis of negotiation materials such as the written messages exchanged could strengthen the arguments about different preferences for communication patterns" (p.105).

A study by Koeszegi et al. (2006) that did a qualitative-quantitative analysis of electronic negotiation processes analyzed the written messages exchanged between European and Taiwanese negotiators in an international negotiation setting. Although their study did not focus on comparing cultural differences but different support systems, one of their observations was the global relatively large use of private communication compared to tactical behavior. They attributed this observation to different possible reasons, one of them being that private information aids in establishing context, which they indicated is important for a HC culture, such as the Asian culture, which was included in their study. The other possible explanations they suggested were that it is useful for establishing a relationship, since private communication together with affective behavior are communication patterns that contribute to the establishment of a personal relationship; and that anonymity in electronic negotiations facilitates the disclosure of private information. Finally, they also observed that communication protocol (category for salutations and politeness in an email) counted for most of the information/communication exchanged. Communication protocol is also an indicator of characteristics of written, asynchronous communication and, during a negotiation, can indicate how to approach the other party with respect to formal behavior.

Furthermore, although it was not in a negotiation setting, Zakaria and Cogburn (2010) have contributed to the communication literature with a qualitative content analysis to explain differences in communication patterns between HC and LC cultures. They conducted a qualitative content analysis on the data drawn from a public e-mail archive to analyze the cultural behavioral patterns of online intercultural communication. They found distinctive communication patterns between HC and LC in the emails, as listed in Table 3 (Zakaria & Cogburn, 2010, p. 343). Even though the study was not done in a negotiation setting, the findings might be applicable to a negotiation context since email communication is essential in business.

Table 3. Overall Comparison for Cultural Patterns of Online Communication Behaviors

High Context	Low Context
• Begin message using formal salutation or initial greetings • Introduce the initial paragraph with elongate compliments, gratitude and appreciation • Use polite and padded words to express feelings or to avoid being frank • Seek for approval by asking questions instead of disclosing real intentions or opinions • Provide overall lengthy messages without clear direction or focus	• Seldom begin message with a formal salutation, use more less formal greetings • Jump into the subject matter straight away or express feelings clearly • State opinions first, then use polite words, i.e. say thank you late in the message • Use succinct, brief, assertive and concise words to make a point • Provide lengthy messages when giving instructions or detail explanations on the assertion made

Note. From “Context-dependent vs. content-dependent: An exploration of the cultural behavioural patterns of online intercultural communication using e-mail”, by N. Zakaria and D. L. Coghurn, 2010, *International Journal of Business and Systems Research*, 4(3), p.343. Copyright 2010 Inderscience Enterprises Ltd.

Finally, another study that considered the context dimension in electronic communication was by Holtbrügge et al. (2013). They applied a culture’s context to explain different preferences in email communication. Their study contained participants from HC cultures: India, China, Brazil, and Russia, and from LC cultures: Finland, Germany, and the U.S. They found that HC cultures preferred more formal email communication than LC cultures. This is consistent with the results from Zakaria and Coghurn (2010), as seen previously in Table 3. Additionally, relationship-relatedness was more relevant for HC cultures, whereas task-relatedness was more important for LC cultures. This last finding is also aligned with those of Koeszegi et al. (2004), however, with an exception. Even though both studies arrived at similar conclusions regarding LC versus HC, there is an inconsistency in the country categorization. Holtbrügge et al. (2013) considered Russia as a HC culture while Koeszegi et al. (2004) as a LC. This inconsistency demonstrates exactly one of the main criticisms of Hall’s Context dimension: the lack of sufficient empirical evidence for country classification. Finally, another limitation is that the findings came from respondents’ self-reported preferences,

and since all the participants were only from the IT industry, this could lead to some biases.

Overall, although Hall's context dimension has been used in numerous studies, it remains criticized due to its lack of quantitative comparative data. Most studies have been qualitative, and there is little or mixed empirical evidence regarding the classification of countries (Holtbrügge et al., 2013; Kittler et al., 2011; Warner-Søderholm, 2013). In an attempt to solve this issue, Warner-Søderholm (2013) developed a quantitative instrument, a five-item scale, to measure the variable of Context. Although the author offers some empirical findings of Context Communication within Norwegian regions, it is still limited to one country, hence demonstrating the need to further evaluate this instrument with more countries in a cross-cultural setting.

2.3.2. Hofstede's Cultural Dimensions in Negotiation

Several studies have used Hofstede's dimensions as their framework to explain cultural differences in negotiation settings and CMC. However, as mentioned before, the dimension of Individualism/Collectivism has been the most referenced one, and afterward, Power Distance, while the other dimensions lack attention (Schoen, 2021; Tsui et al., 2007).

Individualism/Collectivism (IND/COL): According to Hofstede (1991, 2011), a collectivist society will focus more on building and sustaining a relationship, whereas an individualistic society will prioritize the task over the relationship. This comparison has been applied in many negotiation studies. As seen in the last section, Graham et al. (1994) used Hall's Context dimension in their study, but they also used Hofstede's cultural dimensions. They concluded that the U.S., Canada (anglophone), and the United Kingdom, which are countries that are scored as high individualists by Hofstede (1984), used less problem-solving approaches, thus showing individualistic behavior. In their study, Brett and Okumura (1998) had presumed that individualistic cultures showed a higher preference for direct information exchange, whereas the collectivistic for indirect, in a FTF negotiation setting. This was afterward confirmed by Adair et al. (2001), who, besides using Hall's Context dimension, also included the dimensions of Individualism/Collectivism and Power Distance in their study as constructs for a method check. The

U.S. negotiators valued individualism more than the Japanese, and this was used as a measure to check that the samples had values characteristic of their culture. Hence, this also applies to the findings of Adair et al. (2007) regarding the timing of offers since the sample used in both studies is the same. Therefore, collectivistic cultures have a higher likelihood of making earlier first offers. Furthermore, Gelfand and Christakopoulou (1999) conducted a computer-mediated intercultural negotiation experiment between U.S. students, classified as Individualistic, and Greek students, classified as Collectivistic. They concluded that individualistic cultures claimed more value for themselves, whereas collectivistic cultures tended to consider more their counterpart's interests. This statement is supported by a later study by Graf et al. (2010), who conducted an online negotiation using the e-negotiation systems Simple NS and Inspire. The negotiators from Taiwan, the collectivist culture, had a more integrative orientation than the negotiators from Canada, the individualist culture. In accordance, the Canadians showed more effort in claiming value. However, those from Taiwan did not really demonstrate more determination to create value.

Power distance (PD): According to Hofstede (1980a, 1980b, 1984, 1991, 1993), high-PD cultures concentrate decision-making at the top, which might affect negotiation because final decisions can only be made by supervisors. Hence, subordinates might slow down the process if they are negotiating but waiting on approval. Moreover, the status of the negotiators might influence the negotiators' behaviors, depending on whether they come from a high or a low-PD culture. This was observed by Liu et al. (2019) in their study, where high-status negotiators from a high-PD culture (Chinese managers) were paired with low-status negotiators from a low-PD culture (American employees) and vice-versa, low-status negotiators from a high-PD culture (Chinese employees) paired with high-status negotiators from a low-PD culture (American managers). They found that the Chinese manager-American employee dyads experienced more anger, placed less emphasis on cooperative interaction goals, exchanged less information about preferences and priorities, and consequently also gained less profit than the American manager-Chinese employee dyads. Their explanation for these differences is that on one side, a high-status negotiator from a low-PD culture seeks to minimize status differences with a low-status counterpart. Conversely, a low-status negotiator from a high-PD culture wants to show respect and deference to a high-status counterpart. Hence, this is why both

negotiators are more willing to consider their counterparts' goals and interests and exhibit more cooperative behaviors. As mentioned before, Adair et al. (2001) also used PD as a method check. The Japanese participants valued hierarchy more than the U.S. participants. Hence, this dimension was also applied to the findings of Adair et al. (2007). Nevertheless, since only two countries were being compared, it is not sure if the findings are due to the differences in PD or IND/COL or Context, but it is evidence that it supports one of these three. Furthermore, in another study, Graf et al. (2012) found that hierarchy influenced the negotiation schemes of high-PD cultures in intercultural computer-mediated negotiations. When the negotiators from Tawain, a high-PD culture, were buyers, they applied more claiming-value and distributive information strategies in comparison to those Taiwanese who were sellers. This means that Taiwanese sellers applied more creating-value and integrative information strategies. Whereas for their counterparts, the Austrian negotiators, a low-PD culture, the role of buyer-seller had no significant influence on their negotiation behavior. These findings support the theory that hierarchy influences the behavior in high PD cultures but not in low power distance cultures since the role of the buyer is seen to have more negotiation power (a higher position in the hierarchy) than the one of the seller. Finally, another study using power distance in CMC is from Bjorge (2007), who found that high-PD cultures are more likely to opt for formal alternatives when communicating via email in English than low-PD cultures. However, the author also highlighted an exception to this finding: although Austria is considered by Hofstede's ranking a low-PD culture, the outcomes showed that Austrians had a higher ranking for formal greetings. This was no surprise since past scholars (Gooderham & Nordhaug, 2001) had already criticized Hofstede's approach to Germany and Austria as low-PD cultures. Another reason for this might be that formality is better viewed under another cultural dimension, such as Uncertainty Avoidance.

Uncertainty Avoidance (UAV): Hofstede et al. (2008) suggested that low-UAV negotiators will have a more relaxed and flexible style of negotiation than a negotiator from a high-UAV culture. Indeed, the low-UAV negotiators will likely adjust their behavior to one of their counterparts, and it will also be easier for them to trade with unfamiliar counterparts. Furthermore, high-UAV cultures need clarity and structure, which is brought by strict behavioral codes, laws, and rules (Hofstede, 2011; Hofstede et al., 2008). For example, Austria is considered to have high-UAV, and this can be seen by

the use of academic titles as part of people's names (Hofstede Insights Oy, 2004b). This might explain why Bjorge (2007) found that Austrians had a higher ranking for formal greetings in spite of being considered a low-PD culture. These are all, however, only suggestions based on theory.

No relevant literature was found concerning Hofstede's remaining dimensions. This is in alignment with the findings of past literature reviews (Gelfand & Brett, 2004; Gunia et al., 2016; Schoen, 2021; Tsui et al., 2007). Indeed, as mentioned before, Individualism/Collectivism dominates the literature and in second place power distance, while the other dimensions are rather scarce. This is actually criticized by Schoen (2021), who states that the excessive use of this dimension might create biases or lead to a one-sided perspective of the research field. Hence, there is a need to use Hofstede's other dimensions and even look beyond his framework and analyze culture under other theoretical constructs.

Finally, another criticism of the use of Hofstede's dimensions is by Tsui et al. (2007), with respect to the lack of consensus on the measurement of these cultural dimensions. Although there is an instrument originally developed by Hofstede, they found 15 types of measurements for IND/COL, which is a limitation for construct validity and accumulation of knowledge. Therefore, Tsui et al. (2007) recommended: "Theoretical work is needed to develop a parsimonious categorization of cultural values" (p.462). This highlights the need for an adequate instrument to measure the variable of culture and its constructs.

Having understood the different approaches that culture may have on negotiation and electronic negotiations, we proceed to the following chapter regarding the literature on CMC in negotiation.

2.4. Computer-Mediated Communication in Negotiation

Technology has been constantly growing and changing how negotiators communicate. Nowadays, there are different tools to use, from writing an email to instant messaging and video conferencing, and with the arrival of artificial intelligence, there are certainly even more tools to arrive. Researchers have tried to keep up with these technological shifts, developing different theories to explain the association between communication media and negotiation processes and outcomes. Indeed, Geiger (2020) reviewed literature on communication media and negotiation from the last six decades and divided his findings into two main categories: strategic communication theories and social psychological theories. The strategic communication theories focus more on the characteristics of the media, such as Media Richness Theory (Daft & Lengel, 1986), whereas the social psychological theories focus more on the communicator-medium interaction, meaning a medium may hinder or help certain social processes, such as the Social Presence Theory (Short et al., 1976).

Another approach also found in literature is how social cues are interpreted in CMC and how this may impact communication. On the one hand, text-based CMC, such as emails, are seen to have fewer social cues (than FTF) because nonverbal cues are absent (out) here, which limits communication. The theories with this perspective, such as the aforementioned Media Richness and Social Presence, have a cues-filtered-out approach. On the other hand, the theories that have a cues-filtered-in approach argue that social cues can be maintained in CMC (they are in). Senders will adapt to the medium and find ways to convey the messages, usually found in FTF as nonverbal cues, through emoticons, for example (Geiger & Parlamis, 2014; Koeszegi et al., 2006; Liang & Walther, 2015; Walther & Parks, 2002).

Regarding the communication media, there is a wide range of communication tools for negotiators: telephone, email, video conference, instant messaging, social media, and even negotiation support systems (NSS). Especially during the global pandemic, FTF needed to be replaced, which enhanced the use of diverse tools. Not only do negotiators have a wide selection of media, but they also use them in combination, either in parallel or in sequence, throughout different stages of the negotiation (Ahearne et al., 2022; Geiger, 2020). However, this also poses challenges for the research field. The newer technologies, such as video conferencing and the combination of diverse media, are still

scarce in the negotiation research field (Ahearne et al., 2022; Geiger, 2020). Although diverse media tools are used, emails have been considered the most used in virtual teams and in multinational corporations (Holtbrügge et al., 2013). In addition, despite a general decline of email usage at a private level in favor of social media and app-based messaging (WhatsApp, WeChat, Facebook Messenger, Twitter, TikTok), email is still relevant for the work environment and hence for negotiations (Lewicki et al., 2015). This importance can also be seen in the negotiation research field, where email (asynchronous CMC) was the main communication media in negotiation studies from 2010 to 2019, as assessed by Geiger (2020). Therefore, we place our focus on studies that have considered text-based electronically mediated negotiations, especially email communication.

Finally, several studies have shown meaningful boundary conditions that must be considered and further explored in future research on CMC in Negotiation. Such as type and character of negotiation, generational differences in the use of communication media, the influence of real physical distance, time of negotiation, language barriers, the use of language support tools, email affinity, and, of course, culture. Geiger and Parlamis (2014) argued that a negotiator's email comfort, a dimension of email affinity, was a predictor of individual profit and joint gain in an integrative email negotiation. They also argued that the email affinity of a negotiator might soften cultural differences when communicating via email. This view is in line with other researchers who suggest that CMC technologies mitigate cultural differences, whereas others advocate that, on the contrary, CMC technologies might enhance those cultural differences (Geiger & Parlamis, 2014; Holtbrügge et al., 2013). This shows that the world of CMC in negotiation can also be complex to navigate. Since our focus is on how culture influences negotiation, we narrowed the review of CMC literature to studies that consider cultural factors as well.

Thus, considering both culture and text-based CMC in negotiation, two studies were found, which are explained in the following sections: Media Richness and Interactivity by Barsness and Bhappu (2004) and Social Awareness by McGinn and Croson (2004).

2.4.1. Media Richness and Interactivity

According to Barsness and Bhappu (2004): "Media richness and interactivity are two dimensions of communication media that are particularly relevant to negotiation

because they are likely to influence the enactment of culturally derived negotiator schemas and behaviors” (p.353). But what is meant by media richness and interactivity?

The media richness dimension comes from the Media richness theory developed by Daft and Lengel (1984) and has been used as the theoretical basis for subsequent studies. Indeed Geiger (2020) considers it in his review as one of the most referenced theories. This theory is mainly based on the capacity of the medium to transmit information, which can have different degrees of richness depending on the following four factors: multiple cues, immediacy of feedback, language variety, and personalization. Multiple cues refer to the use of several information channels: body gestures and voice inflection included with the verbal message. The immediacy of feedback means the promptness of the responses: the faster the feedback is, the faster the communication, reinterpretation, and clarification of information. Language variety, regarding the variety of symbols in a language, such as numbers and natural language. Finally, personalization refers to the customization of the message for the receiver and the degree of personal feelings and emotions that can be conveyed (Daft & Lengel, 1984; Daft & Lengel, 1986; Daft et al., 1987). Hence different communication channels correspond to various levels of information richness. For example, FTF is seen as the richest media, while emails are seen as lean media because although verbal messages can be written and pictures can be added, it still lacks most nonverbal cues. Nonverbal communication includes many things such as body movements, facial expressions, eye contact, general appearance, how people are dressed, how they smell, if a person is tactile, how they manage personal space and distance, and paralanguage (i.e., intonation, pitch, hesitation noises, etc.). Nevertheless, email communications may indeed contain emoticons or verbal equivalents (i.e., haha, shh, AH!, etc.) to convey some of these nonverbal cues (Kahai & Cooper, 2003).

The other dimension of communication media, as explained by Barsness and Bhappu (2004), is interactivity. Which in turn is divided also into two dimensions: temporal and parallel processing. The temporal dimension refers to the synchronicity of the interactions between the participants. Here, FTF communication is considered synchronous because the speaking turns tend to occur sequentially, whereas email communication is typically asynchronous because participants can answer at any given time (but may still be nearly synchronous if participants are online simultaneously). Parallel processing describes the ability of the medium to enable two or more participants

to submit messages simultaneously. This may occur per email but not in FTF, for example, where participants wait for their turn to speak or interrupt their counterparts.

The lenses of media richness and interactivity allowed Barsness and Bhappu (2004) to explain how the email setting may affect a negotiator. When an email is seen as a lean media, the lack of social cues makes a negotiator less aware of their counterpart, and there are fewer emotional or personal appeals. Hence, the negotiator will be more task-oriented and depersonalized, rely more on logical argumentation and presentation of facts, and be more content-oriented. Regarding email as asynchronous, there is a need to include everything that needs to be said in an email, hence more packaging of issues and argument bundling. It also allows negotiators the time to reflect on answers, especially if there is a discussion. Finally, parallel processing allows negotiators to voice their different perspectives simultaneously, which could also encourage confrontation, but also simultaneous consideration of multiple issues.

Moreover, Barsness and Bhappu (2004) combined these communication dimensions with cultural dimensions to further explain negotiation behavior and information exchange. Considering Hofstede's cultural dimension of IND/COL, the use of email by individualists, already seen as more self-centered than collectivists (Brett & Okumura, 1998), may acute their self-interest, making it harder to glean valuable information from their counterparts. Meanwhile, for collectivists, whose approach is more toward relationships, the use of emails may influence them to be more direct and confrontational. Regarding the cultural dimension of power distance, negotiating via email may also have implications for high-power distance cultures. The information from a lower-status counterpart may influence negotiators with a higher status. Meanwhile, negotiators with lower status may be less pressured by their higher-status counterparts and seek to maximize their own outcomes. Finally, Barsness and Bhappu (2004) also applied Hall's context perspective, suggesting that members of LC may find emails ill-suited to their preferred reciprocal question-and-answer exchange (direct information-sharing strategy), whereas HC may find themselves more at ease due to their preference for heuristic trial-and error-search for agreement through issue packaging and argument bundling (indirect information-sharing strategy).

Overall, the exploration and insights from Barsness and Bhappu (2004) shed light on how the use of different communication media might interact with culture to influence the negotiation process and outcomes. However, these are only assumptions derived from

the literature review of both communication and cultural theories. Furthermore, their suggestions are partly based on the Media Richness theory, which has been criticized due to its limitation of considering only the communication channel and not the communicators or certain boundary conditions (Geiger, 2020; Geiger & Parlamis, 2014; Liang & Walther, 2015). In addition, although Media richness has been used by many studies, the empirical support has been mixed. Particularly, when a projective method (for example, asking participants to state what they would do in a certain situation) was used, the findings were mostly supportive, but when observational and experiment methods were used, there were contradictory findings (Liang & Walther, 2015; Walther & Parks, 2002). Finally, not only has the Media Richness theory been criticized, but also the cues-filtered-out approach, in general, is considered by some researchers as an oversimplified and outdated approach (Liang & Walther, 2015; Walther & Parks, 2002).

2.4.2. Social Awareness

As explained above, the lack of social cues in lean media (emails) makes a negotiator less aware of their counterpart. This conclusion from media richness theory, a strategic communication theory, is in accordance with another approach, a social psychological theory, called social presence theory (Geiger, 2020). Social presence theory was developed by Short et al. (1976) and they argued that social context cues change depending on the media. In addition, the psychological distance between negotiators increases as social presence decreases. In essence there is less social presence in text-only communication than in FTF, suggesting hence that this media is less suited than FTF for negotiations. Social presence theory belongs to the cues-filtered-out approach and has been a theoretical basis for other studies, such as Social Awareness developed by McGinn and Croson (2004). This is no surprise since Geiger (2020) stated that social presence theory is among the most referenced theories in CMC studies in negotiation.

McGinn and Croson (2004) considered social presence theory but went beyond it and argued that synchronicity, the number of communication channels, and efficacy are media properties, and these properties are the ones likely to affect a person's social awareness. They defined social awareness as "... the degree of consciousness of and attention to the other(s) in a social interaction" (McGinn & Croson, 2004, p. 334). Furthermore, they added that social awareness would also be affected by other factors

such as cultural differences, anonymity, expectations for future interactions, liking, and audience effect. They suggested that when negotiators are communicating via email, the lack of synchronicity decreases social awareness, and this affects cooperation and trust in the negotiations. However, if there is already a preexisting relationship between the negotiators, this creates an alternative for social awareness. Hence there are no media effects on cooperation or trust. Finally, McGinn and Croson (2004) suggested, based on Walther (1992), that social awareness could also be created and that unfamiliar negotiators could also learn how to promote and increase social awareness when using a certain media, despite its features. This final argument is in line with the cues-filtered-in approach, and it is also the main difference with social presence theory, a cues-filtered-out approach, that would conventionally state that the features of that certain media completely discourage social awareness.

The study by Rosette et al. (2012) contributed to the theory of social awareness regarding two aspects: reduced collaboration in email negotiation and the effects of culture. Their research consisted of mainly two studies involving participants from Hong Kong and the U.S. and focusing on the aggressiveness of first offers. Both studies consisted of a Buyer-Seller distributive negotiation setting, where the only issue discussed was price. Since their focus was on the aggressiveness of first offers and they also wanted to control for the effects of the role of buyer-seller, they operationalized the seller's offer as the opening offer. The first study was an intercultural email negotiation, where Hong Kong negotiators made more aggressive opening offers than their U.S. counterparts. They suggested that this may be due to a cultural reactance effect. This means that usually, in FTF negotiations, Hong Kong negotiators value social harmony (which might be imposed by subtle enforcement), but when communicating via email, this increases social distance and hence suppresses the social norm of social harmony. They also suggested that this might be due to the increase in self-interest behavior when communicating via email. Their second study consisted of comparing intracultural email negotiation and intracultural FTF negotiation. They found that higher first offers were reported for Hong Kong email versus FTF negotiators but not for U.S. email negotiators. This shows the importance of both factors, culture and communication media because their findings supported that email communication can lead to less collaboration for Hong Kong negotiators but not for U.S. negotiators. Finally, as mentioned before, this study also

supported the anchoring of first offers in electronic negotiations because the aggressive opening offers lead to higher distributive gains.

Although Rosette et al. (2012) contributed to social awareness theory regarding the reduction of social awareness, there was no contribution regarding the creation of social awareness across media. Furthermore, although there are other theories with a cues-filtered-in approach in CMC, there were none to the best of our knowledge that explicitly integrated this framework with culture and negotiation process, such as information exchange. Nonetheless, according to Koeszegi et al. (2006), although CMC is typically associated with reduced social cues, it is still a social interaction. Moreover, international negotiators communicating electronically, due to the absence of physical proximity, need to put more effort into establishing a relationship. A method for this is the transmission of private issues and positive emotions (for example, with emoticons or explicitly written). Koeszegi et al. (2004) argued that the amount of offers and text messages from HC cultures, could be explained by their need to create context in a CMC environment where the social cues are lacking. These arguments could be seen (indirectly) as a cues-filtered-in perspective.

2.5. Overview: Research Gaps and Research Question

Having now a better understanding of what each field, Cross-Cultural, and CMC, has brought to the negotiation table, we seek to integrate all the challenges that were brought to our attention and thus try to tackle some of them. As explained before, a negotiator's strategies are shown by the content and form of their communications (Lewicki et al., 2016; Olekalns et al., 2003; Olekalns & Smith, 2003; Weingart et al., 2004), but how they communicate can be influenced by their culture (Adair & Brett, 2005; Adair et al., 2001; Adair et al., 2007; Brett et al., 2017; Brett & Okumura, 1998; Hofstede, 1980a; Liu et al., 2019), and also by the communication medium used (Barsness & Bhappu, 2004; McGinn & Croson, 2004; Rosette et al., 2012). Thus, several researchers advocate for a culture-by-context perspective (Gelfand et al., 2013; Gunia et al., 2016). Hence the importance of understanding culture and the setting of an electronic negotiation.

However, culture can be very complex to define and even more to measure. The dominance of Hofstede's dimension of IND/COL in negotiation literature has been

criticized because its excessive use might create biases or lead to a one-sided perspective and because of its lack of consensus on an adequate measurement instrument (Gelfand & Brett, 2004; Schoen, 2021; Tsui et al., 2007). Hall's Context dimension, although also highly cited, has been criticized for the lack of empirical evidence and adequate instruments to categorize cultures along the continuum of High and Low Context (Kittler et al., 2011). Even though Warner-Söderholm (2013) contributed with an instrument to confront this challenge, it still needs to be tested in an intercultural negotiation setting.

Furthermore, as Schoen (2021) indicated in his review, future research should address specific research gaps: the use of rational influence, affective persuasion, and first offers. As explained earlier, the messages conveying the information regarding preferences, offers and counteroffer are considered the most important communication during negotiation (Lewicki et al., 2016). In addition, specifically First Offers, due to the anchoring effect they may have, but also because it might be a form of indirect information sharing, need to be furthered explored. Few studies were found that analyzed first offers in an intercultural setting. Indeed, the contradictory findings from Gunia et al. (2013) and Adair et al. (2007) raise the issue of first offers and whether its anchoring effect is robust across cultures or culturally bound. Additionally, only one study was found that viewed the effect of culture in first offers in an electronic setting and thus actually considered the context of CMC along with culture. However, Rosette et al. (2012), due to their research question, operationalized the first offer as the Seller's and did not indicate who or when the first offers were issued. Hence more research on the timing of first offers in an international electronic setting is needed to indicate if some cultures might indeed use first offers as indirect information exchange in an electronic setting.

Another research integrating culture and CMC in negotiation, was from Barsness and Bhappu (2004), who developed suggestions based on Media Richness and Interactivity combined with Hofstede's cultural dimensions and Hall's Context dimension. However, these assumptions still lack empirical support, and, in addition, media richness has been criticized due to its limited view of boundary effects. A clear example is their suggestion that collectivists, whose approach is more towards relationships, could be more direct and confrontational when using email communication. Indeed, Social Awareness theory (partially) supports this view since it suggests that communicating via email increases social distance. Thus, a negotiator might be less

collaborative and more aggressive (in the sense of high first offers) (McGinn & Croson, 2004; Rosette et al., 2012). Nevertheless, Social Awareness theory also suggests that social awareness could also be created (despite the medium) and could explain past divergent results from other CMC studies in negotiation (McGinn & Croson, 2004). Other studies in the field of CMC, specifically in NSS, support (implicitly) this other perspective. Koeszegi et al. (2004) suggested that HC cultures have a need to create social context in CMC, due to the lack of social cues. They concluded this by observing the number of messages and offers exchanged in the system. Thus, they encouraged future studies to analyze the different communication patterns in a qualitative analysis to support this suggestion further. In their study, Koeszegi et al. (2006) did a qualitative-quantitative analysis of the electronic negotiation processes and provided some suggestions regarding the use of private communication as a way to seek a relationship or create context. However, this analysis only compared the different systems and not the different cultures. Hence, these suggestions must be further tested in an international electronic negotiation.

The formality of address and closing is a communication content typical of email communication (Koeszegi et al., 2006), where culture can also play a role. Hofstede's cultural dimension of PD explains that High-PD cultures are more likely to use formal communication, but there were contradictory findings for some cultures (Bjorge, 2007), showing that this dimension may not be the most suitable to explain cultural differences in formality. Theory suggests that the cultural dimension of Uncertainty Avoidance may also be an indicator of formal behavior due to strict behavioral codes in high-UAV cultures (Hofstede et al., 2008), but this still needs to be empirically tested in a negotiation electronic setting. Other studies have used Hall's Context Model to explain the differences in the use (Zakaria & Cogburn, 2010) and preference (Holtbrügge et al., 2013) of formal behavior by HC cultures in email communication. However, these studies were not in a negotiation setting.

Finally, there is a general need to expand research to other cultures besides the typical "Western cultures" (Gelfand & Brett, 2004; Tsui et al., 2007) and include other methods besides one-shot laboratory experiments (Gelfand & Brett, 2004; Gunia et al., 2016), especially with students. Overall, there are many issues to address, and to tackle some of these criticisms and research gaps, we have developed the following research question to guide our study:

“How does culture influence information exchange and first offers in an intercultural email negotiation?”

In answering this research question, we intend to choose an adequate cultural dimension to define culture and use an adequate instrument for this construct; use a qualitative-quantitative methodology to find if there are differences in communication patterns, specifically in first offers and in the general information that is exchanged, all within the specific setting of international email negotiation.

3. Hypotheses

After reviewing the literature regarding cross-cultural negotiations and electronic negotiations, we found that there are indeed several theoretical approaches that try to explain how negotiators behave in different settings: intracultural, intercultural, FTF, and electronic negotiations. It becomes clear that culture inclines negotiators to deal differently with contextual influences, such as communication media (Gelfand et al., 2013; Gunia et al., 2016). Hence, the culture-by-context (context here refers to the setting, not Hall's context dimension) approach is worth considering due to the important role both factors -culture and communication media- have in different stages of the negotiation process. Past research has shown that Hall's Context "does matter" in both intercultural and intracultural FTF communication (Adair & Brett, 2005; Adair et al., 2007), as well as in intercultural electronic communication (Holtbrügge et al., 2013; Zakaria & Cogburn, 2010) and even in an intercultural electronic negotiation setting (Koeszegi et al., 2004). Therefore, when considering an intercultural electronic negotiation setting, we consider that the Context dimension from Hall is the most suitable theoretical framework to conceptualize culture and answer our research question:

"How does Hall's Context dimension influence information exchange and first offers in an intercultural email negotiation?"

Based mainly on Hall's Context dimension and the subsequent findings of other studies using this dimension, as well as drawing from arguments from CMC studies, we have developed three hypotheses. They are based on elements of the negotiation and communication process and will be explained in the following sections: Timing of the First Offer, Relationship, and Formal Behavior. Each assumption developed aims to shed some light on answering our research question. Finally, an overview of the hypotheses can be found at the end of this chapter.

3.1. Hypothesis 1: Timing of the First Offer

As seen in the literature review chapter, HC cultures use implicit and indirect communication, while LC cultures use explicit and direct communication (Hall, 1976). This behavior explains why in an intracultural FTF negotiation setting, HC cultures tended to issue their first offer earlier than LC cultures. Offers were seen as a type of indirect communication, with which HC cultures gathered information, as opposed to LC cultures, who seemed to use offers to consolidate information mostly (Adair et al., 2007). These communication patterns were gathered from a FTF intracultural negotiation setting; however, we believe that this dynamic could also be extended to an electronic intercultural negotiation setting.

Despite that, in an intercultural FTF negotiation setting, HC cultures seemed to generally adopt a LC communication pattern throughout the 4 Negotiation stages, showing that HC cultures are indeed flexible communicators (Adair & Brett, 2005), there was no specific research on the timing of first offers in an electronic setting. Furthermore, by taking a culture-by-context perspective, we believe the setting of email communication instead of FTF might support HC cultures to keep a HC communication pattern, reducing their need to adopt a LC communication pattern. The asynchronous characteristic of email allows for more packaging of issues, argument bundling, and more indirect information sharing, which is also highly used by HC cultures. Additionally, reciprocal question-and-answer exchange, a direct information-sharing strategy highly used by LC cultures in FTF negotiations, is less possible in email communication (Barsness & Bhappu, 2004). Thus, email communication allows a setting where some HC communication patterns might be more suitable than LC communication patterns. Furthermore, drawing from Social Awareness theory, with the decrease in social awareness per email communication, HC cultures may not see the need to adapt their communication patterns to those of LC cultures. Therefore, we believe that thanks to the email communication setting, some of the communication patterns of HC cultures found in intracultural FTF negotiation settings, might also extend to an intercultural electronic setting, specifically the timing of first offers. Hence, we developed the following hypothesis:

H1: In an international email negotiation setting, negotiators from a HC culture will issue their first offer earlier than negotiators from a LC culture.

3.2. Hypothesis 2: Relationship

Another difference between HC and LC cultures that can be seen through a negotiator's communication patterns is their goal approach. Negotiators from HC cultures have been characterized as more focused on building a relationship, while negotiators from LC cultures have been categorized as more task-oriented, more focused on the distribution of resources (Adair & Brett, 2004; Adair et al., 2001; Holtbrügge et al., 2013; Koeszegi et al., 2004). As described before in the Literature Review, these conclusions have been reached through different studies that have applied different methods.

Even though emails are considered a lean media, and this might entail more task-oriented and depersonalized communication (Barsness & Bhappu, 2004) and social awareness might be decreased, and hence negotiators might show less collaboration (McGinn & Croson, 2004), the need to create a relationship or build a context for HC cultures might be stronger. Indeed, Social Awareness theory also indicates that social awareness could also be created, even when social cues are lacking (McGinn & Croson, 2004). Furthermore, HC negotiators attached more messages and offers in NSS, which indicated their need to create a social context in a text-based electronic setting, where social and visual cues were restricted (Koeszegi et al., 2004). Hence demonstrating that HC negotiators will communicate in a different way than LC negotiators to construct the social context they need during communication. Finally, it has been suggested that the use of private communication might be an indicator of the goal approach of building a relationship or of the need of HC cultures to create context in an electronic negotiation (Koeszegi et al., 2006).

Thus, due to the need for HC cultures to build a social context when negotiating (Koeszegi et al., 2004) and that HC cultures have been categorized as having a goal approach to relationship-building (Adair & Brett, 2004; Holtbrügge et al., 2013), we assumed the following:

H2. In an international email negotiation setting, negotiators from a HC culture will show a higher preference for Relationships than negotiators from a LC culture

If positive, it cannot be distinguished whether the higher preference for Relationships is due to the need to construct a social context or the goal approach to relationship-building; if negative, it would be evidence that contradicts both assumptions.

3.3. Hypothesis 3: Formal Behavior

Finally, as also seen in the literature review, another distinction between HC and LC cultures when communicating via email is formalness. HC cultures have shown a higher preference for formal behavior than LC cultures (Holtbrügge et al., 2013; Zakaria & Cogburn, 2010), and we believe this also applies to an intercultural negotiation setting.

When negotiating in an electronic setting, formalness (or the lack of it) at the beginning or end of a message is an essential part of the communication protocol. Communication protocol elements are part of almost every message and reflect the norms of each party (Koeszegi et al., 2006). Specifically, in email communication, the use of formal salutations was observed for HC communicators, while LC communicators seldom began a message with a formal greeting (Zakaria & Cogburn, 2010). When IT professionals were asked about their preferences in email communication, HC cultures showed a higher inclination for formalness in email communication than the LC cultures (Holtbrügge et al., 2013). Furthermore, although formal communication patterns are largely based on the social context of the relationship, they still characterize HC communication style (Holtbrügge et al., 2013). Therefore, we expect the same communication protocol patterns also in an intercultural negotiation setting:

H3. In an international email negotiation setting, negotiators from a HC culture will show a higher preference for Formal Behavior than negotiators from a LC culture.

3.4. Overview of Hypotheses

To have a clear overview of all the developed hypotheses, Table 4 presents all three hypotheses.

Table 4. Overview of Hypotheses

H1	Timing of the First Offer	In an international email negotiation setting, negotiators from a HC culture will issue their First Offer earlier than negotiators from a LC culture.
H2	Relationship	In an international email negotiation setting, negotiators from a HC culture will show a higher preference for Relationships than negotiators from a LC culture.
H3	Formal Behavior	In an international email negotiation setting, negotiators from a HC culture will show a higher preference for Formal Behavior than negotiators from a LC culture

4. Methodology

Since this study aimed to analyze how culture influences negotiation behavior in an electronic setting, we conducted an experiment where there was a negotiation simulation per email between negotiators from two different countries: Mexico and Austria. The countries of Mexico and Austria were selected because past studies (Holtbrügge et al., 2013; Koeszegi et al., 2004; Rosch & Segler, 1987) have categorized them as HC and LC, respectively, which allows a comparative study of negotiation behavior. However, as mentioned before, the HC-LC categorization has been highly criticized due to the lack of quantitative studies with adequate instruments (Kittler et al., 2011; Warner-Söderholm, 2013). Hence, we applied the quantitative instrument from Warner-Söderholm (2013) to compare if the respondents in the sample had different Context values according to their national cultures. Furthermore, by selecting these two national cultures, we attempt to follow the suggestion of past reviews (Gelfand & Brett, 2004; Tsui et al., 2007) to expand beyond the dominance of North American research.

An experimental method was chosen because it allows one to infer causal relationships by isolating cause and effect by controlling the environment (Field & Hole, 2003). For our study, the “cause”, our independent variable, was culture but analyzed under the construct of Hall’s Context dimensions, and the “effect” was the negotiation behavior, from which several dependent variables were obtained. The negotiation simulation via email provided messages, delivering qualitative data on the negotiation behavior. Indeed, as Weingart et al. (2004) stated: “Direct examination of negotiation processes provides information about what negotiators actually do, rather than what they planned to do or what they thought they did” (p.442). Hence, it shows the relevance of conducting a negotiation simulation experiment to observe the negotiation behavior, the “effect”. In addition, experimentation allows for minimizing the risk of other factors affecting the results by controlling the environment and holding them constant (Field & Hole, 2003). Hence, the negotiation setting, the task, and the issues to discuss were constant.

In addition to the negotiation simulation, online questionnaires were also administered to the participants. To control for culture under the construct of the Context dimension and additionally measure our independent variable quantitatively, a questionnaire called the *Pre-negotiation questionnaire* was administered before the

negotiation simulation (as seen in Appendix E). Other factors were also measured within this questionnaire, such as the age, gender, language, and negotiation experience of the participants. After the negotiation simulation, another online questionnaire, the Post-negotiation questionnaire, was given to the participants (as seen in Appendix F). The goal of this one was to collect data about their involvement in the negotiation simulation to have a better understanding of the negotiation process. These questionnaires allowed for the application of a projective method by containing items relevant to negotiation behavior, which were also used as dependent variables. We included this since merging different methods and types of data can help deliver an overall picture of the research problem (Srnrka & Koeszegi, 2007). Furthermore, each method has its strengths and weaknesses, and using them for the same construct lessens the risk of method biases produced by using one single tool and one single procedure, which allows for more assurance in the conclusions (Carnevale & Dreu, 2006).

Finally, since one of the research goals was to analyze culture under Hall's Context framework in a quantitative study to derive generalizable results, the research design chosen was the generalization model (Mayring, 2001). Thus, in accordance with the generalization model, the qualitative data, the messages in the emails from the negotiation simulation, were converted, "coded", into categorical data, which was used as a basis for further quantitative analysis, together with the results obtained from the questionnaires. We followed the blueprint from Srnrka and Koeszegi (2007) for the guidelines of the generalization model, as well as on the suggestions from Weingart et al. (2004) for the development of our category (coding) scheme, which was mainly based on the category scheme from Koeszegi et al. (2006).

Therefore, in Participants and Study Design, we will describe our sample and how we conducted the experiment. We will also elaborate on what data type was collected by each method. Finally, in Content Analysis, we will explain the steps of how we transformed the collected qualitative data into quantitative data.

4.1. Participants and Study Design

Universities from Mexico and Austria were contacted to invite students to participate in our experiment. In the end, thirty-eight business students from a Mexican university (19) and an Austrian University (19) participated in the study as an extra-

curriculum activity for extra points for their grades. In addition, to enhance their motivation, there was a lottery gift card valued at €50. Information about these participants and the experiment's procedure are explained in the following sections.

4.1.1. Sample

The students from the Mexican university (11 women and 8 men) studied for the bachelor's degree in international business (Licenciatura en Negocios Internacionales) at the Instituto Politecnico Nacional, while the students from the Austrian University (9 women and 10 men), were enrolled in the Bachelor of Business Administration from the University of Vienna. These universities were contacted with the purpose of having a sample of participants who had basic negotiation knowledge, an adequate level of English to negotiate, and, most importantly, the resource of time and motivation to engage in an experiment. However, as seen in the Literature Review, one-shot laboratory experiments with students have been highly criticized (Gelfand & Brett, 2004; Gunia et al., 2016).

Regarding the participants from the Austrian University, not all had an Austrian nationality: 1 Italian man, 1 Hungarian woman, 3 German men, and 2 German women. However, since these students were studying at an Austrian university, lived in Vienna, and had a bachelor's degree that required a proficiency level in German, we still considered them in the sample. Furthermore, Germany has also been classified as a LC culture, as seen in the Literature Review. Hence, we took notice of the different nationalities but did not discuss this any further and included them when referring to Austrian students. The students from the Mexican University were all of Mexican nationality. In addition, we noticed that the gender was fairly distributed between the two groups, reducing any probable gender effects. Furthermore, since the participants from both groups were bachelor business students, the potential impact of factors such as age or negotiation experience was also relatively low. These factors are further discussed in the Analysis and Results chapter.

4.1.2. Procedure

Once all the students had registered for the experiment with their university email accounts, they were paired with a counterpart and assigned a role as buyer or seller. The pairing of the dyads was randomly assigned, but it was ensured that a Mexican student

was paired with an Austrian student, which resulted in 19 dyads. The role of buyer or seller was also randomly distributed, but we ensured equal distribution as much as possible between the two groups to account for any buyer-seller role effects, meaning in the Mexican group, there were 10 buyers and 9 sellers and vice-versa in the Austrian group. The participants received an email on April 13th, 2023, with all the instructions per email as attachments. We carefully sent each participant adequate documentation, meaning the correct negotiation case, depending on their role. For example, the Austrian participants assigned the role of sellers received the negotiation case seen in Appendix A: Negotiation Case A for Austrian Seller. They received a separate email with the link to the online pre-negotiation questionnaire (Appendix E) simultaneously with the indication that answering it would only take approximately 10 minutes and with the deadline to answer it by 23:59 on April 17th, 2023. The participants had five days before the negotiation simulation began to revise the material, ask any questions, and complete the online pre-negotiation questionnaire. A reminder to complete the questionnaire was sent one day before the deadline. All participants completed the pre-negotiation questionnaire before initiating the negotiation simulation. The negotiation simulation was scheduled from April 18th to 28th, 2023. Ten days were given, based on Rosette et al. (2012) email negotiation simulation timeframe. This timeframe was considered sufficient time for the negotiation, considering 1) email is an asynchronous medium, 2) the risk of time pressure for an agreement, and 3) the time difference in electronic international negotiations. In our study, there was a 7-hour difference between the negotiators in Vienna and Mexico City. The buyers were responsible for initiating contact, as instructed, and thus started the negotiation simulation. The participants were instructed to finalize all negotiations by April 28th, 2023, and to forward all the exchanged emails to the researcher by April 29th, 2023. They could also terminate the negotiation at any point before the deadline. A reminder of the deadlines was sent to the participants on April 28th, 2023. Lastly, on April 29th, 2023, an email with the link to the online post-negotiation questionnaire (Appendix F) was sent, indicating that answering it would only take approximately 10 minutes and with the deadline to answer it by 23:59 of May 2nd, 2023. A reminder was sent on May 1st, 2023, to complete the online post-negotiation questionnaire. Finally, we controlled all the emails received, a total of 148 emails. These were then categorized by dyads and by participants. Since the online questionnaires were done through the Google Forms platform, the results were already categorized by participant. We verified which

participants completed all three activities for their extra curriculum points and sent out an email to thank the participants and announce the winner of the lottery.

4.1.3. Pre-negotiation Questionnaire

As indicated by its name, the purpose of the pre-negotiation questionnaire was to collect data before the negotiation simulation took place. This questionnaire (see Appendix E) was in English and mainly based on multi-item scales from previous studies. It consisted of 36 questions. The decision to use constructs from previous studies was to ensure the reliability, clarity, and validity of the items since these were already tested in their respective studies. The questionnaire had different parts, each aimed at collecting different data.

The first questions were closed-answer questions about age, gender, nationality, and role in the negotiation simulation. These were collected to have a better control of external factors along with the constructs of Negotiation Experience in a Business Setting, English proficiency score (Items adapted from the Interagency Language Roundtable as cited in Geiger and Parlamis (2014)), E-mail comfort scale and Intercultural experience score (Geiger & Parlamis, 2014). It is important to control for other factors that may influence the behavior of a negotiator besides national culture, and additional controls provide greater confidence in attributing the observed differences to cultural values, thus minimizing biases and enhancing internal validity (Schoen, 2021; Tsui et al., 2007). These constructs were a mixture of single-items and multi-items. Another part of the questionnaire collected data using the seven-point Likert scales of Relationship-relatedness and Formalness developed by Holtbrügge et al. (2013). These items allowed us to collect data for the negotiation behavior, the dependent variables, from a projective method, meaning the negotiator's subjective beliefs on how they think they act. Five items, such as "When writing an email, I am always sure to start off with an opening such as asking how the person is before I get to the point" were included in the relationship-relatedness scale. The formalness scale included three items, such as "I expect a formal greeting in email communications (e.g., Dear... Hello...)". Finally, for measuring our independent variable, Culture under the construct of Hall's Context, the Exploratory Context Scale items (Warner-Søderholm, 2013) were used. This construct consisted of 5 items, all seven-point Likert scales, such as "In our culture/country, we value honesty in meetings and discussions".

As pointed out, most items taken from Warner-Söderholm (2013), Holtbrügge et al. (2013), and Geiger and Parlamis (2014) were seven-point Likert scales. That these different studies use the same type of scale is no coincidence since it allows the respondent to have more varied choices. In addition, using similar scale formats facilitates answering the questionnaire because it provides a standardized format. Although this may also incur a common method bias, known as Common scale formats (Podsakoff et al., 2003), some of them were reversely scaled to ensure that respondents were not always answering at the same end of the scale and thus reduce the risk of this bias. Finally, the items belonging to the same construct were grouped together in the questionnaire, which might be considered a common method bias since this may incur an Item context effect, known as Grouping (Podsakoff et al., 2003). However, intermixing items of different constructs on the questionnaire may also incur an Item context effect, showing that it is also not a perfect solution to Grouping (Gorrell et al., 2011; Podsakoff et al., 2003). These common method biases may be regarded as limitations to our study.

4.1.4. Negotiation Simulation

The negotiation simulation consisted of a buyer-seller interaction in a B2B international context with an integrative potential. Since nowadays buyers and sellers can communicate anonymously in the Internet era (Ahearne et al., 2022), this interaction for our simulation seemed appropriate. For the negotiation simulation, two partially different negotiation cases were elaborated. The purpose of having two different versions was to have one case for the buyers and another for the sellers within the same national group. The reason for this was twofold: the seller represented a company from their cultural background and negotiated with a buyer, who also represented a company from their cultural background; and to have both roles (buyers and sellers) within the same cultural group, to reduce any buyer-seller effects. So, the negotiation cases differed in the company names, the products, and the prices to be handled, but the concept and the other issues were the same.

The documentation of the negotiation cases explained the negotiation simulation in English and had three sections. The first one was *General instructions*, with the instructions for the negotiation exercise, such as what is expected from the participants and a timetable. The second part was *Public information*, with general information about the company the negotiator belonged to and the counterpart's company (simulating

information found on the companies' websites). The final part was the *Confidential Information*, with specific instructions based on the role of the buyer or seller, explaining their role in their company, the issues to negotiate, a BATNA (Best Alternative to a Negotiated Agreement), and a Table with the points the negotiator could gain for their “bonus” depending on the overall conditions of the agreement. The tables with the bonus points were based on the payoff matrices, which were partially adapted from Nadler et al. (2008). The complete negotiation cases per role can be seen in the appendices A, B, C, and D.

The *General Instructions* briefly explained that the negotiation simulation was a buyer-seller B2B negotiation per email. It presented the information to be handed out to the participants (Public Information and Confidential Information). It gave clear instructions to communicate only in English, that all emails exchanged were to have in copy the researcher’s email address, and to use a fake name for the role-play. In addition, a timetable for the negotiation simulation and the online questionnaires was included, clearly stating when the participant, with the role of Buyer, had to initiate contact. Finally, the last part was reserved for any instructions from the participant’s university. Except for this final part, all participants' information within General Instructions was the same.

The *Public information* indicated that the same general information about the companies was available to the negotiator and their counterpart. This general information explained what a company did, its portfolio, and its values, trying to emulate what companies usually show on their Web Pages, which is public information accessible to anyone. This information changed depending on the negotiation case (Case A or B) since the companies differed.

Regarding the *Confidential Information*, for instance, in Case A, the Seller had information on their role within the Sales department of the Austrian company AMPEL GmbH. This company name was invented, and it was essential to define it as an Austrian company since this is one of the cultures selected for our study. The seller’s goal was not only to make a one-time sale of traffic signals but also to find a long-term client in a new market for their company, Latin America. Latin America was chosen since the other national culture in this study is Mexico. Furthermore, the seller (same as the buyer) had to consider five issues to negotiate: Price per unit (distributive issue), Warranty (integrative issue), Delivery date (distributive issue), Product (compatible issue), and Monthly Interest Rate (integrative issue). Since there are different issues to negotiate, this

allows the possibility of an integrative setting because multi-issue negotiations usually contain distributive, integrative, and compatible issues; hence, the parties might prioritize the issues differently, and this facilitates tradeoffs between issues, as opposed to when there is only one issue, which tends to be distributive, such as price (Gunia et al., 2013; Rosette et al., 2012). These five issues were listed in a table, along with how many points the seller could win for each issue. Besides the bonus points, the issues were explained within a particular context to understand better the role-play, such as selling a particular product type because it is new and the company wants to promote it. Finally, the seller had information about another potential buyer and their buying conditions (the different issues), acting as a disguised BATNA. Since BATNA is an alternative option a negotiator has if an agreement is not reached, this influences their negotiation behavior. It can be used as an evaluative tool or a power tool to weigh the value of the agreement of the negotiation (Lewicki et al., 2015). The sellers and the buyers were given similar BATNAs, similar in terms of their utilities, taken from the issues from the payoff matrix, so there were no differences in power. Furthermore, the values were placed relatively in the middle to motivate the negotiators to get a better deal, but without it being too low, they would accept any agreement. Thus, the BATNA and the bonus points oriented and motivated the negotiators to reach a better agreement. This information changed depending on the negotiation case study and the role of the Buyer or Seller.

4.1.5. Post-negotiation Questionnaire

Also indicated by its name, the post-negotiation questionnaire was to be answered only after the negotiation simulation was concluded (independent of having a final agreement or not). This questionnaire (see Appendix F) was also in English, partially based on items from previous studies, and consisted of 31 questions. It consisted of both open-response items and closed-answer questions, the last ones mostly also seven-point Likert scales (as in the pre-negotiation questionnaire).

The first part was questions from the Subjective Value Inventory by Curhan et al. (2006), which is used in the negotiation field (Geiger & Parlamis, 2014; Lewicki et al., 2015) to understand social psychological outcomes, valued subjectively, as consequences of a negotiation (Curhan et al., 2006). It consists of four parts: 1) Feelings About the Instrumental Outcome, 2) Feelings About the Self, 3) Feelings About the Negotiation Process, and 4) Feelings About the Relationship. The purpose of this tool is to

complement the overall picture of the negotiation outcome, in addition to economic outcomes, for example (Curhan et al., 2006). The items of the construct of Cultural Closeness from Solberg (2008) were adapted to fit the Buyer-Seller negotiation setting because this construct measures perceived cultural distance experienced at the individual level after a negotiation. The other constructs that were solely developed for this questionnaire were English proficiency during the negotiation, Self-perception of Formalness, Self-perception of Relationship-Relatedness, Perception of counterpart's Formalness, and Perception of counterpart's Relationship-Relatedness. These constructs consisted of a single item or two items, but all were on a seven-point Likert scale. Lastly, there was an open question for comments to let the participants state any other information that may not be captured by the other items.

Similar to the pre-negotiation questionnaire, this questionnaire may have common method biases, such as Common scale formats and Grouping. Furthermore, those constructs, consisting of two items or only one, can lead to biases, such as not measuring the whole scope of the construct. Nevertheless, the strength of having these types of scales included in the questionnaire is that respondents are less burdened, thus reducing the risk of biases of respondent fatigue and carelessness (Podsakoff et al., 2003).

4.2. Content Analyses

According to Srnka and Koeszegi (2007), there are five major stages for the qualitative (content) analysis process when applying a generalization design study: 1) Material Sourcing, 2) Transcription, 3) Unitization, 4) Categorization, and 5) Coding. The first stage, Material Sourcing, concerns collecting the data, which can come from different sources, such as documentation already available, observation of behavior, and interviews (Srnka & Koeszegi, 2007). Since the data from the online questionnaires were already in the form of quantitative data, they are thus not considered here, and they will be further discussed in the Analysis and Results chapter. However, the data from the negotiation simulation, meaning the texts within the emails, were qualitative and, hence, needed first to be transformed for their inclusion in the quantitative analyses. The second stage, Transcription, is when the collected material needs to be transcribed and/or translated so that all the data is in written form and one language. This stage was unnecessary because the data was already in the form of emails in English. Therefore, we will start by

explaining the third stage, Unitization, where we define the unit of analysis. Then, the fourth stage, Categorization, where we show the development of our category scheme, and finally, we reach the fifth and final stage, Coding, where we allocate category codes from our category scheme to each unit of analysis.

4.2.1. Unitization

Unitization (Srnrka & Koeszegi, 2007), also known as Unitizing (Weingart et al., 2004), is identifying the unit of analysis for the coding and dividing the data accordingly. There are different types of communication units found in literature, such as speaking turns, acts, text chunks (verb-object sequences), and thought units. The last one, thought units, have been recommended by Srnrka and Koeszegi (2007): "...as the best basis for coding and analysis in most instances" (p.36). They recommend this because of its flexibility since a thought unit can be anything from a sentence, a verb-object sequence, or a single word to an emoticon or punctuation mark. Furthermore, other studies have used thought units as their unit of analysis. Koeszegi et al. (2006) used thought units in their analysis of electronic negotiation processes, while Adair et al. (2007) and Adair et al. (2001) also used thought units in their analysis of first offers and information exchange in FTF international negotiations. Hence, thought units indeed seemed the most adequate unit of analysis for our study and we proceeded to unitize all the material. We went through several rounds of unitization to cross-check that there was consistency in how the messages were unitized. The example in Table 5 demonstrates the procedure we applied to unitize the text messages into thought units from a participant's email. A total of 2224 thought units were unitized out of the 148 emails in our dataset. Although the recommendation from both Weingart et al. (2004) and Srnrka and Koeszegi (2007) is to have two independent coders do the unitization and subsequently apply checks of consistency (intercoder reliability measures such as Guetzkow's U) to ensure unitizing reliability, due to a lack of resources the researcher did the unitization. This entails risks of researcher bias and low reliability and is considered a limitation of our study.

Table 5. Example of Unitization: A Participant's Email is Divided into Thought Units

Email	Thought Units
Dear Sir/Madam I hope you are ok. My name is Javier Gomez Sanchez, currently, I am working in the acquisition department at CITA Integradores S.A. de C.V., Our company installs traffic lights in Mexico City. We would like to acquire some traffic lights from you. I saw in your catalog that you sell traffic lights with saving energy, we usually get a normal one for about 900 USD, How much do energy savers cost? What can you tell me about the warranty period for normals and savers ones? Can you provide me an ETD (Estimated Time of Departure) as soon as possible? Our ETA (Estimated Time of Arrival) must be in the following 35 days. For interest rates affairs, we are going to use the "30 days after B/L" payment method. Best regards! <i>Javier Gomez Sanchez</i> <i>Buyer in the Acquisition Department</i> <i>CITA Integradores S.A. de C.V.</i>	Dear Sir/Madam
	I hope you are ok.
	My name is Javier Gomez Sanchez,
	currently, I am working in the acquisition department at CITA Integradores S.A. de C.V.,
	Our company installs traffic lights in Mexico City.
	We would like to acquire some traffic lights from you.
	I saw in your catalog that you sell traffic lights with saving energy,
	we usually get a normal one for about 900 USD
	How much do energy savers cost?
	What can you tell me about the warranty period for normals and savers ones?
	Can you provide me an ETD (Estimated Time of Departure) as soon as possible?
	Our ETA (Estimated Time of Arrival) must be in the following 35 days.
	For interest rates affairs, we are going to use the "30 days after B/L" payment method.
	Best regards!
	Javier Gomez Sanchez
	Buyer in the Acquisition Department
	CITA Integradores S.A. de C.V.

4.2.2. Categorization

The fourth stage of the blueprint of the generalization model is categorization, which refers to the development of a category scheme (Srnlka & Koeszegi, 2007), also known as a coding scheme (Weingart et al., 2004). We selected the Category Scheme from Koeszegi et al. (2006) and adapted it to fit our data and research question. This decision was made by following the suggestion from Srnlka and Koeszegi (2007) to apply

a deductive-inductive procedure: deductive because it is derived from theory, which accounts for the criterion of reliability and inductive because it is drawn from the source itself, which accounts for the criterion of validity. Indeed, according to Weingart et al. (2004), category schemes should be both theory-driven and data-driven and "... should be considered living documents, open to revision and clarification during the development process, but then locked in when coding begins" (p.446). Hence, we started with a theory-driven approach (deductive procedure) by using the category scheme from Koeszegi et al. (2006) found in the literature review and, during preliminary coding, made adjustments to the scheme so it would include all the information found in our data, thus including a data-driven approach (inductive procedure).

The category scheme from Koeszegi et al. (2006) was deemed appropriate for several reasons. Firstly, it was based on Walcott's "Bargaining Process Analysis II" (BPA II)-categorization (Walcott & Hopmann, 1978), which was also based on prior coding frames found in negotiation literature, accounting thus for sound theoretical foundations for our theory-driven approach. Secondly, Koeszegi et al. (2006) considered particularities of written and computer-mediated communication in developing their category scheme, which applied to our data (emails). Thirdly, their category scheme was built in a hierarchical form, consisting of three levels: super-category, main categories, and sub-categories. According to Srnka and Koeszegi (2007), a hierarchical form is theoretically insightful and more concise, allowing easier handling during the coding process and contributing thus to higher reliability. Weingart et al. (2004) also considered that it is more effective to have first, during the coding phase, a detailed category scheme and then later, during the analysis phase, the categories belonging to a certain level can be grouped for further analysis, which is precisely what Koeszegi et al. (2006) did. Finally, Koeszegi et al. (2006) applied this category scheme to compare communication patterns and, thus, negotiation processes between users of different electronic negotiation support systems. Although their independent variable, the system, was different from ours, culture (Hall's Context), the setting of electronic and written communication, and the dependent variables, negotiation behavior, were still similar. Hence, we considered their category scheme adequate for our research question.

Due to the quantity of data, 148 emails to be exact, we decided to conduct preliminary coding on a random sub-sample of five negotiation dyads while ensuring at least two dyads of each negotiation case. The first round of preliminary coding was purely

based on the Category Scheme from Koeszegi et al. (2006). However, the need arose to add more sub-categories to account for our data's particularities since several communication units were marked with a question mark during the first round. After several rounds of preliminary coding on our sub-sample and checking relevant negotiation literature, we added three sub-categories: Phantom anchor, Acceptance, and Formal corporate identity. Hence, adding the inductive process (data-driven approach) to our “living” category scheme. The sub-category phantom anchor (Bhatia & Gunia, 2018) was added to distinguish a specific type of offer that was a retracted and aggressive offer, followed by an actual and less aggressive offer (full-package or single issue), like *‘Currently we sell this type of traffic light at a price of 1180 € per unit, however I can offer you a 10% discount for your first order with a one-year warranty on the product’*, or *‘This product has an original price of \$4,800 per unit however, per offer, the current unit price is \$4,350’*. Acceptance was added to differentiate when a negotiator completely agreed with an offer without hesitation, while accommodation was when a negotiator agreed to make a concession or a compromise. The communication units for acceptance were such as *‘We can close the deal without any problem!’* or *‘I’m onboard with the proposed terms of our agreement’*. Meanwhile, those for accommodation were like, *‘We can adjust it to 4 months to accommodate your needs’* or *‘We are willing to meet in the middle at a rate of 8%’*. Both sub-categories, Phantom anchor and Acceptance, were part of the main category, “Substantive behavior,” since they represent fundamental negotiation behavior. Finally, the sub-category Formal corporate identity was added to account for the information below a signature (formal or informal), which is usually by a company’s email signature guidelines: title, company name, company logo, business address, phone, company web address, and social media account links. An example of these communication units can be seen in Table 6. This sub-category was added to the main category, “Communication Protocol,” since these are standard communications units found at the end of a message and are considered a formal type of communication.

Table 6. Examples of Communication Units for Formal Corporate Identity

Examples of Formal Corporate Identity	Buyer from Mexico	Seller from Austria
Title	Acquisition Analyst	Regional Sales Manager
Company name	CITA Integradores S. A. de C. V.	AMPEL GmbH
Company address	Corporativo Antara 1 – Piso 17 Blvd. Miguel de Cervantes Saavedra 250, Granada, 11520, alcaldía Miguel Hidalgo, Ciudad de México, México	Hansestraße 15 1070 Wien

Once the sub-categories were added, our final category scheme, as seen in Table 7, still maintained the same hierarchy as the one of Srnka and Koeszegi (2007) and consisted of the same three super-categories and the nine main categories, but of 43 sub-categories. Finally, the last preliminary coding rounds on our sub-sample were done to ensure that all communication units were coded and consistent. Consequently, we considered the category scheme finished and ready to be “locked in” for the last stage, the (official) coding.

Table 7. Final Category Scheme

Super-category	Main categories	Sub-categories
CONTENT (Negotiation-specific categories)	Substantive behavior (Communication units that constitute fundamental negotiation behavior)	Accommodation
		Reject or disagree
		Log-rolling (suggest trade-offs)
		Offer (full-package)
		Offer single issue (price, delivery, payment, return)
		Phantom anchor ^a
		Acceptance ^a

Note. Adapted from “Electronic negotiations-a comparison of different support systems” by S. T. Koeszegi, K. J. Srnka and E.-M. Pesendorfer, 2006, *Die Betriebswirtschaft*, 66 (4), p.452. Copyright Schaeffer Poeschel Verlag 2006.

^a Sub-categories added to the category scheme during the preliminary coding rounds.

Table 7. Final Category Scheme (continued)

Super-category	Main categories	Sub-categories
CONTENT (Negotiation-specific categories)	Task-oriented behavior (Communication units that promote or facilitate problem solving)	Request information/reaction
		Provide information/reaction
		Express understanding
		Reference to relationship
	Persuasive behavior (Communication units that support the claims a negotiator makes)	Self-supporting arguments
		Other-supporting statements
		Persuasive information and argumentation
	Tactical behavior (Communication units designed to influence the expectations and actions of the opponent)	Commitment
		Exert pressure
		Promise
		Authority-related tactic
		Alternative suppliers
PEOPLE (Relationship categories)	Affective behavior (Communication units linked to the expression of feelings about the content, the opponent, or the bargaining situation)	Positive emotions
		Negative emotions
		Apology/regret
		Thanking
	Private communication (Communication units that are not directly related to the negotiation)	Release of ID
		Other info about person
		Other general info
		Request information/ID
		Emotional reference to extra-role topic
PROCESS (Communication categories)	Procedural communication (Communication units that facilitate the negotiation process)	Time-related coordination
		Technical (IT program) coordination
		Negotiation-process coordination
	Communication protocol (Communication units at the beginning and in the end of a message as well as formal business letter phrases)	Formal address
		Informal address
		Formal close
		Informal close
		Formal signature
		Informal signature
		Politeness
		Formal corporate identity ^a
	Text-specific units (Communication units particularly linked to electronic, written, communication)	Redundancy
		Filler
		Text structuring
		Emoticons

Note. Adapted from “Electronic negotiations-a comparison of different support systems” by S. T. Koeszegi, K. J. Srnka and E.-M. Pesendorfer, 2006, *Die Betriebswirtschaft*, 66 (4), p.452. Copyright Schaeffer Poeschel Verlag 2006.

^a Sub-categories added to the category scheme during the preliminary coding rounds.

4.2.3. Coding

The final stage was coding, meaning assigning the categories seen in Table 7 to all the 2224 communication units (thought units) extracted from the 148 emails of our sample. Table 8 demonstrates an example of the coding procedure applied to the thought units, the unitized messages from the email example in Table 5. Three coding rounds were done to ensure consistency across all the units, and the allocation of all the communication units can be seen in Appendix G. Even though the recommendation from both Weingart et al. (2004) and Srnka and Koeszegi (2007) is also to have two independent coders do the coding (in addition to the unitizing) and subsequently apply checks of consistency (intercoder reliability measures such as Cohen's kappa) to ensure interpretative reliability, due to a lack of resources the researcher did the coding. As previously mentioned, this also increases the risks of researcher bias and low reliability in our study. Finally, the content analysis was considered concluded, and we could proceed to the next phase: quantitative analysis.

Table 8. Example of Coding: Thought Units Categorized According to the Final Category Scheme

Thought Units	Sub-category
Dear Sir/Madam	Formal address
I hope you are ok.	Politeness
My name is Javier Gomez Sanchez,	Release of ID
currently, I am working in the acquisition department at CITA Integradores S.A. de C.V.,	Release of ID
Our company installs traffic lights in Mexico City.	Provide information/reaction
We would like to acquire some traffic lights from you	Provide information/reaction
I saw in your catalog that you sell traffic lights with saving energy,	Provide information/reaction
we usually get a normal one for about 900 USD	Alternative suppliers
How much do energy savers cost?	Request information/reaction
What can you tell me about the warranty period for normals and savers ones?	Request information/reaction
Can you provide me an ETD (Estimated Time of Departure) as soon as possible?	Request information/reaction
Our ETA (Estimated Time of Arrival) must be in the following 35 days.	Provide information/reaction
For interest rates affairs, we are going to use the "30 days after B/L" payment method.	Provide information/reaction
Best regards!	Formal close
Javier Gomez Sanchez	Formal signature
Buyer in the Acquisition Department	Formal corporate identity
CITA Integradores S.A. de C.V.	Formal corporate identity

5. Analysis and Results

Based on the coded negotiation data and the data gathered from the two questionnaires, we searched, compared, and analyzed any differences between the Austrian and Mexican participants and their negotiation behavior. To check for any significant differences, we chose to conduct an independent-samples t-test because this test compares the means of two independent samples, in this case, the group of Mexico and Austria, on different continuous dependent variables and the different negotiation behaviors (Field & Hole, 2003). We conducted several independent t-tests using the statistical software SPSS Statistics, which provided all the output of the tests. Since this is a parametric test, several assumptions need to be respected: 1) There should be no significant outliers in the groups, which we assessed by inspection of a Boxplot; 2) The data should come from a population that has a normal distribution (there should be assumption of normality in both groups), which we assessed by the Shapiro-Wilk test for normality ($p > 0,05$); 3) There should be homogeneity of variance, which we assessed by Levene's test of equality of variances ($p > 0,05$) (Field & Hole, 2003; Laerd-Statistics, 2015). The results presented in this chapter have generally met all these assumptions unless otherwise stated. For those tests where the assumptions were not met, we also proceeded with a nonparametric test, the Mann-Whitney U test, which is often used as an alternative to the independent t-test (Laerd-Statistics, 2015). Instead of testing the difference between means, it tests the difference between ranks, which are not biased by outliers (Field & Hole, 2003).

We will start this chapter with a descriptive analysis of our sample and data, then explain how we tested our hypotheses, and finally, present the exploratory analysis that we conducted to observe for any other possible differences.

5.1. Descriptive Analysis

Firstly, we will describe the characteristics of the participants forming our sample. Then, we will present an overview of their negotiation behavior by describing the frequencies of the coded negotiation data. Finally, we will analyze whether the participants are representative of High or Low Context values, according to their country, Mexico or Austria, to measure our independent variable, Context.

5.1.1. Participants

As previously mentioned, our sample of 38 participants consisted of Bachelor students from a Mexican and an Austrian university who were enrolled in similar business programs. There were 19 participants in the group from Mexico and 19 participants in the group from Austria. The *Gender* was fairly distributed among the two groups, as seen in Figure 5. Regarding the *Role* of buyer and seller, we allocated the roles as equally as possible between the two groups, as seen in Figure 6.

Figure 5. Gender

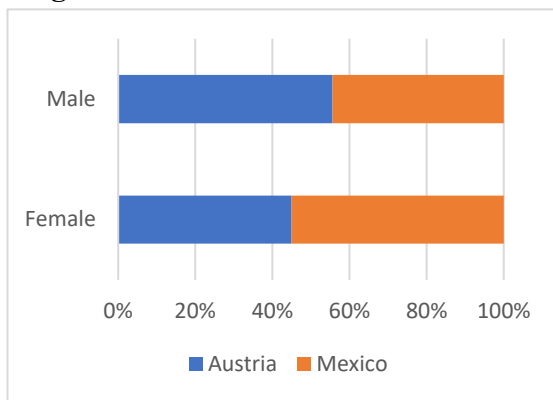
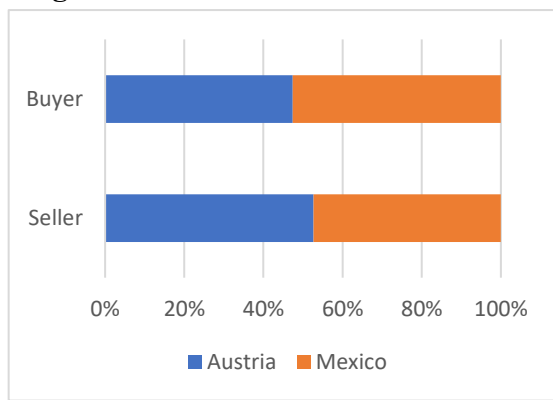
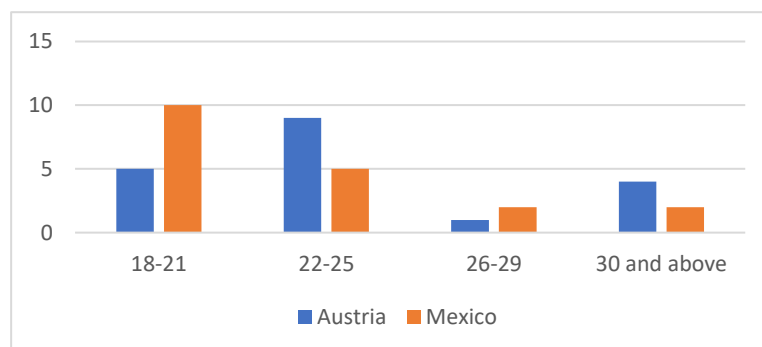


Figure 6. Role



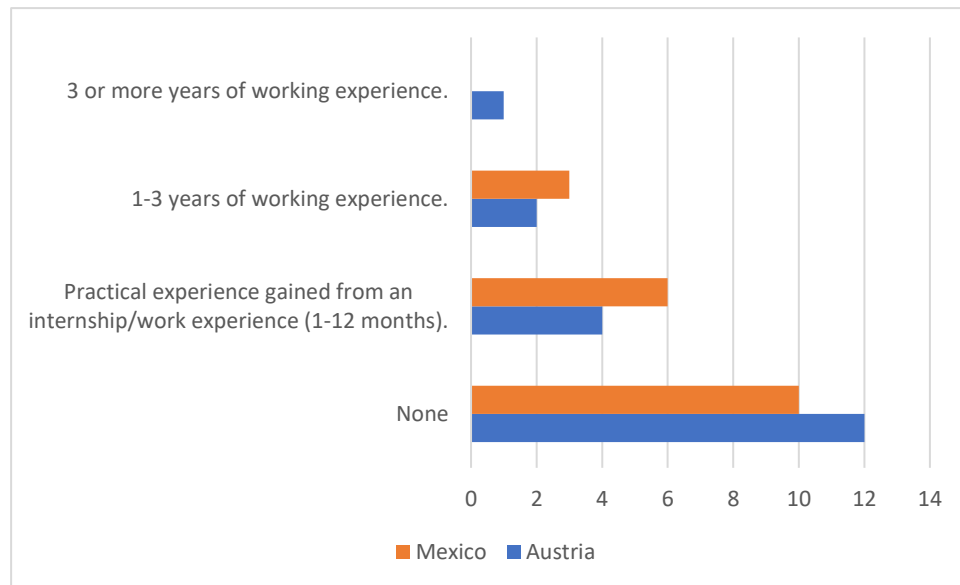
No major differences were expected between the two groups regarding *Age* and *Negotiation experience in a business setting* since the participants on both sides were students enrolled in a Bachelor's business program. The participants aged between 18 and 25 comprised 76% of our sample, out of which 52% were Mexican and 48% Austrian. To better see the age differences, we divided this variable into four categories, as seen in Figure 7.

Figure 7. Age



Regarding *Negotiation Experience in a Business Setting*, 58% of our total sample had no prior experience (45% were Mexicans and 55% were Austrians), while the other 42% had some type of experience, as seen in Figure 8.

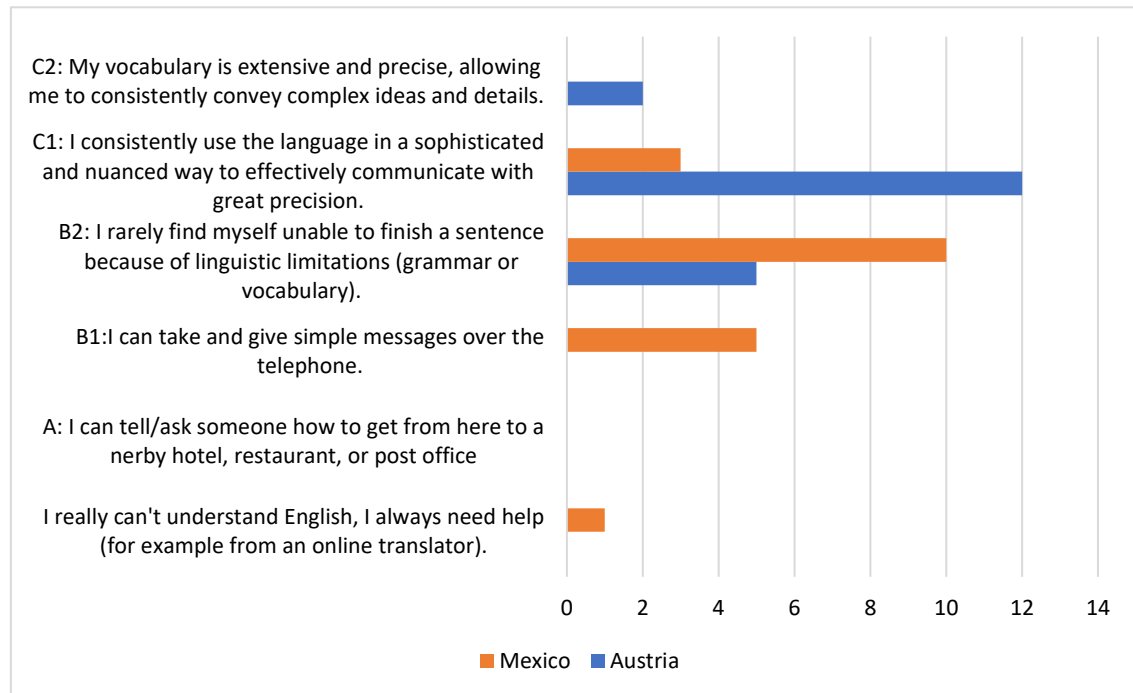
Figure 8. Negotiation Experience in a Business Setting



Since the experiment and all the instructions were in English, it was essential to control the level of English proficiency of the participants, considering that in Mexico, the official language is Spanish, and in Austria, it is German. Most Austrians had a higher level of English than most Mexicans: 74% of Austrians declared to have an advanced level (C level according to the Common European Framework of Reference for Languages). In comparison, 79% of Mexicans declared an intermediate level (B level according to the Common European Framework of Reference for Languages). A detailed comparison of the English proficiency between the two groups can be seen in Figure 9. The descriptions of the levels of English were the options presented to the participants in the pre-negotiation questionnaire when asked about their English knowledge. Despite the differences, we considered that both groups had, on average, a sufficient level of English to conduct an online negotiation via email; in addition, the students could also support themselves with tools such as online dictionaries and translators. To further control for language, in the post-negotiation questionnaire, participants were asked if there were any language barriers during the negotiation. On a seven-point Likert scale, they had to completely agree (7) or disagree (1) with the following statement: “There were no

language problems between me and my counterpart.” Both groups were more inclined towards completely agreeing: Austria $M = 6,61$, $SD = 0,98$, Mexico $M = 6,37$, $SD = 1,50$. Furthermore, after running an independent t-test, there were no statistically significant differences between the groups. Thus, we concluded that there were no language barriers despite the different levels of English proficiency.

Figure 9. Level of English



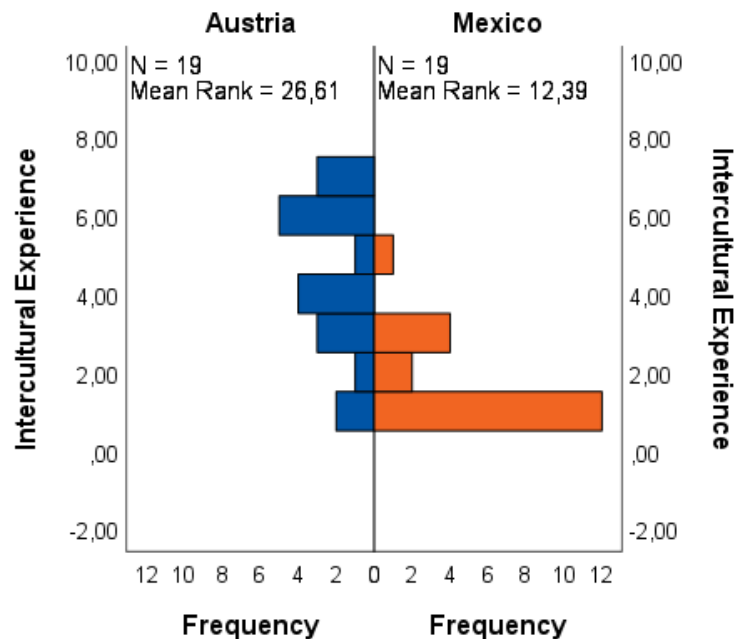
Note. A, B1, B2, C1, and C2 refer to the Common European Framework of Reference for Languages (CEFR)

We also checked for any differences in *Email Comfort* because, as seen in the literature review, according to Geiger & Parlamis (2014), it played a role in the outcomes of email negotiations. An independent-samples t-test was run to determine if there were any significant differences between Austria ($M=5,79$, $SD=1,19$) and Mexico ($M=5,63$, $SD=1,19$), but there was no statistically significant difference ($p=0,343$).

Finally, we controlled for *Intercultural Experience* in Austria ($M=4,47$, $SD=1,95$) and Mexico ($M=1,74$, $SD=1,15$). However, because the assumptions of the independent-samples t-test failed, we proceeded with the nonparametric alternative, a Mann-Whitney U test. Distributions of the *Intercultural Experience* scores for Mexico and Austria were not similar, as assessed by visual inspection (see Figure 10). *Intercultural Experience*

scores for Austria (mean rank = 26,61) were statistically significantly higher than for Mexico (mean rank = 12,39), $U = 45,500$, $z = -4,066$, $p = 0,000$, using an exact sampling distribution for U (Dineen & Blakesley, 1973).

Figure 10. Independent-Samples Mann-Whitney U Test: Intercultural Experience



5.1.2. Negotiation Behavior

The observed negotiation behavior was extracted from the emails of the negotiation simulation. The participants issued a total of 148 emails, and the participants in each group, Austria ($M = 3,95$, $SD = 1,39$) and Mexico ($M = 3,84$, $SD = 1,30$), issued similar amounts of emails. As previously seen, 2224 communication units were extracted from these emails and coded according to the Category Scheme seen in Table 7. The allocation of the communication units per sub-category and main category can be seen in Appendix G. We started analyzing the sub-category level of the Category scheme. The sub-categories with the highest amount of communication units were: “Provide information/reaction” accounting for 9,6%, followed by “Politeness” with 8,5%, and “Request information/reaction” with 7,5%. The remaining 40 sub-categories had values below 7%.

Afterward, we analyzed the data in the second level of the hierarchy, the Main Categories. First, we did a frequency analysis of the totality, as seen in Figure 11, and then divided it per group (for Mexico, see Figure 12, and for Austria, see Figure 13). The highest Main Category in all three tables is “Communication Protocol,” followed by “Task-oriented behavior.” However, the third Main Category differs per group. In Austria, the third highest Main Category is “Substantive behavior”, while for Mexico, it is “Persuasive Behavior”.

Figure 11. Total Main Categories

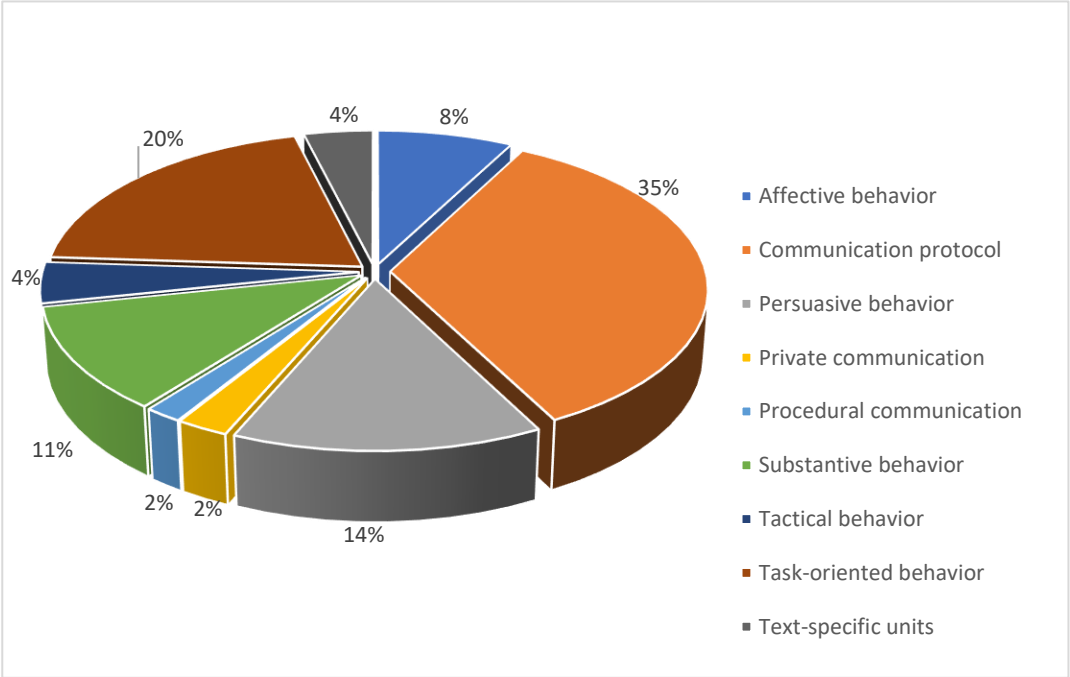


Figure 12. Main Categories in Mexico

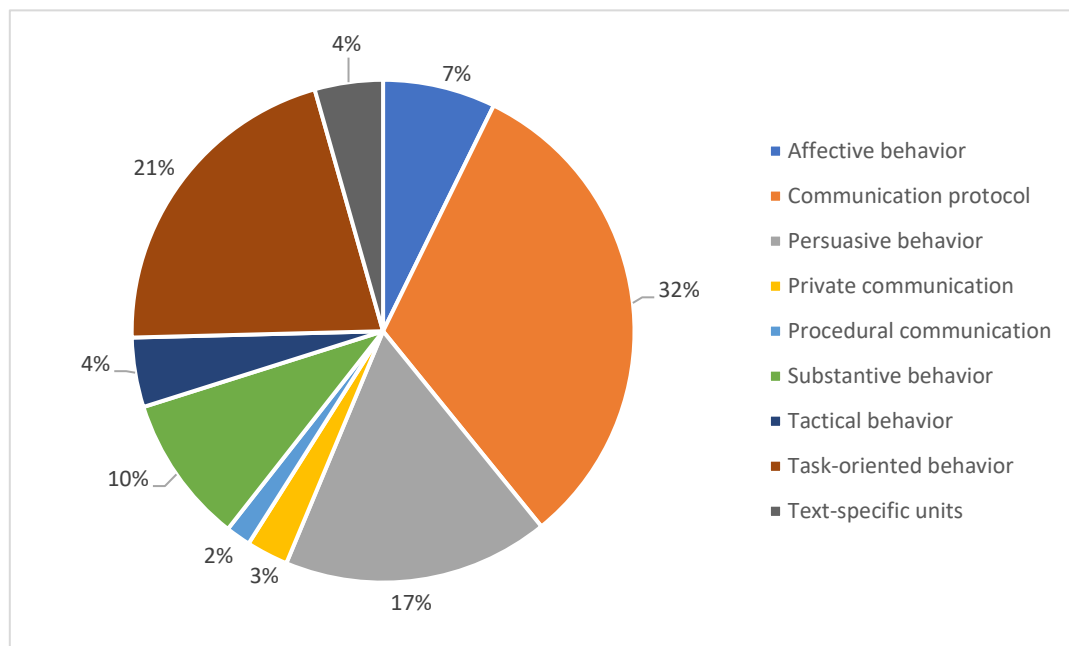
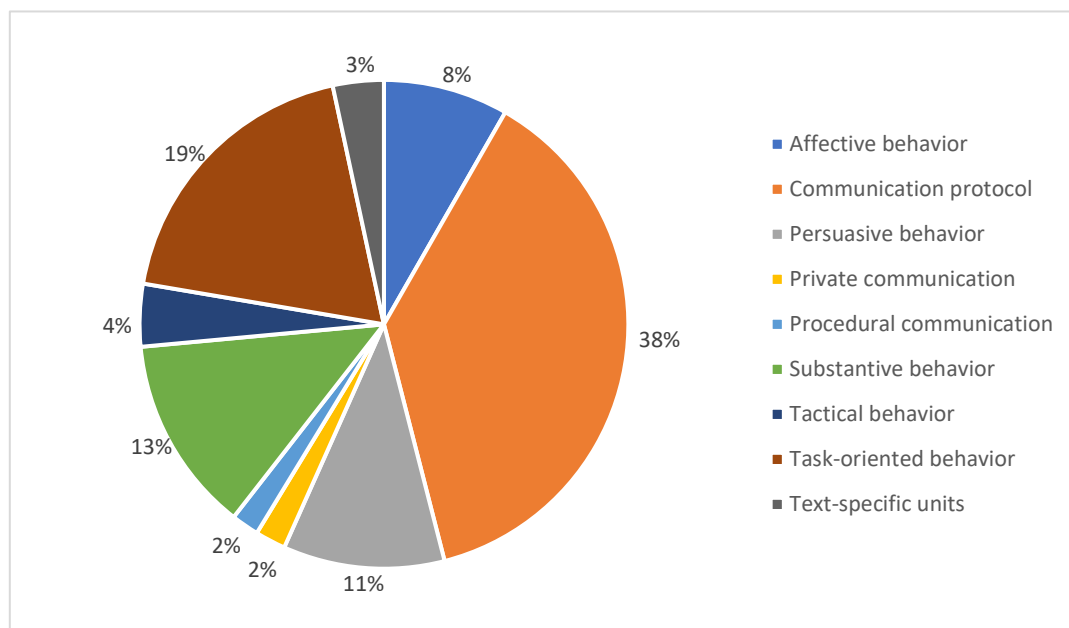


Figure 13. Main Categories in Austria



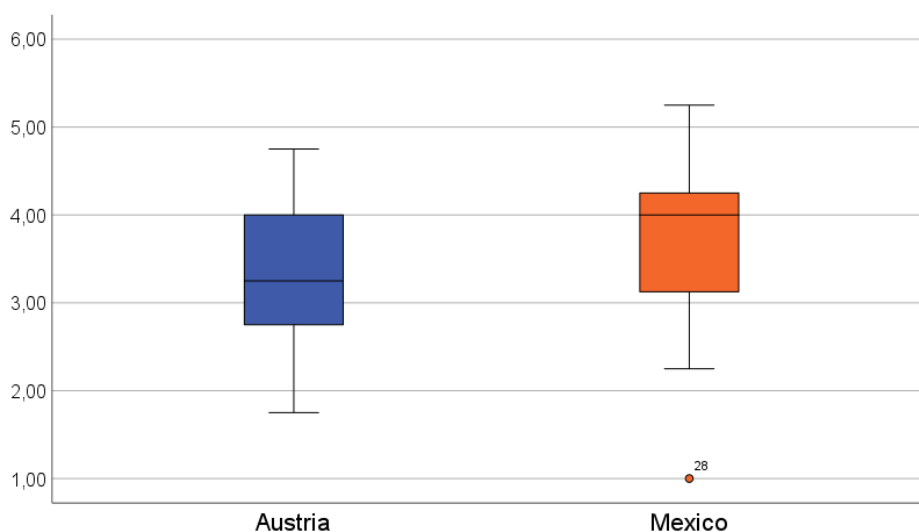
Finally, we applied the super-category scheme level: 50% accounts for “Content” (negotiation-specific categories), 40% for “Process” (Communication categories), and the remaining 10% for “People” (Relationship categories). When observing the distribution per group, similar results were obtained: Mexico had 52% for “Content”, 38% for

“Process” and 10% for “People”; Austria had 47% for “Content”, 43% for “Process” and 10% for “People”.

5.1.3 Independent Variable: Context

Since our independent variable is *Context*, we wanted to control if participants from Mexico were representative of a HC culture and those from Austria of a LC culture. Hence, we extracted the values from the Exploratory Context Scale items found in the pre-negotiation questionnaire. We followed the instructions from Warner-Söderholm (2013) to measure each participant's final score of Context. According to Warner-Söderholm (2013), higher scores in *Context* are indicators of a HC culture, while lower scores are those of a LC culture. Thus, we proceeded with an independent-samples t-test to determine if there were significant differences in the Context scores between the participants from Mexico and Austria. After inspecting the boxplot, as seen in Figure 14, we found an outlier in the Mexican group. We thus proceeded with two tests, one maintaining the outlier and one without it. In the test maintaining the outlier, the Mexicans' Context score ($M = 3,67$, $SD = 1,01$) was higher than the Austrians' Context score ($M = 3,24$, $SD = 0,95$), a statistically weak difference, $M = 0,43$, 95% CI $[-0,21$ to $1,08]$, $t(36) = 1,366$, $p = 0,090$.

Figure 14. Boxplot: Context Score



Note. Number of Austrians = 19, number of Mexicans = 19, total $N = 38$.

In the test removing the outlier, the Mexicans' Context score ($M = 3,82$, $SD = 0,80$) was also higher than the Austrians' Context score ($M = 3,24$, $SD = 0,95$), but this time with a statistically significant difference, $M = 0,58$, 95% CI $[-0,004 \text{ to } 1,169]$, $t(35) = 2,015$, $p = 0,026$. Thus, we concluded that the group from Mexico was indeed representative of a HC culture and the group from Austria was representative of a LC culture, thus defining our two groups for our independent variable, Context.

5.2. Hypothesis Testing

After confirming Hall's Context classification for the groups of our independent variable, we proceeded with the analysis of the three hypotheses we had previously developed, as shown in Table 4.

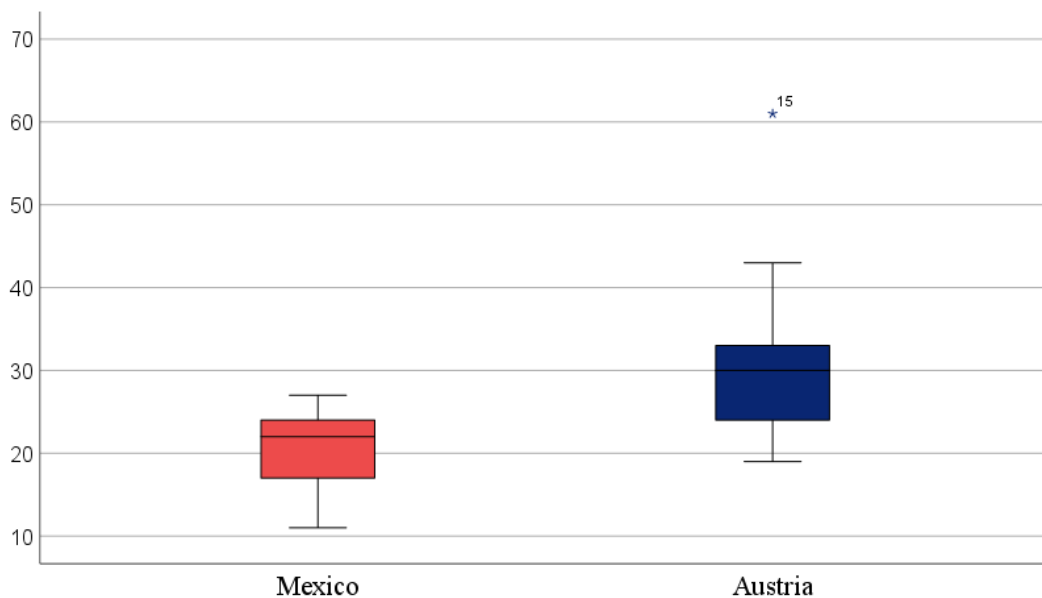
5.2.1. Hypothesis 1

The first hypothesis was regarding the *Timing of the First Offer*, our dependent variable, which we calculated as the number of coded communication units exchanged prior to the issue of the first offer, extracted from the emails of the negotiation experiment. We proceeded with this type of measure and not a clock time one due to several reasons. Firstly, the experiment was held as an extracurricular activity outside of a university course, hence outside of a controlled schedule time. Thus, we would be unable to control for different factors in a participant's personal schedule. Secondly, there was a 7-hour difference between the participants from Mexico and Austria, which also affected the clock time perception. Lastly, Adair et al. (2007) measured the timing of the first offer as the number of speaking turns prior to the first offer and also as the number of coded units prior to the first offer and stated that: "The two alternative measures were almost perfectly correlated ($r = 0,99$)..." (p. 1060). Thus, we deemed the measure of coded units suitable for our study. We used an absolute measure and not a relative one because, according to Adair et al. (2007), this depicts how quickly the first offer was made, considering the negotiators' behaviors before making the first offer and not after the offer. As seen in chapter three, we had developed the following hypothesis:

In an international email negotiation setting, negotiators from an HC culture (Mexico) will issue their first offer earlier than negotiators from a LC culture (Austria).

To test this hypothesis, we ran an independent t-test to check for any significant differences in the *Timing of the First Offer*. To control for the effect of the role (Buyer/Seller), the Buyers were instructed to request an offer from the Sellers, and thus, only the Sellers were considered in the data regarding the issue of the first offer. Thus, three dyads were excluded from the data since the buyer made the first offer. After inspecting the boxplot, as seen in Figure 15, we found an extreme outlier in the Austrian group. In addition, the assumption of normality was violated, as assessed by Shapiro-Wilk's test. Hence, we removed the extreme outlier and ran another t-test, where all the assumptions were met. The *Timing of the First Offer* was lower in the Mexican group ($M = 20,20$, $SD = 6,30$) than in the Austrian group ($M = 28,78$, $SD = 7,12$), with a one-sided statistically significant difference, $M = -8,58$, 95% CI $[-16,912$ to $-0,244]$, $t(12) = -2,242$, $p = 0,022$. This means that the offer was issued with fewer exchanged communication units, indicating that the Mexicans issued the offer earlier. These results support our first hypothesis.

Figure 15. Boxplot: Timing of First Offer



Note. Number of Austrians = 10, number of Mexicans = 5, total $N = 15$.

5.2.2. Hypothesis 2

The second hypothesis concerned the dependent variable *Relationship*. We used two measures for this variable, dependent on the collection method. On the one hand, we used a projective method because we collected the values from the construct Relationship-Relatedness (Holtbrügge et al., 2013) found in the pre-negotiation questionnaire, which depicts the “intended behavior” of the participants. We labeled this measurement as *Relationship-Relatedness*. On the other hand, we used an observational/experiment method by calculating the coded communication units under the super-category People (Relationship categories) that were extracted from the emails of the negotiation simulation. This depicts the “observed behavior,” which we labeled as *Relationship-Communication*. Our second hypothesis stated that:

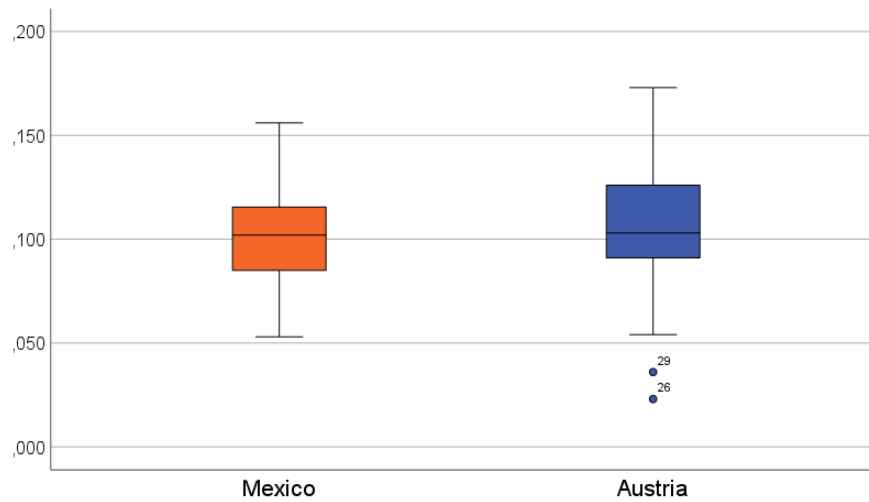
Negotiators from a HC culture (Mexico) will show a higher preference for Relationships than negotiators from a LC culture (Austria) in an international email negotiation setting.

We proceeded with two independent-samples t-test with these different measurements of *Relationship* as our dependent variables. We first calculated the *Relationship-Relatedness* for each group according to the indications from Holtbrügge et al. (2013). As assessed by a boxplot inspection, there were no outliers, and all the assumptions were met. The *Relationship-Relatedness* score was higher in the group from Mexico ($M = 4,2$, $SD = 0,79$) than in the one from Austria ($M = 3,68$, $SD = 0,86$), with a one-sided statistically significant difference, $M = 0,52$, 95% CI $[-0,03$ to $1,06]$, $t(36) = 1,914$, $p = 0,032$. This shows that when asked about their intended behavior, negotiators from Mexico, a HC culture, express a higher preference for *Relationship* than negotiators from Austria, a LC culture, resulting in supportive arguments for our second hypothesis.

We then continued calculating *Relationship-communication* using the relative frequencies of the communication units, coded under the Main categories of Affective behavior and Private communication, which belong to the super-category People (Relationship categories). We chose relative frequencies as our measurement because, according to Koeszegi et al. (2006), this measurement controls the effect of the number of communication units written by each participant. We then did the independent t-test to compare this variable between the two groups, and two outliers were found in the Austrian group, as seen in Figure 16. There was no statistically significant difference ($p = 0,471$) in the *Relationship-communication* between Austria ($M = 0,10$, $SD = 0,04$) and Mexico ($M = 0,10$, $SD = 0,03$). Other independent t-tests were carried out, excluding the Austrian

outliers, but all the results were still non-significant. Thus, these results do not support the second hypothesis.

Figure 16. Boxplot: Relationship-communication



Note. Number of Austrians = 19, number of Mexicans = 19, total N = 38.

5.2.3. Hypothesis 3

The third and final hypothesis concerned the dependent variable, *Formal behavior*. Similar to the dependent variable, *Relationship*, we measured *Formal behavior* in two ways: *Formalness* and *Formal communication*. We had developed the following hypothesis:

Negotiators from a HC culture (Mexico) will show a higher preference for formal behavior than negotiators from a LC culture (Austria) in an international email negotiation setting.

The first measurement, labeled *Formalness*, was collected through the projection method, where we extracted the values from the construct Formalness from Holtbrügge et al. (2013), which was in the pre-negotiation questionnaire and calculated the scores according to their indications. We then ran an independent-samples t-test to check for any differences. The *Formalness* score was higher in the group from Mexico (M = 5,18, SD = 1,32) than in the one from Austria (M = 4,30, SD = 1,34), with a one-sided statistically significant difference, M = 0,88, 95% CI [0,002 to 1,752], $t(36) = 2,033$, $p = 0,025$. This indicates that, when asked about their intentions, negotiators from Mexico, a HC culture,

show a higher preference for *Formal behavior* than negotiators from Austria, a LC culture, and thus, these results support our third hypothesis.

The second measurement, *Formal communication*, was the observational/experiment method. We calculated the communication units coded as formal extracted from the emails of the negotiation simulation. This was the sum of four Sub-categories: Formal address, Formal close, Formal signature, and Formal corporate identity. Once more, we chose the measurement of relative frequencies for this variable. We then continued with an independent t-test to compare the *Formal communication* between Mexico and Austria. There was no statistically significant difference ($p = 0,228$) between Austria ($M = 0,27$, $SD = 0,12$) and Mexico ($M = 0,24$, $SD = 0,09$). Thus, when observing the behaviors of the negotiators, there was no indication of significantly different preferences for *Formal behavior*; hence, these results do not support our third hypothesis.

5.3. Exploratory Analysis

We decided to conduct an exploratory analysis of the negotiation behavior collected from the emails to investigate any differences between the Austrian and Mexican groups that might have been overlooked since the hypotheses targeted specific behavior. Finally, we also controlled for *Gender* and *Negotiation Experience in a Business Setting* and conducted the same tests, using these variables as our independent variables.

For the exploratory analysis of the negotiation behavior, we started with an independent t-test with the relative frequencies of all the Main categories (as seen in Figure 11) as our dependent variables to check for any significant differences between the Austrian (as seen in Figure 13) and Mexican (as seen in Figure 12) groups. Since no statistically significant differences were found at this level, we thus proceeded to analyze the first level of the Category scheme, the Sub-categories (as seen in Appendix G). We also ran an independent-samples t-test with the relative frequencies of all the sub-categories, and the results of the ones with one-sided statistically significant or weak differences are presented in Table 9. The Austrian group communicated more *Formal close* and *Politeness*, than the Mexican, while the Mexican group emitted more *Acceptance* and *Self-supporting statements*.

Table 9. Relevant Results of the Independent-samples t-test of the Sub-categories

Sub-category	Austria		Mexico		Significance one-sided	Mean Difference
	Mean	SD	Mean	SD		
Acceptance ^a	0,008	0,010	0,021	0,022	0,013*	- 0,013
Formal close	0,074	0,029	0,054	0,029	0,024*	0,020
Politeness	0,095	0,042	0,078	0,031	0,077°	0,017
Self-supporting statements ^b	0,044	0,058	0,078	0,066	0,048*	- 0,034

^a Two outliers were in the Mexican group, and the assumption of normality was not met for Mexico, as assessed by Shapiro-Wilk's test. Other tests without the outliers were run but withheld similar results.

^b There was one outlier in the Austrian group, and the assumption for normality was not met for Austria, as assessed by Shapiro-Wilk's test. Another test without the outlier was run but withheld similar results.

* Statistically significant difference ($p < 0,05$).

° Statistically weak difference ($p < 0,10$).

Lastly, since we wanted to control for *Gender* and *Negotiation Experience in a Business Setting* and their effect on negotiation behavior, we decided to test these two variables as our independent variables. We first proceeded with *Gender* as our independent variable, dividing the sample into a Female ($N=20$) and a Male ($N=18$) group. We then ran an independent-samples t-test with the same dependent variables used in our hypotheses testing and, afterward, all the Main Categories as our dependent variables. The results of the ones with a one-sided statistically weak difference can be seen in Table 10. Since three of the Main categories (indicated with a ^b in Table 10) violated the assumption for normality, we continued with a Mann-Whitney U test for each category. Nevertheless, all three Main categories were not statistically significantly different between Females and Males.

Table 10. Relevant Results of the Independent-samples t-tests for Gender

Dependent variable	Female		Male		Significance one-sided	Mean Difference
	Mean	SD	Mean	SD		
Relationship-communication^a	0,112	0,028	0,097	0,032	0,062 [°]	0,015
Persuasive behavior	0,145	0,106	0,101	0,078	0,080 [°]	0,044
Procedural communication^b	0,013	0,015	0,021	0,018	0,082 [°]	- 0,008
Tactical behavior^b	0,034	0,033	0,052	0,044	0,071 [°]	- 0,019

^a There was one outlier in the Female group that was removed.

^b The assumption for normality was not met for the Female group, as assessed by Shapiro-Wilk's test.

[°] Statistically weak difference ($p < 0,10$).

We then proceeded with *Negotiation Experience in a Business Setting* as our independent variable, dividing the sample into an Experience ($N=16$) and a No Experience ($N=22$) group. We ran the same tests we did with *Gender*, and the results with a one-sided statistically significant or weak difference are presented in Table 11. We conducted the same procedure with those main categories, where the assumption for normality was violated, by running a Mann-Whitney U test for each of them (indicated with a ^b in Table 11). However, those two main categories were not statistically significantly different between the Experience and No Experience groups. With these tests, we finalized our analysis and can now proceed to discuss what these results mean.

Table 11. Relevant Results of the Independent-samples t-tests for Negotiation Experience in a Business Setting

Dependent variable	Experience		No Experience		Significance one-sided	Mean Difference
	Mean	SD	Mean	SD		
Relationship-communication^a	0,092	0,025	0,111	0,036	0,039*	- 0,019
Procedural communication^b	0,021	0,016	0,014	0,017	0,091°	0,007
Substantive behavior	0,133	0,074	0,100	0,053	0,061°	0,033
Task-oriented behavior	0,181	0,082	0,220	0,069	0,058°	- 0,039
Text-specific units^b	0,046	0,037	0,028	0,028	0,051°	0,018

^a There was an outlier in the No Experience group that was kept. Another test without the outlier was run and delivered similar results ($p=0,009$)

^b The assumption for normality was not met for the No Experience group, as assessed by Shapiro-Wilk's test.

* Statistically significant difference ($p<0,05$).

° Statistically weak difference ($p<0,10$).

6. Discussion

This study had two main goals: to use Hall's Context model to understand the cultural differences between two cultures and, having once confirmed that those cultural differences are indeed present, how they might impact the negotiation behavior in the specific setting of an intercultural email negotiation. Thus, our research question was:

“How does culture (Hall's context dimension) influence information exchange and first offers in an intercultural email negotiation?”

For this, we selected two countries, Mexico and Austria, for which past literature (Holtbrügge et al., 2013; Koeszegi et al., 2004; Rosch & Segler, 1987) had already categorized as HC and LC culture, respectively. To ensure our sample was representative of its culture and especially to counteract the criticisms past studies (Holtbrügge et al., 2013; Kittler et al., 2011; Warner-Søderholm, 2013) have made regarding the lack of quantitative comparative data and lack of empirical evidence for Hall's Context dimension, we applied the quantitative instrument developed by Warner-Søderholm (2013). Our results indicated that, indeed, the Mexican group was higher in the Context dimension than the Austrian group, confirming our classification of Mexico as a HC culture and Austria as a LC culture. The first goal was achieved, and hence, we could proceed with analyzing the impact on the negotiation behavior, meaning the testing of our hypotheses concerning the information exchange and first offers.

The first hypothesis concerning the *Timing of the First Offer* was confirmed, meaning that Mexicans (HC culture) issued their first offer earlier than the Austrians (LC culture). This result is in line with the findings of Adair et al. (2007), who stated that HC cultures (in their case, Japanese negotiators) issued their first offer earlier than LC cultures (U.S. negotiators), suggesting the use of offers as information gathering by the HC cultures. Even though their findings were in a FTF intracultural setting, we believed that the setting of an email negotiation would facilitate HC cultures to keep their communication patterns and not adopt those of LC cultures, as was seen by Adair and Brett (2005). This shows that it is important to consider the setting of the negotiation, in our case, email communication.

The second hypothesis, *Relationship*, was only partially supported. When using a projective method, the items of *Relationship-relatedness* (Holtbrügge et al., 2013) in the pre-negotiation questionnaire, the results supported the hypothesis, showing that

Mexicans showed a higher preference for *Relationship-relatedness* than Austrians. This is in accordance with the findings of Holtbrügge et al. (2013), which state that HC cultures have a higher preference for *Relationship-relatedness* than LC cultures. However, when applying an experimental method, the *Relationship-communication* units extracted from the email negotiation experiment, the results did not support this hypothesis. There were no differences between the Mexicans and Austrians. These different results highlight the importance of considering the method used in a study. Indeed, a similar situation can be observed when comparing the study from Koeszegi et al. (2004). The actual use of the system Inspire was higher in HC cultures compared to LC cultures; however, when asked about the perceived ease of use and the perceived usefulness of the tool, there were no differences between HC and LC cultures, as one might expect, given the results of the actual use of the system. Furthermore, studies about Media Richness (Liang & Walther, 2015; Walther & Parks, 2002) have pointed out contradictory findings depending on whether a projective, observational, or experimental method is used. Thus, our partially supported hypothesis could be a further indication of how results are dependent on the method. However, it could also be an indication that Hall's Context dimension may not be the most adequate to explain if there is a preference for relationship building or not. Although Koeszegi et al. (2004) indicated that due to the lack of personal and social cues in computer-mediated negotiations, HC cultures might exchange more additional information to establish their need for Context, this explanation may not be sufficient or replicable. Finally, another consideration could be the use of emails since they are considered lean media. It might well be that email communication, in general, entailed more task-oriented, content-oriented, and depersonalized communication, as mentioned by Barsness & Bhappu (2004) based on the Media Richness theory (Daft & Lengel, 1984).

The results of the third hypothesis, *Formal Behavior*, presented the same pattern as the *Relationship* one, hence obtaining only partial support. When using a projective method, the results supported the hypothesis, showing that HC cultures have a higher preference for *Formalness* than LC cultures. This result supports the findings of Holtbrügge et al. (2013) and the use of their scale *Formalness*. However, when using the experimental method and measuring the actual communication units that account for *Formal communication*, no significant differences were found. As mentioned before, this could be due to the use of different methods or the inadequacy of using Hall's Context

dimension to explain these results. Furthermore, in the exploratory analysis, when solely analyzing the communication units of *Formal close*, Austrians issued more *Formal Close* communication units than Mexicans. This result contradicts the assumption that HC cultures are more formal than LC cultures. This pattern is, however, in line with the findings of Bjorge (2007), who noted the particularity of Austrian culture. Although he compared cultures under Hofstede's PD, he found that high-PD cultures are more likely to opt for formality than low-PD, except Austria. Austria (considered low-PD) showed a higher ranking for formal greetings. This might be explained by Austria's use of academic titles as part of people's names (Hofstede Insights Oy, 2004b). So, neither PD from Hofstede nor Context from Hall seem to be adequate dimensions for understanding Austria's cultural characteristics concerning formal behavior. This could be an indication to proceed with other dimensions, such as Hofstede's UAV dimension. Another communication pattern that could be related to the one of *Formal close* was our results of the communication unit *Politeness*; Austrians issued more than Mexicans. According to Zakaria and Cogburn (2010), both HC and LC use polite words, but at different stages of an email: LC cultures tend to write polite words towards the end of the message, while HC at the beginning, along with compliments and gratitude. Thus, when using Hall's Context dimension, there seems to be no explanation for the higher use of *Politeness* by Austrians, which indicates that another dimension could be more suitable to explain these patterns.

Another result gathered from the exploratory analysis was how Mexicans issued more self-supporting statements than Austrians, which can be explained by how HC cultures tend to behave. Adair et al. (2001) found that the Japanese used influence tactics while the U.S. negotiators did not. Furthermore, the use of self-supporting statements could be an indication of seeking approval and trust. According to Adair and Brett (2004), one of the goals of HC cultures is cooperative trust, and according to Zakaria and Cogburn (2010), HC cultures seek approval, while LC cultures are more assertive in their email communications. This search for approval could also explain the other result from the exploratory analysis: Mexicans issued more *Acceptance* communication than Austrians.

In general, even though Hypothesis 2, Relationship, and Hypothesis 3, Formal behavior, were only partially supported, we still believe that our results support that Hall's context dimension is still relevant and can be applied to electronic communication and can explain certain patterns of negotiation behavior. Other variables might explain other

patterns. Indeed, when controlling for *Gender* and *Experience*, there were no significant differences found when testing all the variables of the hypotheses, except for *Relationship communication*. When controlling for *Gender*, Female negotiators issued more *Relationship-communication* than Male negotiators, while when controlling for *Experience*, negotiators with No Experience issued more *Relationship-communication* than those negotiators with Experience. It may not be coincidental that exactly one of the variables where Hall's Context had no presence seems to be affected by *Gender* and *Experience*. On the one hand, when considering *Gender*, the results align with past studies, such as the one from Kray and Gelfand (2009), who suggested that Female negotiators value relationships more than male negotiators. In addition, the stereotypic attributions related to gender might also explain why Female negotiators emitted more *Persuasive behavior* communication, while Male negotiators had more *Tactical behavior* communication. On the other hand, when analyzing *Experience*, one could also argue that due to their lack of experience, the non-experienced negotiators focused more on *Relationship-communication* and *Task-oriented behavior* communication, while the more experienced issued more *Substantive behavior*. Since they are experienced negotiators, it seems logical for them to be sending more offers and logrolling, for example, than the non-experienced ones. These results highlight the importance of controlling for other factors to have a better understanding of what might influence the negotiation behavior.

Overall, we consider our results sufficient to support Hall's Context dimension in electronic international negotiation studies. There are several implications for international negotiators to consider. Since HC negotiators were sending their first offer earlier, which is seen as a form of indirect information, their counterparts should consider this so they have a lower risk of getting anchored by this first offer. It was seen that HC negotiators prefer formal behavior, even if this is not consistent with what they do in reality. Nevertheless, one should consider the use of formal behavior when dealing with HC negotiators, and simultaneously, one should not be offended if a negotiator from a LC culture uses less formal behavior. Similarly, when dealing with HC negotiators, one should consider their relationship-centered values since they showed a higher preference for *Relationship-Relatedness*, even if this was not shown in their use of *Relationship-communication*. Regarding the implications for Cross-Cultural-Negotiation research, we consider the most important contribution was to fill the gap in the use of Hall's Context in quantitative studies. Moreover, our results support the use of the instrument

Exploratory Context Scale developed by Warner-Söderholm (2013) in an international setting. Finally, we also raise awareness of the importance of considering the method of analysis due to the inconsistencies found in our results when using a projective and an experimental method, as well as the importance of control variables due to the results of Gender and Experience. However, our open questions and inconsistencies might be due to other reasons, limitations to our study, which we discuss in the next chapter.

7. Limitations and Future Research

As in every study, we have some limitations that need to be addressed to fully understand our findings and the context surrounding them. Although some of our findings are consistent with our theorizing, we consider that our main limitation is our sample. Our sample size was small and consisted of students, which, as seen in the Literature Review, has been highly criticized by past studies (Gelfand & Brett, 2004; Gunia et al., 2016; Tsui et al., 2007). These two limitations may affect the generalizability of the findings.

Another limitation concerning the sample is that we only used two cultures in this study. As seen before, LC and HC were intended as poles in Hall's Context continuum and not as part of a dichotomous variable (Kittler et al., 2011). Even though we first used the scale developed by Warner-Söderholm (2013) to measure Context, a natural dichotomy was afterward created by comparing only two cultures. Future research should apply this instrument to more than two cultures and even include cultures that fall along the middle of the HC-LC continuum, such as France.

Besides the limitations of our sample, one-short laboratory experiments have also been criticized (Gelfand & Brett, 2004; Gunia et al., 2016) as seen in the Literature Review. Therefore, future research should expand not only to a larger sample but also to observational methods, such as analyzing emails of companies engaged in international negotiations or applying experiments with negotiators working at international companies who have more working experience and might communicate and behave differently.

The last limitations to consider are the ones within the content analysis. As pointed out previously, both Weingart et al. (2004) and Srnka and Koeszegi (2007) recommended having two independent coders proceed with the unitization and the coding and the subsequent checks of consistency of each phase. Since, however, these were only done by the researcher due to a lack of resources, there is the risk of researcher bias and low reliability. Hence, future research should try to obtain the necessary resources to enable independent coders to follow these steps. Furthermore, Srnka and Koeszegi (2007) warned about developing the category scheme based solely on a sub-sample due to the risks of not capturing all the relevant contents of the data and selection bias. Future research should also consider this. Finally, Weingart et al. (2004) also warned about the risks of a detailed category scheme because the likelihood of coding errors is higher, and the more categories there are, the fewer frequencies each category has, resulting therefore

in a sparse data set, that can lead to potential problems in most statistical methods. Even though our Category Scheme had three levels of hierarchy to counteract this, we still believe in raising awareness of this for future research.

8. Conclusion

After having navigated the extensive negotiation literature, especially in the field of Cross-Cultural-Negotiation, we understood the challenges and gaps that research is still facing. We also understood that the negotiation behavior is a social process too complex to clarify by solely using culture (Gelfand et al., 2013; Lewicki et al., 2016) and concurred with the culture-by-context perspective (Gelfand et al., 2013; Gunia et al., 2016). This allowed us to integrate CMC literature and have a better understanding of email communication, one of the main tools used nowadays in companies and, thus, in negotiations.

With the information collected and with our study, we managed to fulfill most of the research goals we set out to achieve. Despite our limitations and partial results, we are confident our results brought us closer to answering our main research question:

**“How does culture influence information exchange and first offers
in an intercultural email negotiation?”**

We succeeded by selecting Hall's Context dimension, to step away from the dominance of Hofstede's dimension of IND/COL when it came to defining culture. We also achieved to revive Hall's Context dimension and counteract the criticisms of the lack of empirical evidence for the categorization of cultures (Kittler et al., 2011) by using the Context scale instrument from Warner-Söderholm (2013) in an international setting. Furthermore, we also contributed to the use of Hall's Context dimension in a quantitative study by applying the generalization model to our study. Finally, by applying an experiment with Mexican and Austrian students, we reached the goal of an international setting that included other cultures instead of the typical U.S. studies, as was often criticized in cross-cultural studies (Gelfand & Brett, 2004; Tsui et al., 2007).

Thus, by applying Hall's Context dimension to define culture and the subsequent information found in the literature, we could theorize how Mexican and Austrian participants would behave in the specific setting of email communication. First, the Context scores obtained by the Exploratory Context Scale (Warner-Söderholm, 2013) from the Mexican and Austrian participants aligned with what we had theorized: Mexican participants had a higher Context score than Austrian participants. Thus showing that Mexican culture is indeed a HC culture and Austrian culture is a LC culture. Secondly, the timing of the first offers was also in line with our hypothesis: Mexican negotiators did

issue their first offer earlier than the Austrian negotiators. With this result, our research question was already partially answered: culture, seen under Hall's Context dimension, influences the timing of first offers. Regarding the rest of the research question, the information exchange, our partial results concerning Relationship and Formal Behavior show that culture might influence this type of information exchange but leaves open questions. Furthermore, the unexpected results of the issue of more Self-supporting and Acceptance communication from the Mexican negotiators could be an indication that HC cultures seek approval, hence showing their need for social context.

Nevertheless, the open questions remain. In line with theory, HC negotiators did prefer *Formal Behavior* and were more *Relationship* oriented compared to LC negotiators, but this was not consistent with what they did. These results leave the questions pending whether it might be the setting of email communication that makes the negotiators behave differently or could it be that culture, seen under Hall's Context dimension, is not the most adequate framework, or that other factors might be indicators of this, as was seen with Gender and Experience concerning Relationship; or simply different methods obtain different results. A person thinks they will act in a certain way when asked but unconsciously behaves differently. Further research is needed to find out which of these might answer our open questions.

To conclude, we believe that our study supports the statement that a negotiator's strategies are shown by the content and form of their communications (Lewicki et al., 2016; Olekalns et al., 2003; Olekalns & Smith, 2003; Weingart et al., 2004), but how they communicate can be influenced by their culture (Adair & Brett, 2005; Adair et al., 2001; Adair et al., 2007; Brett et al., 2017; Brett & Okumura, 1998; Hofstede, 1980a; Liu et al., 2019), and also by the communication medium used (Barsness & Bhappu, 2004; McGinn & Croson, 2004; Rosette et al., 2012). We, therefore, highlight again the importance of understanding not only culture but also the setting of an electronic negotiation.

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Appendix A: Negotiation Case A for Austrian Seller

General instructions

Before and after the negotiation we kindly ask you to please fill out an online questionnaire. They will both be sent to you via email, where you will have to follow the link.

The email negotiation consists of a buyer-seller negotiation in an international setting. It is a B2B setting, meaning you will be representing a company from Mexico or Austria, depending on where you study. You will find public information of both companies in the *Public Information* section and your assigned role (buyer or seller) and the associated confidential information in *Confidential Information*.

Since it is an international setting, all communication is expected to be in **English** and you are of course allowed to support yourself with dictionaries and online translators.

During the negotiation the **ONLY** communication medium allowed is your email address. Whenever you send an email to your counterpart, please always include ----- in CC and in case you forget, please forward the email. You will always reply to the last email and not create a new one, so that the past emails are always included in the thread. When you have concluded the negotiation (or the deadline has been reached), please forward your last email (containing the whole thread of all past emails) to ----- so your participation can be validated.

You have been assigned an ID-number and a fake last name in your role. You may invent a first name for yourself and please don't use any name that could be considered offensive. Please use the ID-Number when requested and the fake name for your email signature.

We ask you to please respect the following timetable, where you may find the schedule and deadlines for the different tasks.

- ➔ Fill in the pre-negotiation questionnaire: Deadline at 23:59 on 17.04.23.
- ➔ Negotiation phase: 18.04.23 – 28.04.23
- ➔ The students with the role of **BUYER** are instructed to initiate contact and are responsible for sending the first email to the sellers. If the seller has not received any email by 20.04.23 they should report this to -----
- ➔ Finalize the negotiation: Deadline at 23:59 on 28.04.23
- ➔ Send the email(s) to ----- Deadline at 23:59 on 29.04.23.
- ➔ Fill in the post-negotiation questionnaire: Deadline at 23:59 on 02.05.23

Once all activities are finished and the information is received, your participation will be fully validated. In addition, your full participation will count as a ticket for the lottery.

Public information

The information on this page is available to you and your negotiation counterpart. Imagine this information is available on the Internet, on the website of each company.

CITA Integradores S.A. de C.V.

We are a leading company with more than 20 years of experience in the integration of technologies in Telecommunications, Security, Public Services and Specialized Mobile Units in Mexico.

Our infrastructure, knowledge, development of strategic alliances, innovation and the constant search and development of technologies, allows us to provide a series of functional and operational benefits to the solutions we offer to Private Companies, Corporations, Governments, Medical Institutions, Security Units, Energy and Petrochemical.

At CITA Integradores S.A. de C.V we are committed to generating value for our partners and customers, and therefore, all our efforts are focused on evolving day by day to achieve greater efficiency, flexibility and innovation in integrated solutions to remain the best option in the market.

- ➔ Thanks to a deeper internet search on their webpage, it would seem that CITA Integradores S.A. de C.V apparently doesn't have traffic lights in their portfolio, although they do offer the services that include installation and maintenance of traffic lights.

Ampel GmbH

Ampel GmbH is a producer and supplier of LED traffic lights. Ampel GmbH is one of the world's leading producers of LED-based signaling technology and unmistakably contributes to more safety and order on the roads of our planet. At a very early stage we started to specialize in developing and producing optical systems using bright, energy-efficient, long-life LED technology. This know-how makes the company today the preferred partner worldwide when it comes to traffic lights.

System integrators and traffic authorities in more than 50 countries trust Ampel's outstanding quality made in Austria in production, service, and personal consultancy. The award-winning company works with quality and environmental management systems according to EN ISO 9001 and 14001.

- ➔ Thanks to a deeper internet search on their webpage, it would seem that Ampel GmbH has partners, clients, and reference projects in several countries, but apparently not in Mexico.

Confidential information

SELLER- AMPEL GmbH

Your name is Ms/Mr. Müller (you may invent your first name) and you work in the sales department for the Austrian company Ampel GmbH. Your boss is looking to elevate the market share worldwide and you are the regional sales manager for the Latin-American market, where there is still a growth opportunity, especially in Brazil, Colombia, and Mexico.

You have done some research on the Internet on possible leads (construction companies, integrators, governments, etc.) in different Latin-American countries, and you even have an opportunity to sell to a Colombian integrator company. Even though you are still in ongoing negotiations with them and there is still a risk they will not buy from you, you already have gained some insight in how the Latin-American market behaves (assuming most countries from Latin-America have a similar acquisition behavior).

Suddenly one of your leads from Mexico, CITA Integradores S.A. de C.V. has actually contacted your company via email and since it is your region, you need to check this email and answer them back.

There are of course several aspects to consider when making this sale:

1. You have a **bonus** at the end of each year depending on how well you manage your sales. So, you need to consider the **price**, but also the overall conditions of the sales.
2. Even if you are confident your products are of really good quality, offering a longer warranty will mean higher costs for your company if something happens, and no opportunity to sell them spare parts during that period. Hence you are mostly interested in a 1-year **warranty**.
3. The production line can get very saturated, so it is better to have more time to produce the required products. Less time would mean higher costs for your company and your boss and co-workers wouldn't be too happy if they are stressed and need to work longer shifts in order to deliver the products. So, the **delivery date** is important.
4. Your company has a new innovative product line, that still needs to be introduced into the market, hence you are mostly interested in selling the **product** Traffic-Light Type E, that has the benefit to consume the least energy.
5. You know that in this field - due to government funding, construction schedules, different tender payment conditions - there is a risk of not getting fully paid once the merchandise has been delivered and invoiced. Normally your client has 30 days after the reception of the merchandise (and invoice) to pay, if not you can start applying a (monthly) interest rate. Hence you need to make it clear which **interest rate** you would apply.
6. You need to think about the future, since this might open the door to other projects and opportunities. Hence you need to consider establishing a good relationship with CITA Integradores S.A. de C.V. (this is maybe not just a onetime sales).
7. The Colombian company is interested in the Traffic Light-Type B because that model is already installed in Colombia. They are willing to buy each traffic light at 550 EUR and they want a 4-year warranty, but they don't know yet how many traffic lights they can buy.

All these issues are to be considered according to the following table. Depending on what and how you negotiate, you can earn points, as if you were earning points for a Bonus. If you can't find a suitable solution with CITA Integradores S.A. de C.V. you can always pursue your other leads and opportunities, but this means more work and losing precious time.

Issue	Options	Points for Bonus
1. Price per unit (EUR)	€1050,00	6000
	€900,00	4500
	€750,00	3000
	€600,00	1500
	€450,00	0
2. Warranty	1 year	1600
	2 year	1200
	3 year	800
	4 year	400
	5 year	0
3. Delivery date	5 months	2400
	4 months	1800
	3 months	1200
	2 months	600
	1 month	0
4. Product	Traffic Light – Type A (Consumes the most energy)	0
	Traffic Light – Type B	300
	Traffic Light – Type C	600
	Traffic Light – Type D	900
	Traffic Light – Type E (Consumes the least energy)	1200
5. Monthly Interest Rate	10%	4000
	8%	3000
	6%	2000
	4%	1000
	2%	0

Your counterpart, the buyer, is responsible for starting the negotiation. They will write to your registered email address. Please remember to also check your SPAM/Junk folder. If you have not received any email by the 20th of April, please report this to -----

If you have any questions, please don't hesitate to contact:

Appendix B: Negotiation Case A for Mexican Buyer

General instructions

Before and after the negotiation we kindly ask you to please fill out an online questionnaire. They will both be sent to you via e-mail, where you will have to follow the link.

The e-mail negotiation consists of a buyer-seller negotiation in an international setting. It is a B2B setting, meaning you will be representing a company from Mexico or Austria, depending on where you study. You will find public information of both companies in the Public Information section and your assigned role (buyer or seller) and the associated confidential information in Confidential Information.

Since it is an international setting, all communication is expected to be in English and you are of course allowed to support yourself with dictionaries and online translators.

During the negotiation the ONLY communication medium allowed is your registered e-mail address. Whenever you send an email to your counterpart please always include ----- in CC and in case you forget, please forward the e-mail. You will always reply to the last e-mail and not create a new one, so that the past emails are always included in the thread. When you have concluded the negotiation (or the deadline has been reached), please forward your last e-mail (containing the whole thread of all past emails) to ----- and to ----- so your participation can be validated.

For your privacy and data protection, you have been assigned an ID-number and a fake last name in your role. You may invent a first name for yourself and please don't use any name that could be considered offensive. Please use the ID-Number when requested and the fake name for your email signature.

We ask you to please respect the following timetable, where you may find the schedule and deadlines for the different tasks:

- ➔ Fill in the pre-negotiation questionnaire: Deadline 11:59 pm 17.04.23.
- ➔ Negotiation phase: 18.04.23 – 28.04.23
- ➔ The students with the role of BUYER are required to initiate contact and are responsible for sending the first e-mail to the seller. If the seller has not received any e-mail by 23:59 pm 19.04.23 they should report this to -----
- ➔ Conclude the negotiation: Deadline 4:59 pm 28.04.23
- ➔ Forward the full email thread to ----- Deadline 11:59 pm 29.04.23.
- ➔ Fill in the post-negotiation questionnaire: Deadline 11:59 pm 02.05.23

Once all activities are finished and the information is confirmed by -----, your participation will be fully validated for your credits. In addition, your full participation will count as a ticket for the lottery.

Public information

The information on this page is available to you and your negotiation counterpart. Imagine this information is available on the Internet, on the website of each company.

CITA Integradores S.A. de C.V.

We are a leading company with more than 20 years of experience in the integration of technologies in Telecommunications, Security, Public Services and Specialized Mobile Units in Mexico.

Our infrastructure, knowledge, development of strategic alliances, innovation and the constant search and development of technologies, allows us to provide a series of functional and operational benefits to the solutions we offer to Private Companies, Corporations, Governments, Medical Institutions, Security Units, Energy and Petrochemical.

At CITA Integradores S.A. de C.V we are committed to generating value for our partners and customers, and therefore, all our efforts are focused on evolving day by day to achieve greater efficiency, flexibility and innovation in integrated solutions to remain the best option in the market.

- ➔ Thanks to a deeper internet search on their webpage it would seem that CITA Integradores S.A. de C.V apparently doesn't have traffic lights in their portfolio, although they do offer the services that include installation and maintenance of traffic lights.

Ampel GmbH

Ampel GmbH is a producer and supplier of LED traffic lights. Ampel GmbH is one of the world's leading producers of LED-based signaling technology and unmistakably contributes to more safety and order on the roads of our planet. At a very early stage we started to specialize in developing and producing optical systems using bright, energy-efficient, long-life LED technology. This know-how makes the company today the preferred partner worldwide when it comes to traffic lights.

System integrators and traffic authorities in more than 50 countries trust Ampel's outstanding quality made in Austria in production, service, and personal consultancy. The award-winning company works with quality and environmental management systems according to EN ISO 9001 and 14001.

- ➔ Thanks to a deeper internet search on their webpage, it would seem that Ampel GmbH has partners, clients, and reference projects in several countries, but apparently not in Mexico.

Confidential Information

BUYER- CITA Integradores S.A. de C.V.

Your name is Ms./Mr. Gomez Sanchez (you may invent your first name) and you work in the acquisition department for the Mexican company CITA Integradores S.A. de C.V., who has recently won a tender for a five-year contract with the government of the city of Mexico to install **40 new traffic lights** and is responsible for the maintenance in those 5 years. Hence you are in charge of buying these 40 new traffic lights.

You already have an offer from a Chinese company, but it doesn't really convince you. You have done your research on the internet and found several other suppliers, but the products of an Austrian company called Ampel GmbH seem the best option to suit your needs and you have decided to **contact them**.

There are of course several aspects to consider when making this acquisition:

1. You have a **bonus** at the end of each year depending on how well you manage the acquisition budget. So, you need to consider the **price**, but also the overall conditions of the acquisition.
2. Since you don't know these products and in addition your company has a 5-year contract of maintenance with the government of Mexico, you are mostly interested in a 5-year **warranty**.
3. It is best to have the traffic lights as soon as possible, if not the installation might get delayed, meaning there could be penalty fees from not respecting the tender with the government (and also meaning your boss wouldn't be too happy with you). So, the **delivery date** is important.
4. For ecological reasons, the government of the city of Mexico offered a bonus to your company, if the new installed traffic lights save energy costs. Hence you are mostly interested in the **product** Traffic-Light Type E, that consumes the least energy.
5. Your company only gets paid by the government after all 40 traffic lights are fully installed and functional. This means it might take a while before your company receives the money, hence you need to negotiate an interest rate with AMPEL GmbH in case you can't fully pay them once you have received the merchandise. Normally you have 30 days after the reception of the invoice (and merchandise) to pay, if not (monthly) **interest rates** may apply.
6. Your boss knows that in the future there might be other projects, so he is now also thinking about including traffic lights in CITA's portfolio, meaning you could consider Ampel GmbH as a potential long-term supplier (hence, this is maybe not just a onetime acquisition).
7. The offer from the Chinese company is not unreasonable, but not very satisfactory either. Each traffic light costs 960 USD (meaning approx. 900 EUR), the warranty period is 2 years, they don't know how fast they can deliver and finally their products are known to consume a lot of energy.

All these issues are to be considered according to the following table. Depending on what and how you negotiate, you can earn points, as if you were earning points for a Bonus. If you can't find a suitable solution with Ampel GmbH, you can always go to the other suppliers, but this means more work and losing precious time.

Issue	Options	Points for Bonus
1. Price per unit (EUR)	€1050,00	0
	€900,00	1500
	€750,00	3000
	€600,00	4500
	€450,00	6000
2. Warranty	1 year	0
	2 year	1000
	3 year	2000
	4 year	3000
	5 year	4000
3. Delivery date	5 months	0
	4 months	600
	3 months	1200
	2 months	1800
	1 month	2400
4. Product	Traffic Light – Type A (Consumes the most energy)	0
	Traffic Light – Type B	300
	Traffic Light – Type C	600
	Traffic Light – Type D	900
	Traffic Light – Type E (Consumes the least energy)	1200
5. Monthly Interest Rate	10%	0
	8%	400
	6%	800
	4%	1200
	2%	1600

YOU are responsible for starting the negotiation. You will contact the sales department of Ampel GmbH and you will use the email address of the counterpart assigned to you.

If you have any questions, please contact:

Appendix C: Negotiation Case B for Mexican Seller

General instructions

Before and after the negotiation we kindly ask you to please fill out an online questionnaire. They will both be sent to you via email, where you will have to follow the link.

The email negotiation consists of a buyer-seller negotiation in an international setting. It is a B2B setting, meaning you will be representing a company from Mexico or Austria, depending on where you study. You will find public information of both companies in the *Public Information* section and your assigned role (buyer or seller) and the associated confidential information in *Confidential Information*.

Since it is an international setting, all communication is expected to be in **English** and you are of course allowed to support yourself with dictionaries and online translators.

During the negotiation the **ONLY** communication medium allowed is your registered email address. Whenever you send an email to your counterpart please always include ----- in CC and in case you forget, please forward the email. You will always reply to the last email and not create a new one, so that the past emails are always included in the thread. When you have concluded the negotiation (or the deadline has been reached), please forward your last email (containing the whole thread of all past emails) to -----and to ----- so your participation can be validated.

For your privacy and data protection, you have been assigned an ID-number and a fake last name in your role. You may invent a first name for yourself and please don't use any name that could be considered offensive. Please use the ID-Number when requested and the fake name for your email signature.

We ask you to please respect the following timetable, where you may find the schedule and deadlines for the different tasks:

- ➔ Fill in the pre-negotiation questionnaire: Deadline 11:59 pm 17.04.23.
- ➔ Negotiation phase: 18.04.23 – 28.04.23
- ➔ The students with the role of BUYER are required to initiate contact and are responsible for sending the first email to the seller. If the seller has not received any email by 11:59 pm 19.04.23 they should report this to -----
- ➔ Conclude the negotiation: Deadline 4:59 pm 28.04.23
- ➔ Forward the full email thread to ----- Deadline 11:59 pm 29.04.23.
- ➔ Fill in the post-negotiation questionnaire: Deadline 11:59 pm 02.05.23

Once all activities are finished and the information is confirmed by -----, your participation will be fully validated for your credits. In addition, your full participation will count as a ticket for the lottery.

Public Information

The information on this page is available to you and your negotiation counterpart. Imagine this information is available on the Internet, on the website of each company.

SOL S.A. de C.V.

Since the founding of SOL S.A. de C.V. in 1970, we've manufactured streetlights. We have been passionate about finding innovative ways to make lighting easier to install, better looking, longer lasting and more efficient. We also continuously improve our products, support and delivery. We're proud of our decades of experience and reputation for world-class engineering and quality control.

We are proud to announce the introduction of our comprehensive new line of LED streetlight. Designed to bring enhanced lighting quality, visibility, energy efficiency, and security to everything from parking lots and garages to building exteriors, walkways. We continue to serve commercial, commercial, institutional, industrial, and retail businesses in the best way.

- ➔ Thanks to a deeper internet search on their webpage, it would seem that SOL S.A. de C.V. has partners, clients, and reference projects in several countries, but apparently not in Austria.

Strauss Strassenbau GmbH

Strauss Strassenbau GmbH is a technology group for construction services, a leader in innovation and financial strength. Our services span all areas of the construction industry. We create added value for our clients by our specialized entities integrating the most diverse services and assuming responsibility for them. We bring together people, materials and machinery at the right place and at the right time in order to realize even complex construction projects – on schedule, of the highest quality and at the best price.

- ➔ Thanks to a deeper internet search on their webpage, it would seem Strauss Strassenbau GmbH apparently doesn't have LED streetlight in their portfolio, although they do offer the services that include installation and maintenance of them.

Confidential Information

SELLER - SOL S.A. de C.V.

Your name is Ms/Mr. Rodriguez Murillo (you may invent your first name) and you work in the sales department for the Mexican company SOL S.A. de C.V. Your boss is looking to elevate the market share worldwide and you are the regional sales manager for the European market, where there is still a growth opportunity, especially in Switzerland and Austria.

You have done some research on the Internet on possible leads (construction companies, integrators, governments, etc.) in different European countries, and you even have an opportunity to sell to a German construction company. Even though you are still in ongoing negotiations with them and there is still a risk they will not buy from you, you already have gained some insight in how the European market behaves (assuming most countries have a similar acquisition behavior).

Suddenly one of your leads from Austria, Strauss Strassenbau GmbH has actually contacted your company via email and since it is your region, you need to check this email and answer them back.

There are of course several aspects to consider when making this sale:

1. You have a **bonus** at the end of each year depending on how well you manage your sales. So, you need to consider the **price**, but also the overall conditions of the sales.
2. Even if you are confident your products are of really good quality, offering a longer warranty will mean higher costs for your company if something happens, and no opportunity to sell them spare parts during that period. Hence you are mostly interested in a 1-year **warranty**.
3. The production line can get very saturated, so it is better to have more time to produce the required products. Less time would mean higher costs for your company and your boss and co-workers wouldn't be too happy if they are stressed and need to work longer shifts in order to deliver the products. So, the **delivery date** is important.
4. Your company has a new innovative product line, that still needs to be introduced into the market, hence you are mostly interested in selling the **product** LED outdoor lighting Type E, that has the benefit to consume the least energy.
5. You know that in this field - due to government funding, construction schedules, different tender payment conditions - there is a risk of not getting fully paid once the merchandise has been delivered and invoiced. Normally your client has 30 days after the reception of the merchandise (and invoice) to pay, if not you can start applying a (monthly) interest rate. Hence you need to make it clear which **interest rate** you would apply.
6. You need to think about the future, since this might open the door to other projects and opportunities. Hence you need to consider establishing a good relationship with Strauss Strassenbau GmbH (this is maybe not just a onetime sales).
7. The German company is interested in the product LED streetlight-Type B because that model is already installed in Berlin. They are willing to buy each piece at \$3300.00 Mexican pesos and they want a 4-year warranty, but they don't know yet how many streetlights they will buy.

All these issues are to be considered according to the following table. Depending on what and how you negotiate, you can earn points, as if you were earning points for a Bonus. If you can't find a suitable solution with Strauss Strassenbau GmbH you can always pursue your other leads and opportunities, but this means more work and losing precious time.

Issue	Options	Points for Bonus
1. Price per unit (MXN)	\$4 800.00	6000
	\$4 350.00	4500
	\$3 900.00	3000
	\$3 450.00	1500
	\$3 000.00	0
2. Warranty	1 year	1600
	2 year	1200
	3 year	800
	4 year	400
	5 year	0
3. Delivery date	5 months	2400
	4 months	1800
	3 months	1200
	2 months	600
	1 month	0
4. Product	LED streetlight – Type A (Consumes the most energy)	0
	LED streetlight – Type B	300
	LED streetlight – Type C	600
	LED streetlight – Type D	900
	LED streetlight – Type E (Consumes the least energy)	1200
5. Monthly Interest Rate	10%	4000
	8%	3000
	6%	2000
	4%	1000
	2%	0

Your counterpart, the buyer, is responsible for starting the negotiation. They will write to your registered e-mail address. Please remember to also check your SPAM/Junk folder. If you have not received any e-mail by the 20th of April, please report this to -----.

If you have any questions, please contact: -----.

Appendix D: Negotiation Case B for Austrian Buyer

General instructions

Before and after the negotiation we kindly ask you to please fill out an online questionnaire. They will both be sent to you via email, where you will have to follow the link.

The email negotiation consists of a buyer-seller negotiation in an international setting. It is a B2B setting, meaning you will be representing a company from Mexico or Austria, depending on where you study. You will find public information of both companies in the *Public Information* section and your assigned role (buyer or seller) and the associated confidential information in *Confidential Information*.

Since it is an international setting, all communication is expected to be in **English** and you are of course allowed to support yourself with dictionaries and online translators.

During the negotiation the ONLY communication medium allowed is your registered email address. Whenever you send an email to your counterpart, please always include ----- in CC and in case you forget, please forward the email. You will always reply to the last email and not create a new one, so that the past emails are always included in the thread. When you have concluded the negotiation (or the deadline has been reached), please forward your last email (containing the whole thread of all past emails) to -----_so your participation can be validated.

For your privacy and data protection, you have been assigned an ID-number and a fake last name in your role. You may invent a first name for yourself and please don't use any name that could be considered offensive. Please use the ID-Number when requested and the fake name for your email signature.

We ask you to please respect the following timetable, where you may find the schedule and deadlines for the different tasks

- ➔ Fill in the pre-negotiation questionnaire: Deadline at 23:59 on 17.04.23.
- ➔ Negotiation phase: 18.04.23 – 28.04.23
- ➔ The students with the role of BUYER are instructed to initiate contact and are responsible for sending the first email to the sellers. If the seller has not received any email by 20.04.23 they should report this to -----
- ➔ Finalize the negotiation: Deadline at 23:59 on 28.04.23
- ➔ Send the email(s) to -----;_Deadline at 23:59 on 29.04.23.
- ➔ Fill in the post-negotiation questionnaire: Deadline at 23:59 on 02.05.23

Once all activities are finished and the information is confirmed by -----, your participation will be fully validated for your participation/extra points. In addition, your full participation will count as a ticket for the lottery.

Public Information

The information on this page is available to you and your negotiation counterpart. Imagine this information is available on the Internet, on the website of each company.

SOL S.A. de C.V.

Since the founding of SOL S.A. de C.V. in 1970, we've manufactured streetlights. We have been passionate about finding innovative ways to make lighting easier to install, better looking, longer lasting and more efficient. We also continuously improve our products, support and delivery. We're proud of our decades of experience and reputation for world-class engineering and quality control.

We are proud to announce the introduction of our comprehensive new line of LED streetlight. Designed to bring enhanced lighting quality, visibility, energy efficiency, and security to everything from parking lots and garages to building exteriors, walkways. We continue to serve commercial, commercial, institutional, industrial, and retail businesses in the best way.

- ➔ Thanks to a deeper internet search on their webpage, it would seem that SOL S.A. de C.V. has partners, clients, and reference projects in several countries, but apparently not in Austria.

Strauss Strassenbau GmbH

Strauss Strassenbau GmbH is a technology group for construction services, a leader in innovation and financial strength. Our services span all areas of the construction industry. We create added value for our clients by our specialized entities integrating the most diverse services and assuming responsibility for them. We bring together people, materials and machinery at the right place and at the right time in order to realize even complex construction projects – on schedule, of the highest quality and at the best price.

- ➔ Thanks to a deeper internet search on their webpage, it would seem Strauss Strassenbau GmbH apparently doesn't have LED streetlight in their portfolio, although they do offer the services that include installation and maintenance of them.

Confidential Information

BUYER- Strauss Strassenbau GmbH

Your name is Ms./Mr. Müller (you may invent your first name) and you work in the acquisition department for the Austrian company Strauss Strassenbau GmbH, who has recently won a tender for a five-year contract with the government of the city of Vienna to install **100 new streetlights** and is responsible for the maintenance in those 5 years. Hence you are in charge of buying these 100 new streetlights.

You already have an offer from an Indian company, but it doesn't really convince you. You have done your research on the internet and found several other suppliers, but the products of a Mexican company called SOL S.A. de C.V. seem the best option to suit your needs and you have decided to **contact them (use the assigned counterpart email address)**.

There are of course several aspects to consider when making this acquisition:

1. You have a **bonus** at the end of each year depending on how well you manage the acquisition budget. So, you need to consider the **price**, but also the overall conditions of the acquisition.
2. Since you don't know these products and in addition your company has a 5-year contract of maintenance with the government of Vienna, you are mostly interested in a 5-year **warranty**.
3. It is best to have the streetlights as soon as possible, if not the installation might get delayed, meaning there could be penalty fees from not respecting the tender with the government (and also meaning your boss wouldn't be too happy with you). So, the **delivery date** is important.
4. For ecological reasons, the government of the city of Vienna offered a bonus to your company, if the new installed streetlights save energy costs. Hence you are mostly interested in the **product** LED streetlight-type E, that consumes the least energy.
5. Your company only gets paid by the government after all 100 streetlights are fully installed and functional. This means it might take a while before your company receives the money, hence you need to negotiate an interest rate with SOL S.A. de C.V. in case you can't fully pay them once you have received the merchandise. Normally you have 30 days after the reception of the invoice (and merchandise) to pay, if not (monthly) **interest rates** may apply.
6. Your boss knows that in the future there might be other projects, so he is now also thinking about including LED streetlights in your company's portfolio, meaning you could consider SOL GmbH as a potential long-term supplier (hence, this is maybe not just a onetime acquisition).
7. The offer from the Indian company is not unreasonable, but not very satisfactory either. Each LED streetlight costs 230 EUR (meaning approx. \$4600 Mexican pesos), the warranty period is 2 years, they don't know how fast they can deliver and finally their products are known to consume a lot of energy.

All these issues are to be considered according to the following table. Depending on what and how you negotiate, you can earn points, as if you were earning points for a Bonus. If you can't find a suitable solution with SOL S.A. de C.V., you can always go to the other suppliers, but this means more work and losing precious time.

Issue	Options	Points for Bonus
1. Price per unit (MXN)	\$4 800.00	0
	\$4 350.00	1500
	\$3 900.00	3000
	\$3 450.00	4500
	\$3 000.00	6000
2. Warranty	1 year	0
	2 year	1000
	3 year	2000
	4 year	3000
	5 year	4000
3. Delivery date	5 months	0
	4 months	600
	3 months	1200
	2 months	1800
	1 month	2400
4. Product	LED streetlight – Type A (Consumes the most energy)	0
	LED streetlight – Type B	300
	LED streetlight – Type C	600
	LED streetlight – Type D	900
	LED streetlight – Type E (Consumes the least energy)	1200
5. Monthly Interest Rate	10%	0
	8%	400
	6%	800
	4%	1200
	2%	1600

YOU are responsible for starting the negotiation. You will contact the sales department of SOL S.A de C.V. and you will use the email address of the counterpart assigned to you in the email.

If you have any questions, please don't hesitate to contact -----.

Appendix E: Online Pre-negotiation Questionnaire

Please answer these questions **before** you start with the negotiation.

If you don't understand an expression or word, please use an online dictionary or translator. The following questions are regarding your personal experience, beliefs and personal preferences.

1. Your assigned ID-Number: _____

Your assigned ID-Number necessary for validating your participation. However, your answers in this questionnaire will be treated anonymously.

2. What is your gender?

- ☐ Female
- ☐ Male
- ☐ Other: _____

3. What is your age?

- ☐ Under 18
- ☐ 18-21
- ☐ 22-25
- ☐ 26-29
- ☐ 30-35
- ☐ Above 35

4. In which country do you currently live?

- ☐ Austria
- ☐ Mexico
- ☐ Other: _____

5. Which nationality do you have?

- ☐ Austrian
- ☐ German
- ☐ Mexican
- ☐ More than one nationality
- ☐ Other: _____

6. What is your current occupational status? Select all that apply.

- ☐ Student
- ☐ Part-time employment
- ☐ Full-time employment
- ☐ Self-employed
- ☐ Searching for employment
- ☐ Retired

- Other:
7. Which language is your mother tongue?
- English
 - German
 - Spanish
 - Other:
8. What is your level of English? A, B1, B2, C1 and C2 refer to the Common European Framework of Reference for Languages (CEFR)
- I really can't understand English, I always need help (for example from an online translator).
 - A: I can tell/ask someone how to get from here to a nearby hotel, restaurant, or post office.
 - B1: I can take and give simple messages over the telephone.
 - B2: I rarely find myself unable to finish a sentence because of linguistic limitations (grammar or vocabulary).
 - C1: I consistently use the language in a sophisticated and nuanced way to effectively communicate with great precision.
 - C2: My vocabulary is extensive and precise, allowing me to consistently convey complex ideas and details.
 - Native speaker
9. Are you fluent in any other languages besides your mother tongue? Select all that apply.
- No
 - English
 - Arabic
 - French
 - German
 - Italian
 - Mandarin
 - Russian
 - Spanish
 - Other:
10. Do you have experience negotiating in a business setting?
- None
 - Practical experience gained from a short-term internship/work experience (1-6 months).
 - Practical experience gained from a long-term internship/work experience (6-12 months).
 - 1-3 years of working experience.
 - 3 or more years of working experience.

11. When you're in a business setting, which of these communication tools do you use the most? *If you have never been in a business setting, please skip this question.*

	Everyday	At least once a week	At least once a month	At least once a year	Never
Telephone/mobile phone					
Video and web conferencing tools (Skype, Teams, Zoom, Google Meet)					
Email					
Instant message tools (Signal, Viber, WhatsApp, Snapchat, Telegram)					
Social networking tools (Facebook, Twitter, LinkedIn, Instagram, TikTok)					

12. Select the situations that apply to you:

- ☐ I would like to study/work abroad to gain (or gain more) international experience.
- ☐ I have studied/worked in groups with foreign colleagues.
- ☐ None of the above

13. Have you traveled outside your country?

- ☐ No (Skip to question 15)
- ☐ Yes (Skip to question 14)

14. What is your experience? Select ALL the situations that may apply.

- ☐ I have spent some holidays in another country, where they speak the same language as me.
- ☐ I have spent some holidays in a country with a foreign language.
- ☐ I have traveled to another continent.
- ☐ I have studied/worked in another country, where they speak the same language as me.
- ☐ I have studied/worked in a country with a foreign language (duration less than 3 months).

- I have studied/worked in a country with a foreign language (duration between 3 and 6 months).
- I have studied/worked in a country with a foreign language (more than 6 months).

Culture in your country.

These are questions of how you think the society (where you are from) behaves and feels.

15. In our culture/country we value honesty in meetings and discussions.

Completely disagree	1	2	3	4	5	6	7	Completely agree

16. In our culture/country we try to avoid showing disagreement openly in a discussion because we prefer to maintain a sense of harmony in meetings.⁴

Completely disagree	1	2	3	4	5	6	7	Completely agree

17. In our culture/country it is actually how we say “yes” or “no” that signals what we really mean.

Completely disagree	1	2	3	4	5	6	7	Completely agree

18. In our culture/country we like to “say it as it is”.

Completely disagree	1	2	3	4	5	6	7	Completely agree

19. In our culture/country we believe that maintaining harmony and a positive tone in a meeting is more important than speaking honestly.

Completely disagree	1	2	3	4	5	6	7	Completely agree

Preferences

These are questions regarding your personal preferences, perceptions and concerns.

20. I am comfortable using emails for professional communication.

Completely disagree	1	2	3	4	5	6	7	Completely agree

21. I am comfortable using emails for private communication.

Completely disagree	1	2	3	4	5	6	7	Completely agree

22. Often enough I have trouble to understand exactly what the sender of an email wants to express.

Completely disagree	1	2	3	4	5	6	7	Completely agree

23. It is sometimes hard for me to convey my thoughts and ideas in written form.

Completely disagree	1	2	3	4	5	6	7	Completely agree

24. I expect a formal greeting in email communications (e.g. Dear... Hello...).

Completely disagree	1	2	3	4	5	6	7	Completely agree

25. If receiving an email from a person I don't know personally, I expect to be addressed with my last name(s) (e.g., Mr Smith, Ms Gomez.).

Completely disagree	1	2	3	4	5	6	7	Completely agree

26. I believe, people should be addressed with their respective titles in emails (e.g. Prof., Dr, etc.).

Completely disagree	1	2	3	4	5	6	7	Completely agree

27. I frequently discuss personal matters in email communication even with colleagues.

Completely disagree	1	2	3	4	5	6	7	Completely agree

28. I use the 'cc' function quite regularly; it is important to share as much information as possible.

Completely disagree	1	2	3	4	5	6	7	Completely agree

29. I tend to ignore mass emails (i.e. standardized emails sent to more than one sender).

Completely disagree	1	2	3	4	5	6	7	Completely agree

30. When writing an email, I am always sure to start off with an opening such as asking how the person is before I get to the point.

Completely disagree	1	2	3	4	5	6	7	Completely agree

31. Even if I don't know a person very well, it is okay if he/she addresses me with my first name in an email.

Completely disagree	1	2	3	4	5	6	7	Completely agree

32. When interacting with someone from a different cultural background, I am concerned about being understood the way I would like to be understood.

Completely disagree	1	2	3	4	5	6	7	Completely agree

33. I often have trouble exactly understanding what the person talking to me means when I talk to someone from a different cultural background.

Completely disagree	1	2	3	4	5	6	7	Completely agree

34. When discussing important professional matters, I prefer talking to a person from my own cultural background.

Completely disagree	1	2	3	4	5	6	7	Completely agree

35. I enjoy interacting with people from other countries.

Completely disagree	1	2	3	4	5	6	7	Completely agree

36. Talking to and discussing ideas with people from other countries enriches my own thinking.

Completely disagree	1	2	3	4	5	6	7	Completely agree

Appendix F: Online Post-negotiation Questionnaire

Please answer these questions **only after** you have finished the negotiation or the deadline has been reached.

If you don't understand an expression or word, please use an online dictionary or translator.

The following questions are about your experience during the negotiation you just conducted and how you perceived your counterpart.

1. Assigned ID-Number: _____

This is for the sole purpose of validating your participation. Your answers will otherwise be used anonymously.

2. What role did you have?

- ☐ Buyer
- ☐ Seller

3. Did you come to a final agreement with your counterpart?

- ☐ Yes
- ☐ No
- ☐ Other: _____

Please answer the following statements depending on how you feel about the negotiation you just conducted.

4. How satisfied are you with your own outcome – i.e., the extent to which the terms of your agreement (or lack of agreement) benefit you?

Not at all	1	2	3	4	5	6	7	Perfectly

5. How satisfied are you with the balance between your own outcome and your counterpart's outcome?

Not at all	1	2	3	4	5	6	7	Perfectly

6. Did you feel like you forfeited or "lost" in this negotiation?

Not at all	1	2	3	4	5		6	7	A great deal

7. Do you think the terms of your agreement are consistent with principles of legitimacy or objective criteria (e.g., common standards of fairness, precedent, industry practice, legality, etc.)?

Not at all	1	2	3	4	5	6	7	Perfectly

8. Did you “lose face” (i.e., damage your sense of pride) in the negotiation?

Not at all	1	2	3	4	5	6	7	A great deal

9. Did this negotiation make you feel more or less competent as a negotiator?

Less competent	1	2	3	4	5	6	7	More competent

10. Did you behave according to your own principles?

Not at all	1	2	3	4	5	6	7	Perfectly

11. Did this negotiation positively or negatively impact your self-image or your impression of yourself?

Negative impact	1	2	3	4	5	6	7	Positive impact

12. Do you feel your counterpart listened to your concerns?

Not at all	1	2	3	4	5	6	7	Perfectly

13. Would you characterize the negotiation process as fair?

Not at all	1	2	3	4	5	6	7	Perfectly

14. How satisfied are you with the ease (or difficulty) of reaching an agreement?

Not at all	1	2	3	4	5	6	7	Perfectly

15. Did your counterpart consider your wishes, opinions, or needs?

Not at all	1	2	3	4	5	6	7	Perfectly

16. What kind of “overall” impression did your counterpart make on you?

Extremely negative	1	2	3	4	5	6	7	Extremely positive

17. How satisfied are you with your relationship with your counterpart as a result of the negotiation?

Not at all	1	2	3	4	5	6	7	Perfectly

18. Did the negotiation make you trust your counterpart?

Not at all	1	2	3	4	5	6	7	Perfectly

19. Did the negotiation build a good foundation for a future relationship with your counterpart?

Not at all	1	2	3	4	5	6	7	Perfectly

20. Did you perceive any cultural differences between you and your counterpart?

Not at all	1	2	3	4	5	6	7	A great deal

21. The cultural differences that might exist between the country of my counterpart and my country did not represent any problem in our negotiation process.

Completely disagree	1	2	3	4	5	6	7	Completely agree

22. There were no language problems between me and my counterpart.

Completely disagree	1	2	3	4	5	6	7	Completely agree

23. Did you need to use online dictionaries or translators to understand the content of the email(s)?

Not at all	1	2	3	4	5	6	7	A great deal

24. Did you need to use online dictionaries or translators to support yourself when writing the email(s)?

Not at all	1	2	3	4	5	6	7	A great deal

25. How formal were you during the negotiation?

Very informal	1	2	3	4	5	6	7	Very formal

26. How formal did you perceive your counterpart during the negotiation?

Very informal	1	2	3	4	5	6	7	Very formal

27. How affective were you during the negotiation? Meaning did you communicate any positive or negative feelings, apologies, thankfulness, emoticons during the negotiation?

Not at all affective	1	2	3	4	5	6	7	Very affective

28. How affective did you perceive your counterpart during the negotiation? Meaning did they communicate any positive or negative feelings, apologies, thankfulness, emoticons during the negotiation?

Not at all affective	1	2	3	4	5	6	7	Very affective

29. Did you communicate or ask any private information? Meaning any questions about private life, hobbies, family, etc.

Not at all	1	2	3	4	5	6	7	A great deal

30. Did your counterpart communicate or ask any private information? Meaning any personal questions about private life, hobbies, family, etc.

Not at all	1	2	3	4	5	6	7	A great deal

31. Comments:

If there is anything you would like to comment about your participation in this experiment, the questionnaires, the negotiation simulation, etc., please write below any comments you may have:

Appendix G: Allocation of Communication Units

Main categories	Communication Units		
Sub-categories	Mexico	Austria	Total
Affective behavior	86	86	172
Apology/regret	4	3	7
Positive emotions	38	37	75
Thanking	44	46	90
Communication protocol	378	392	770
Formal address	58	60	118
Formal close	65	71	136
Formal Corporate identity	75	72	147
Formal signature	67	67	134
Informal address	14	14	28
Informal close	4	2	6
Informal signature	4	8	12
Politeness	91	98	189
Persuasive behavior	203	111	314
Other-supporting statements	24	7	31
Persuasive information and argumentation	69	58	127
Self-supporting statements	110	46	156
Private communication	32	21	53
Other general info	1		1
Other info about person	1	1	2
Release of ID	29	19	48
Request information/ID	1	1	2
Procedural communication	19	19	38
Negotiation-process coordination	16	16	32
Technical (IT program) coordination		2	2
Time-related coordination	3	1	4
Substantive behavior	113	135	248
Acceptance	19	8	27
Accommodation	13	26	39
Log-rolling	31	36	67
Offer (full-package)	23	13	36
Offer single issue (price, delivery, payment, return)	14	30	44
Phantom anchor	4	4	8
Rejection	9	18	27
Tactical behavior	53	43	96
Alternative suppliers	5	6	11
Authority-related tactic	6	7	13
Commitment	1	4	5
Exert pressure	26	17	43
Promise	15	9	24

Main categories	Communication Units		
Sub-categories	Mexico	Austria	Total
Task-oriented behavior	249	197	446
Express understanding	17	11	28
Provide information/reaction	122	91	213
Reference to relationship	23	15	38
Request information/reaction	87	80	167
Text-specific units	52	35	87
Filler	5	3	8
Redundancy	7	1	8
Text structuring	40	31	71
Total	1185	1039	2224