

**NEGOTIATION FRAMEWORK IN CASCAIS REAL ESTATE
MARKET**

Daniel Mamede Bruno Ventura André

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Supervisor:

Prof. Renato Lopes da Costa Ph.D., ISCTE – University Institute of Lisbon, Marketing,
Operations and General Management Department

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To my family

Acknowledgments

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Resumo

Negociação é um extensor campo de conhecimento com aplicações em diferentes áreas e sectores de atividade. O propósito desta tese é investigar o enquadramento da negociação no mercado imobiliário em Cascais. Esta tese reflete sobre a perspetiva do conhecimento e comportamentos de profissionais do mercado imobiliário tendo em conta conceitos e abordagens de negociação.

Os resultados da metodologia qualitativa advêm de doze entrevistas semi-estruturadas a doze profissionais do ramo imobiliário – Diretor Geral, Diretores Comerciais, Diretor de Recursos Humanos, Sócio-Gerente, Agentes Imobiliários, Consultor Sénior de Vendas e Corretor Privado – de doze imobiliárias diferentes de Cascais.

Existe uma correlação positiva entre a teoria e a realidade. Os profissionais do ramo imobiliário estão conscientes dos principais tópicos que são a base da área de negociação. Semelhanças e contrastes foram encontrados quando a informação e estudos apresentados na revisão de literatura foram comparados com a análise dos dados recolhidos através das entrevistas.

Esta tese estabelece algumas conclusões que contribuem para a literatura existente sobre o enquadramento da negociação no mercado imobiliário. Expõe como é que os profissionais imobiliários se relacionam com a teoria da negociação e o conhecimento que têm da mesma, assim como o seu envolvimento nos negócios.

Palavras-chave: Negociação, Abordagens Negociais, Negociador Eficaz, Imobiliário.

Abstract

Negotiation is such a broad field of knowledge with applications in different areas and sectors of activity. The purpose of this thesis is to investigate the negotiation framework in Cascais real estate market. This thesis considers the perspective of real estate professionals' knowledge and behaviors attending negotiation concepts and approaches.

The outcomes of a qualitative methodology result from twelve semi-structured interviews with twelve real estate professionals – General Director, Commercial Directors, Human Resources Director, Partner and Manager, Real Estate Agents, Senior Sales Consultant and Private Broker – of twelve different real estate companies from Cascais.

There is a positive correlation with negotiation theory and reality. Real estate professionals are well aware of the main topics that are the basis of negotiation subject. Similarities and contrasts were found when compared information and studies presented in the literature review with the data analysis collected from the interviews.

This thesis establishes some conclusions that contribute to the existing literature on negotiation framework in real estate market. It exposes how real estate professionals relate with negotiation theory and its involvement in their business, as well as their knowledge regarding negotiation theory.

Keywords: Negotiation, Bargaining Approaches, Effective Negotiator, Real Estate

Index

Chapter 1.	Introduction	3
1.1.	Framework	3
1.2.	Definition of the Problem	3
1.3.	Objectives.....	4
1.4.	Thesis Structure	4
Chapter 2.	Negotiation Concepts, Phases and Approaches	5
2.1.	Framework	5
2.2.	Definition of Conflict	5
2.3.	Positions and Interests	7
2.4.	BATNA and ZOPA	8
2.5.	Negotiation Phases	9
2.6.	Third-Party Intervention	11
2.7.	Integrative vs Distributive Negotiation.....	12
Chapter 3.	Styles of Handling Conflict	16
3.1.	Framework	16
3.2.	Strategies in Negotiation	21
Chapter 4.	Negotiation in Practice	26
4.1.	Framework	26
4.2.	Collaborative Process	26
4.3.	Competitive Tactics.....	29
4.4.	Characteristics of Effective Negotiators - Characteristics.....	36
Chapter 5.	Theoretical Framework of Study Variables	39
5.1.	“How do you describe negotiation? What is the concept of negotiation?”	39
5.2.	“What is the difference between position and interest? How important it is to distinguish these concepts in real estate business?”	39
5.3.	“Do you know BATNA and ZOPA concepts? Which is the involvement of BATNA and ZOPA concepts in real estate business?”	40
5.4.	“Which approach do you use when negotiating? Why?”	40
5.5.	“Which tactics do you use more frequently?”	40
5.6.	“Which skills and characteristics do you consider that are crucial to be a successful negotiator (in this case a successful real estate consultant)?”	41
Chapter 6.	Methodology	42
6.1.	Research Method	42
6.2.	Sample Characterization	46

NEGOTIATION FRAMEWORK IN CASCAIS REAL ESTATE MARKET

Chapter 7. Presentation and Discussion of Results.....	48
Conclusions.....	61
References.....	65
Attachments	68

Chapter 1. Introduction

1.1. Framework

All of us are negotiators. Everyone negotiates, for different reasons, with different objectives. We all negotiate every day, in a broadly way. Negotiations shape our lives through all the actions and bargaining outcomes of our daily routine with others. There are many situations during our daily life where we negotiate both from our personal life to business, sometimes without even notice it. These negotiations can arise when we need to manage our preferences with those of the others, when we try to influence others with our opinion or even when we are solving conflicts (Thompson, 1998; Lewicki et al., 1996; Pruitt and Carnevale, 1993; Ury, 1993).

This thesis compiles information from negotiation subject main theorists. For the elaboration of literature review with a solid basis of negotiation subject it was necessary to collect information from different authors that had proven their presence and knowledge around the subject under research. Therefore, it gathers information from Ury, Raiffa, Lewicki, Thompson, Lax, Sebenius, Pruitt, Carnevale, Hiam, Olander Fisher, Bazerman and Rubin, among others.

Negotiation is an enormous subject that can be studied under a vast type of areas with different objectives. In real estate, negotiation is understood as being part of the business but its relation and involvement with negotiation theory is not so clear. Following the boom in the Portuguese real estate market, a deeper understanding of the negotiation framework reveals a level of importance that enhanced the development of the study.

This research will add value to the study on negotiation in the real estate market, since it describes how real estate professionals relate with negotiation and their knowledge regarding negotiation theory.

1.2. Definition of the Problem

It was found a lack of information and studies regarding the negotiation topic in the Portuguese real estate market. Therefore, the main objective of this thesis is to acquire information about the relevance and involvement of negotiation in the context of real estate companies in Cascais. This thesis pretends to show what is the relation between negotiation theory and the reality of real estate companies in Cascais as well as how they negotiate nowadays.

1.3. Objectives

Three different objectives were defined and established in order to serve as guidelines to the elaboration and development of this thesis. The first objective is better understand the negotiation framework by gathering information about its basics. The second objective is analyze which are the most important skills and characteristics to be an effective negotiator. The second objective is comprehend if real estate professionals' knowledge is aligned with negotiation theory.

1.4. Thesis Structure

This thesis is composed with seven chapters and it follows a funnel content structure. Chapter 1 - Introduction presents the definition of the problem and thesis' objectives. Literature review is composed by Chapter 2, 3, and 4; methodology is composed by Chapter 5 and 6; and data analysis corresponds to Chapter 7. Chapter 2 – Negotiation Concepts, Phases and Approaches is a framework that clarifies negotiation's basis and main concepts with a contextualization of its different vertices. Chapter 3 – Styles of Handling Conflict elucidates about the origins of different strategies in negotiation. Chapter 4 – Negotiation in Practice is a narrow chapter that indicates the collaborative process, competitive tactics and characteristics of an effective negotiator, Chapter 5 – Theoretical Framework of Study Variables explains the relevance of interviews guidelines. Chapter 6 – Methodology describes the research method and sample characterization. Chapter 7 – Presentation and Discussion of Results presents all data and analysis conclusions.

Considering the generalization of this thesis' subject, for the elaboration of this thesis, the majority of negotiation situations presented were considered to occur between two involved parties. Notwithstanding, all data collected from interviews considers negotiation as a process that involves two involved parties as stated in the literature review plus a mediator, that is a real estate professional.

Chapter 2. Negotiation Concepts, Phases and Approaches

2.1. Framework

To better understand the negotiation subject, it is important to primarily contextualize some conflict's theory and concepts. This chapter is divided in 6 parts. The first part is an introduction to negotiation topic with definition of negotiation concept through different authors. The second part presents the difference between positions and interests, which is fundamental for a better understanding on how to negotiate successfully. The third part explains how negotiators identify their negotiation range and its limits, through Best Alternative To a Negotiated Agreement (BATNA) and Zone Of Possible Agreement (ZOPA) concepts. The fourth part includes a brief presentation of negotiation cycle to better comprehend its main phases. Besides the focus of this thesis relies on two-party negotiation, there are other methods of conflict resolution which require a third party and so the fifth part is a framework of third party intervention. The sixth part presents the two major approaches to negotiation, integrative (collaborative) and distributive (competitive) approach, and explains the difference between them.

2.2. Definition of Conflict

The origin of negotiation is conflict. Conflict is a “perceived divergence of interest, or a belief that the parties’ current aspirations cannot be achieved simultaneously.” (Pruitt and Rubin, 1986: 4). Frequently, conflict emerge from a dissatisfaction and nonconformity with the status quo, which is often solved through negotiation as a method to change the current situation (Pruitt and Carnevale, 1993). Conflict and negotiation are two different concepts. “Conflict is the perception of differences of interests among people. Negotiation is a decision-making process by which two or more people agree on how to allocate scarce resources. Negotiation is one of many methods that may be used to resolve perceived conflict of interest.” (Thompson, 1998: 4).

Lax and Sebenius (1986) consider that negotiation relies on four key elements which are interdependence, some perceived conflict, opportunistic potential, and the possibility of agreement. Interdependence means a mutual dependence whereas both parties actions are limited when acting alone. Some perceived conflict results from different interests, preferences and points of view, hence, without conflict negotiation cannot happen. Opportunistic potential is related with bargaining situations where people seek to influence others’ opinions and decisions in order to get advantages and accomplish their

interests. Nevertheless, to negotiate it is essential the possibility of agreement. (Lax and Sebenius, 1986)

William Ury (1993: 4) defined negotiation as “the process of back-and-forth communication aimed at reaching agreement with others when some of your interests are shared and some are opposed.”

Pruitt and Carnevale (1993) described negotiation as a discussion between two or more parties with the aim of achieving a solution for their divergence of interests, which is an incompatibility of desires and requirements.

Lewicki et al. (1996) stated that negotiation exists through information exchange and the usage of that information is used to convince the other party in your favor.

For Lewicki et al. (1999: 1) negotiation happens when:

- 1) “Two or more parties must make a decision about their interdependent goals and objectives;
- 2) The parties are committed to peaceful means for resolving their dispute;
- 3) There is no clear or established method or procedure for making the decision.”

Lewicki et al. (2003) consider negotiation as the process through which people try to influence others to help them achieve their objectives by having each side needs into consideration.

The role of negotiations is to give the opportunity for all involved parties to discuss, through the process of back-and-forth communication, an agreement and trying, at the same time, fulfil their objectives. To achieve an agreement is fundamental to exist trust between the parties. It does not mean that parties need to trust in a blind way. Trust must be built and supported from three different sources: information that is revealed and managed along the negotiation process; development of relationships during the negotiation; or as a result of sharing experience while negotiating (Lewicki et al. 1999).

There are many more and different definitions of what negotiation is. Thus, it is possible to conclude that there is no unique definition for negotiation. In general, it is described as a process of interaction between parties with the objective of achieving their interests through a mutually satisfactory agreement.

2.3. Positions and Interests

The objective of a negotiation is to achieve an agreement between parts, but when the negotiation process relies on the conflict of different positions, it is possible to end up on a deadlock. The only way to reach an agreement is by understanding the real problem behind a position, which usually relies on a conflict between each parties' interests. Negotiators should focus on interests, not positions (Falcão, 2013; Bazerman, 1998; Thompson, 1998; Pruitt and Carnevale, 1993; Fisher et al., 1991; Lax and Sebenius, 1986).

Fisher et al. (1991: 40) state that "Interests define the problem. The basic problem in a negotiation lies not in conflicting positions, but in the conflict between each side's needs, desires, concerns, and fears." In order to achieve the best possible outcomes, it is crucial to understand the difference between positions and interests. Positions represent negotiators' requests for a specific problem. Interests are the underlying needs from the negotiator, interests are what determine the problem. That is, there are underlying interests in each stated position. Negotiate having in consideration interests rather than positions results in better solutions, because there are several possible positions that can fulfil and satisfy every interest. Essentially, interests are the reasons why people want something, while positions are what they say that they want (Falcão, 2013; Bazerman, 1998; Thompson, 1998; Lewicki et al. 1996; Pruitt and Carnevale, 1993; Ury, 1993; Fisher et al. 1991; Lax and Sebenius, 1986).

Ury et al. (1988) identified interests as one of the levels to approach conflict resolution. Approaching a conflict resolution through interests means that interests from all involved parties will be identified and fulfilled if possible. This approach is known as an approach of trade-off, which consists in arranging a possible agreement that brings best outcomes in exchange of the lowest effort (Falcão, 2013; Ury et al., 1988).

A negotiation relies in one or more issues, which can lead to different decisions between parties. An issue requires two or more distinct options, also known as alternatives. There are situations called issue group, where issues are related and can be discussed together. Issue group consists in issues that can be grouped, resulting in multiple blends of options under consideration. Sometimes, during the negotiation process, by having in consideration those multiple blends issues may change. Issues also might change from

the effort to find interests that motivate the positions initially stated by the parties (Pruitt and Carnevale, 1993; Fisher and Ury, 1981).

A negotiator should be aware of its own interests and understand the relative importance of each one, which means how important each issue is to him/her. Along the negotiation process the negotiator should be able to trade interests that are less important for him/her in exchange of the ones that are more important (Bazerman, 1998).

2.4. BATNA and ZOPA

Planning and preparing a negotiation involves to examine all possible outcomes and even the option of not reaching an agreement. Therefore, it is important to determine the Best Alternative To a Negotiated Agreement (BATNA), which is the option that should be taken by the negotiator in case of a non-agreement, or in other words to accept the best offer that has at the moment. To measure a BATNA and recognize its value it is fundamental to primarily identify and list all the existing alternatives (Falcão, 2013; Lewicki et al., 1996; Ury, 1993; Bazerman and Neale, 1992; Fisher et al., 1991). An alternative is considered as a possible substitute agreement for certain issues that are being discussed. Alternatives can be a source of power during bargaining situations, since you will have your BATNA in case of failing the settlement under negotiation (Lewicki et al., 1996).

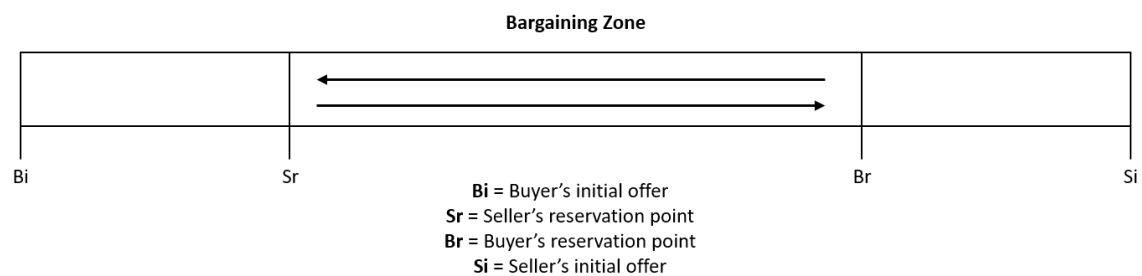
Fisher et al. (1991: 100) were the firsts presenting the concept of BATNA, which was defined by them as “the standard against which any proposed agreement should be measured. That is the only standard which can protect you both from accepting terms that are too unfavorable and from rejecting terms it would be in your interest to accept”. They affirm that the reason to negotiate is to achieve better outcomes than the ones that would be achieved without negotiating. Pruitt and Carnevale (1993) associated BATNA to the status quo, since it represents the resulting situation if the negotiation had never occurred.

BATNA is a very important figure, since it indicates the lower bound of minimal requirements to achieve an agreement. This figure represents the point that defines if a negotiated agreement should be accepted or declined. In case of a negotiated agreement represents more value than a BATNA it means that the agreement should be accepted over impasse; in the opposite scenario, if a negotiated agreement represents less value than a BATNA, the agreement should be declined (Simons and Tripp, 2003; Bazerman, 1998). This evaluation ends up in defining the negotiator’s reservation price. All

negotiators should know their own and other parties' reservation prices. A reservation price is the point where it is indifferent to reach an agreement or an impasse, it is an evaluation of negotiator's BATNA. (Bazerman and Neale, 1992).

Walton and McKersie (1965) developed the concept of "bargaining zone". In the bargaining zone framework each party has a reservation point that indicates the point from where an impasse is preferred instead of a settlement. These reservation points are defined in Figure 1 as S_r (Seller's Reservation Point) and B_r (Buyer's Reservation Point). There is a set of possible agreements between each party reservation point, which is called Zone Of Possible Agreement (ZOPA) (Bazerman, 1998).

Figure 1 - Bargaining Zone Framework



Source: Adapted from Bazerman (1998)

This concept of Zone Of Possible Agreement (ZOPA) was developed by Raiffa (1982) as a set of possible agreements that can occur during a negotiation process and it is demarcated by involved parties' BATNA. An agreement is not possible without ZOPA, which means that the negotiation should be avoidable (Raiffa, 1982; Falcão, 2013). Therefore, this shows how important it is to estimate in the best way possible the other party's reservation point in order to aim for the best possible outcome. In case of misjudging the other parties' reservation point and propose an agreement outside the ZOPA, no settlement will be achieved (Bazerman, 1998).

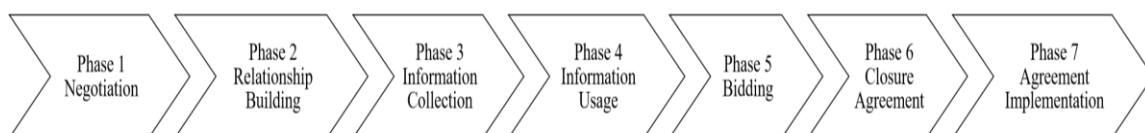
2.5. Negotiation Phases

Negotiation process is presented by several authors. Some of them, like Lewicki et al. (1996), Ury (1993), Pruitt and Rubin (1986), Fisher and Ury (1981), developed their own proposals of negotiation processes for problem-solving negotiations (win-win situations), that will be developed and presented further ahead. In general, the negotiation can be structured in the following ways.

Kersten and Noronha (1999) declared that negotiation process can be divided in three phases: pre-negotiation analysis, conduct of negotiation, and post-settlement analysis. Pre-negotiation analysis represents the starting point of any negotiation with an analysis of the situation, problem assessment, opponent examination, alternatives, interests and other fundamental aspects. The conduction of negotiation consists in the negotiation dance, the phase that starts with the first offer and ends up with a mutual settlement (Raiffa, 1982). The last phase is the post-settlement analysis which corresponds to an evaluation of the negotiation outputs, commitment taken by the involved parties and the negotiators' satisfaction.

Falcão (2013) distinguish four main phases in the negotiation process: preparation, negotiation, agreement and agreement execution. Preparation and planning are the key for successful negotiations. Time and effort invested in preparation and planning should be proportional to the level of importance for a certain negotiation. Thus, for negotiations that are very important and significant it is essential to spend and invest a lot of time in this first phase. The second phase is negotiation and these two initial phases are interconnected. Besides a good preparation and planning, when bargaining, negotiators need to act and adjust their actions and strategies according to other parties reactions. The third phase is the agreement. This agreement can be reached during the negotiation process after concluding some procedures (from an oral agreement to a written contract). A negotiation can only be well succeeded if the agreement implementation occurs, which corresponds to the last phase of a negotiation.

Figure 2 – Negotiation Process Stages



Source: Adapted by Falcão and Reis (2014)

2.6. Third-Party Intervention

Third party concept can be defined in several ways. A simplified definition would consider it as “an individual or collective that is external to a dispute between two or more others and that tries to help the disputants reach an agreement” (Pruitt and Rubin, 1986: 165). In a conflict situation, it is possible to characterize the resolution method depending on the level of involvement and intervention of a third-party. There are four main methods: negotiation, mediation, arbitration, and judicial. (Falcão, 2013)

Negotiation is the only method that does not require a third-party intervention. In this method, both parties try to solve the conflict only by themselves and they take the responsibility for the negotiation process and agreement (Falcão, 2013).

Mediation is defined by the intervention of a third-party agent, the mediator, that will have a presence along the process but not in the final decision. A mediator is someone whom parties trust to help in the negotiation process, but not to establish solutions (Falcão, 2013). Some situations end up on an impasse because the trust between parties was not strong enough or they had run out during the negotiation process. Mediators are able to develop trust between parties in three steps. On the first step, a mediator must work to conquer the trust of the parties. On the second step, the mediator convinces the parties to transfer their trust to him by educating them about the negotiation process. Third step, the mediator encourages parties to begin trusting each other (Falcão, 2013; Lewicki et al., 1999). The most common way that allows mediators to gain trust from involved parties is by showing and proving them that they are truly neutral (Lewicki et al., 1999). Lax and Sebenius (1986: 172) state that a mediator “is a third party who seeks to assist disputing parties in coming to a resolution. Unlike an arbitrator or a judge, a mediator traditionally has no authority to impose a solution if the parties fail to reach an agreement”.

The other two methods are the arbitrage and judicial via, in both of them parties present their positions to judges that will make a decision about the solution. Generally, these methods represent more time and costs, no way out and a complex process (Falcão, 2013).

Bazerman and Neale (1992) affirm that a third-party presence in a negotiation process can influence the way that parties relate and act among themselves. There are three types of third-party roles: mediators, arbitrators and agents. The authors present agents as a new type of intermediary.

- Mediators:

The role of a mediator is to help parties come to an agreement. Mediators act as facilitators in the negotiation process by controlling how the parties relate, by helping them come to an agreement. Mediators can also suggest an agreement, but it is parties' responsibility to decide whether to accept it. Mediators are not effective in some cases such as a hostile environment or when there's a lot at stake. Sometimes an impasse can be better for one or both sides, but the objective of a mediator is to reach an agreement, either a good or a bad one.

- Arbitrators:

Arbitrators control the final outcome and decide which agreement will be taken. There are different types of arbitration that influence the strategy to use during the negotiation in different ways. Conventional arbitration is used when the final agreement is decided based on both sides arguments and positions, and the final agreement results in an intermediate solution.

- Agents:

Unlike mediators and arbitrators, agents are interested in the specifics of the final outcome, since they represent one of the parties and their earnings depend on the established agreement. Thus, the bargaining zone is reduced when an agent is involved in a negotiation. Commonly, agents have more information about the subject under negotiation than one or both involved parties. Consequently, they can take some actions that doesn't favor one or both involved parties. Agents can have different postures: active, which is reflected by a direct participation to arrange an agreement; or passive, basically by being the messenger between both involved parties.

2.7. Integrative vs Distributive Negotiation

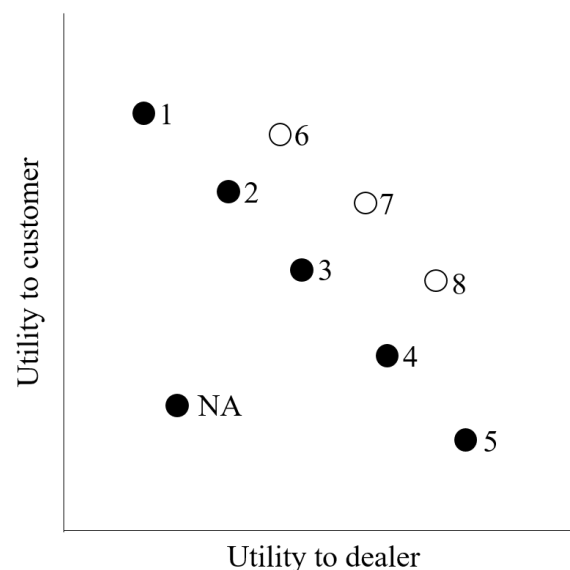
In the negotiation process both parties can have a combative or collaborative approach when discussing a possible agreement. To get a collaborative approach, it is mandatory to understand other parties' interests. Otherwise, understanding the situation as the opposite can result in missing the opportunity to use common aspects as a way to achieve a collaborative agreement (Lewicki et al., 1996).

Walton and McKersie (1965) classified four different approaches to deal with interpersonal conflict: distributive bargaining; integrative bargaining; attitudinal structuring; and intraorganizational bargaining. Attitudinal structuring and intraorganizational bargaining are not aligned with the scope of the thesis, and for that reason, only distributive and integrative bargaining will be studied.

In a negotiation, all involved parties dispute for the best outcomes, which are clarified when the agreement is established with listed benefits for both sides. During the negotiation process there are two possible approaches to bargaining that can be applied by a negotiator: distributive and integrative (Falcão, 2013).

Distributive bargaining is defined as an approach to solve pure conflicts of interest. Distributive bargaining is related with the fixed-sum game, which refers to situations where one party's gain is a loss to the other. This situation occurs when two parties have a common concern that results from a conflict of interests. Integrative bargaining exists when a conflict allows involved parties to find solutions that benefits both parties or one party's gain does not represent equal loss to the other. Integrative bargaining is a problem-solving approach that results from perceived common and complementary interests to both parties (Walton and McKersie, 1965).

Figure 3 - Joint Utility Space in Car Buying Example



Source: Pruitt and Carnevale (1993)

Figure 3 represents a joint utility space that perform a divergence of interest between involved parties during a negotiation. All points represent possible settlements: filled points indicate settlements that are under consideration; and unfilled points indicate settlements that can be generated through creative thinking. Both axes represent the utility, e.g. subjective value, for each party. For instance, in a car buying example, divergence of interests is composed by the opposite interests of prices that each party has. NA points out the price that would lead to no agreement (it symbolize a low utility for both parties). Points 1 to 5 serve as possible prices (when the utility of one party increases the other decreases). Points 6 to 8 serve as possible prices for arrangements that can emerge if some accessories are added in the car. These points can only emerge through an integrative approach, that means an integration of the interests of involved parties (Pruitt and Carnevale, 1993).

Compared to distributive, an integrative approach allows to achieve better results through joint outcomes for both parties. It is an approach that focuses on how both parties can achieve best outcomes for each one by making tradeoffs and solve problems cooperatively, reaching each party interests (Bazerman, 1998).

Integrative approach results in the development of novel alternatives through the process of creative problem solving. They can be arranged by either party separately, by both parties together, or by a third party. An integrative approach can enhance the chance of a negotiated compromise and increase outcomes for involved parties. Integrative solutions, when well used and well succeed, result in higher joint benefits compared to distributive negotiations (Bazerman and Neale, 1992; Pruitt, 1983).

There are some benefits of using an integrative approach such as: (a) better outcomes compared to distributive approach outcomes; (b) sometimes it's only possible to reach an agreement through an integrative approach; and (c) results in solid relationship and a stronger commitment between involved parties (Bazerman and Neale, 1992).

In distributive bargaining involved parties have different but interdependent goals. Thus, in distributive bargaining both parties aim to collect as much information as possible about other parties, and release the minimum amount. In a situation where the negotiator only concerns about its own interests and goals against others the underline strategy is win-lose. This strategy implies a fixed-sum scenario, which means that a favorable outcome for one party necessarily results in an unfavorable outcome for the other party.

Fixed-sum is also called variable-share payoff structure, which means that the sum of involved parties outcomes will be always the same, disregarding how it is distributed (Lewicki et al., 1999). Hence, distributive bargaining is recognized as “claiming the pie” or a zero-sum game. The zero-sum game consists in one party’s gain results in the other’s loss. In this situation, the negotiator arranges information and try to estimate the other party BATNA, which allows him/her to present an offer that will maximize its own gains. Most negotiations are recognized as distributive bargaining situations, even if it is not the case, they will be faced as fixed-sum scenarios. Fixed-sum scenarios do not allow negotiators to achieve mutually beneficial trade-offs. In order to accomplish better outcomes, involved parties should practice an integrative bargaining, which means reaching out an agreement that is better for all through a problem-solving approach (Bazerman and Neale, 1992).

Chapter 3. Styles of Handling Conflict

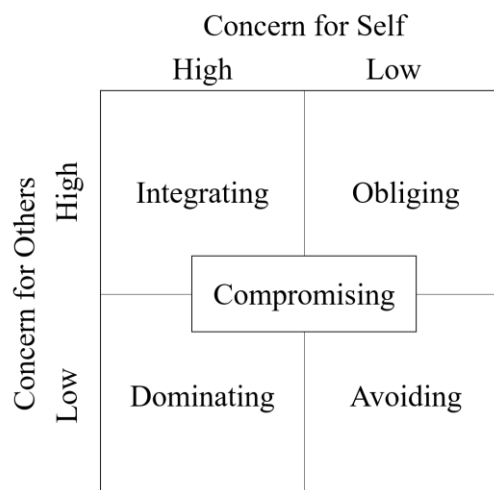
3.1. Framework

Many studies on negotiation, bargaining, mediation and arbitration contain the subject of conflict resolution, which led to different arrangements of styles to handling interpersonal conflict (Rahim, 2002).

Follet (1940) was the first to find and identify different ways of handling the conflict: domination, compromise, integration, avoidance, and suppression. Later, Blake and Mouton (1964) were the pioneers to present a conceptual model that classified five styles for handling interpersonal conflict: forcing, withdrawing, smoothing, compromising, and problem solving. The basis for these five styles classification was attitudes of a manager: concern for production and concern for people. The dual concern model emerged as an upgrade of the conflict grid presented by Blake and Mouton (1964).

Rahim and Bonoma (1979) developed a theoretical model for classifying five different styles of handling interpersonal conflict: integrating, obliging, dominating, avoiding and compromising. They considered the concern for self and concern for others as dimensions to present those five different styles of handling interpersonal conflict. The concern for self indicates the level (high or low) of effort that a person allocates to satisfy its own concern. The concern for others indicates the level (high or low) of effort that a person allocates to satisfy the concern of others. This model pretends to illustrate possible motivational orientations that a person can express throughout conflicts (Rahim, 2002).

Figure 4 - The Dual Concern Model of Styles of Handling Interpersonal Conflict

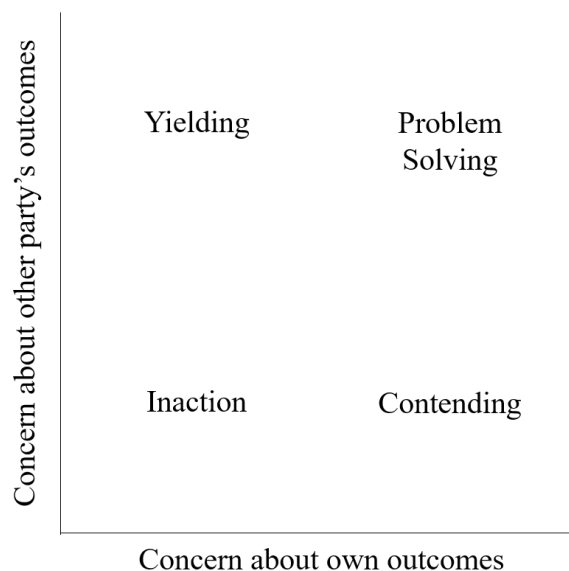


Source: Rahim and Bonoma (1979)

While some theorists advocate that the most suitable style of handling conflict is integrating or problem solving (Likert and Likert, 1976; Blake and Mouton, 1964), others defend that there is no perfect style that fits in all situations, they suggest the most suitable style of handling conflict varies upon the situation (Lewicki et al., 1996; Pruitt and Carnevale, 1993; Rahim and Bonoma, 1979). According to Rahim (2002) integrating and compromising styles of handling with interpersonal conflict are more suitable to deal with strategic issues, while dominating, avoiding and obliging are the ones that better fit tactical issues.

Pruitt (1983) presented a dual concern model for a negotiation approach. The basis for this dual concern model are two dimensions: self-concern (concern about its own interests) and other-concern (concern about the other party's interests). This dual concern model pretends to present predictions about four strategic preferences of handling conflict (yielding, problem solving, inaction, and contending), that are shown in Figure 5 (Pruitt and Carnevale, 1993; Pruitt, 1983).

Figure 5 - The Dual Concern Model



Source: Pruitt (1983)

It is important to distinguish between intentions and behavior. An intention is the setup or plan that interfere with party's thoughts and emotions, and leads to an apparent behavior. Behavior is the action that aim to fulfil one's intention. It is possible to point out two types of intentions: strategic and tactical. Strategic intentions are the ones that represent more general intentions of a party in a given conflict situation. Blake and

Mouton (1964) work led to a conceptualization of strategic intentions into two-dimensional models. Table 1 summarize two-dimensional models and each of these models identifies a set of strategic intentions. (Thomas, 1992).

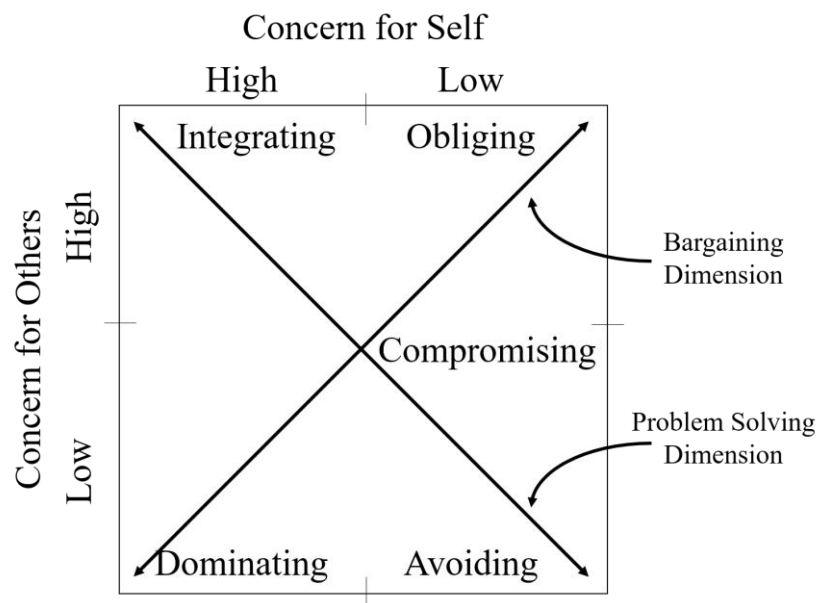
Table 1 - Two-dimensional Models of Strategic Intentions

Sets of Models		Dimensions		Strategic Intentions	
		Names	Interpretation	Names	Interpretation
Taxonomic Models	Thomas (1979)	Cooperativeness (attempting to satisfy the other's concerns) Assertiveness (attempting to satisfy one's own concerns)	Intentions	Competing Collaborating Avoiding Accommodating Compromising	Intentions
	Blake & Mouton (1964)	Concern for people Concern for production	Personal/ Cultural Values	Forcing Problem-Solving Withdrawing Smoothing over Compromising	Approaches (elements of managerial styles)
Casual Models I: Individual Styles (traits)	Hall (1969)	Concern for relationships Concern for personal goals	Personal Values	Win-lose Synergistic Yield-lose Lose-leave Compromise	Styles
	Rahim & Bonoma (1979)	Concerns for others Concerns for self	Motivational Orientations	Dominating Integrating Avoiding Obliging Compromising	Styles
Casual Models II: Situations: intentions (states)	Thomas (1979)	Desire to satisfy the other's concerns Desire to satisfy one's own concern	Desires	Competitive Collaborative Avoidant Accommodative Sharing	Orientations (relationship specific)
	Pruitt (1983)	Concerns about the other's outcomes Concerns about one's own outcome	Concerns	Contending Problem-solving Inaction Yielding	Strategies (negotiation-specific)

Source: Adapted from Thomas (1992)

After Walton and McKersie (1965) suggestion to analyze bargaining situations through integrative and distributive dimensions, conflict handling models were adapted in order to obtain better insights. Figure 6 shows Rahim and Bonoma (1979) five styles of handling interpersonal conflict having in consideration the integrative (problem solving) and distributive (bargaining) dimensions.

Figure 6 - The Dual Concern Model: Problem Solving and Bargaining Dimensions of the Styles of Handling Interpersonal Conflict



Source: Rahim (2002)

Table 2 - Styles of Handling Interpersonal Conflict and the Situations Where they are Appropriate or Inappropriate

Conflict Style	Situations where appropriate	Situations where inappropriate
Integrating	<ol style="list-style-type: none"> 1. Issues are complex 2. Synthesis of ideas is needed to come up with better solutions 3. Commitment is needed from other parties for successful implementation 4. Time is available for problem solving 5. One party alone cannot solve the problem 6. Resources possessed by different parties are needed to solve their common problems 	<ol style="list-style-type: none"> 1. Task or problem is simple 2. Immediate decision is required 3. Other parties are unconcerned about outcome 4. Other parties do not have problem-solving skills
Obliging	<ol style="list-style-type: none"> 1. You believe that you may be wrong 2. Issue is more important to the other party 3. You are willing to give up something in exchange for something from the other party in the future 4. You are dealing from a position of weakness 5. Preserving relationship is important 	<ol style="list-style-type: none"> 1. Issue is important to you 2. You believe that you are right 3. The other party is wrong or unethical
Dominating	<ol style="list-style-type: none"> 1. Issue is trivial 2. Speedy decision is needed 3. Unpopular course of action is implemented 4. Necessary to overcome assertive subordinates 5. Unfavorable decision by the other party may be costly to you 6. Subordinates lack expertise to make technical decisions 7. Issue is important to you 	<ol style="list-style-type: none"> 1. Issue is complex 2. Issue is not important to you 3. Both parties are equally powerful 4. Decision does not have to be made quickly 5. Subordinates possess high degree of competence
Avoiding	<ol style="list-style-type: none"> 1. Issue is trivial 2. Potential dysfunctional effect of confronting the other party outweighs benefits of resolution 3. Cooling off period is needed 	<ol style="list-style-type: none"> 1. Issue is important to you 2. It is your responsibility to make decision 3. Parties are unwilling to defer, issue must be resolved 4. Prompt attention is needed
Compromising	<ol style="list-style-type: none"> 1. Goals of parties are mutually exclusive 2. Parties are equally powerful 3. Consensus cannot be reached 4. Integrating or dominating style is not successful 5. Temporary solution to a complex problem is needed 	<ol style="list-style-type: none"> 1. One party is more powerful 2. Problem is complex enough needing problem-solving approach

Source: Rahim (2002)

3.2. Strategies in Negotiation

Strategies are plans of action that identify approaches and they can be used to achieve established goals. Pruitt (1983) identified five distinctive strategies that can be used in negotiation field. These strategies are: concession making; contending; problem-solving; inaction; and withdrawal. It is important to convert some of these strategies into specific tactics in order to be used. (Pruitt and Carnevale, 1993; Pruitt and Rubin; 1986; Pruitt, 1983).

- **Concession making:** it involves reducing demands. Sometimes reductions of demands implicate a reduction of goals. This strategy requires concessions which can impact in different ways the negotiation outcomes as following scenarios. First scenario, in general when the agreement is reached firmer negotiators achieve better results. Second scenario, it is difficult to reach an agreement when negotiators have large demands and they are not soft in conceding. Third scenario, when a negotiator recognizes value in reaching an agreement and results into an integrative situation, involved parties will achieve better outcomes if they act moderately firm and embrace a problem-solving approach.
- **Contending:** this strategy pretends to persuade the other party to make concessions or resist similar efforts by the other party, and can be implemented through different tactics (threats, harassment, positional commitments, and persuasive arguments). Threats aim to penalize the other party if negotiator's demands are not accepted; threats are used to make the other party concede during negotiations and push them into negotiation. Harassment consists in irritating the other party until complies with negotiator's demands; is similar to a threat but with immediate consequences. Positional commitments are the point to which a negotiator holds and is not able to do any further concessions; these commitments are attached with threats of getting out negotiation if the negotiator's demands are not accepted by the other party. Persuasive arguments pretend to change the other party's attitude into an alignment with negotiator's interests.
- **Problem-solving:** consists in the pursuit of an agreement that satisfies both parties' interests, a win-win solution. Problem-solving tactics can involve a joint problem-solving process or individual problem-solving. A win-win solution is only achievable in case of integrative potential and parties selection of ambitious goals.

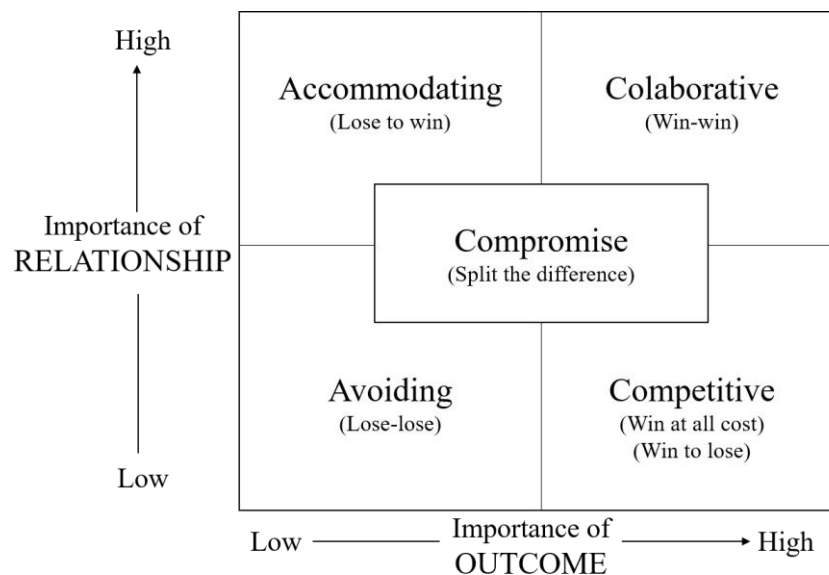
- **Inaction:** this strategy is considered as a temporary station between withdrawal (occurs when inaction is extended) or any other strategy. Inaction is considered a no action strategy, for the reason that it lies in delaying any agreement.
- **Withdrawal:** it consists in breaking down the negotiation, which means no agreement. Many negotiation authors do not cover this strategy since it only represents a drop out negotiation strategy and without reaching an agreement.

Lewicki et al. (1996) presented five negotiation strategies (Figure 7) that can be distinguished according to two axes: level of concern with the relationship with the other negotiator and level of concern with the outcome of the negotiator itself. The strategies are: avoiding (lose-lose); accommodating (lose to win); competitive (win to lose); collaborative (win-win); and compromise (split the difference).

- **Avoiding (lose-lose):** in this strategy, the importance of relationship and outcome are both low. Avoiding is representative of situations where neither the outcome or the relationship with the other party are relevant enough to look forward the negotiation, which implies that an agreement is not worthy. It is common in situations when the objective is to drop out the negotiation.
- **Accommodating (lose to win):** in this strategy, the importance of relationship is high and the opposite occurs with the importance of the outcome which is low. Generally, this strategy is used with the objective of achieving long-term gains in exchange of some short-term losses. This is a typical strategy for situations where it is preferred to maintain and preserve the relationship with the other party instead of pursuing and achieving our own interest at first.
- **Competitive (win to lose/win at all cost):** when compared to accommodating, competitive is the opposite strategy. In this strategy, it is preferred to achieve our own interests instead of maintaining a relationship. Thus, it is represented by a low importance of relationship and a high importance with the outcome. A competitive strategy has the ultimate goal of accomplish the best outcome possible at all cost, without any concern about the future of the relationship with the other party. Therefore, the relationship between involved parties in negotiations under a competitive strategy tends to be characterized by lack of trust and even by conflict.

- Collaborative (win-win): in this strategy, both relationship and outcome are presented with an equally high level of importance. While in a competitive strategy the differences between parties were emphasized, in a collaborative one those differences tend to be diminished and similarities highlighted. Hence, collaborative strategy is common in negotiations where involved parties thrive to achieve the best possible joint-benefits and maintain a relationship with the other party.
- Compromise (split the difference): in this strategy, the importance level of relationship and outcome is intermediary, both parties are not totally focused on the negotiation but they still want to get an outcome and maintain the relationship with each other. It is considered as a strategy that is suitable for most negotiations.

Figure 7 - Negotiation Strategies



Source: Lewicki et al. (1996)

The majority of the authors state that there is no single best strategy while negotiating. Since most negotiations involve a set of issues, a common solution is to pick a combination of strategies that are more appropriated to each issue. Furthermore, the context of negotiations and changes of other parties' interests, directly affect the negotiation and should be reflected in strategy adjustments. In practice, negotiation scenarios are complex and not linear, which requires the usage of a mix of strategies. Table 3 presents possible interactions between negotiators with different styles (Lewicki et al., 1996).

Table 3 - Likely Interactions between Negotiators of Different Styles

	Avoiding	Accommodating	Competing	Collaborating	Compromising
Avoiding	Both parties avoid pursuing their goals on the issues, and do not take any action to endanger the relationship	Accommodator shows strong concern for the Avoider, particularly the relationship; Avoider attempts to minimize interaction	Competitor will dominate or Avoider will escape. Avoider attempts to minimize interaction, while Competitor tries to “engage”	Collaborator shows strong concern for both issues and the relationship while Avoider tries to escape. Collaborator may give up	Compromiser shows some concern for both issues and relationship; Avoider tries to escape. Compromiser may give up or Avoider may engage
Accommodating		Both parties avoid pursuing their goals on the issues, give in to the others’ goals and try to smooth over relationship concerns	Competitor pursues own goals on the issues, while the Accommodator tries to make the Competitor happy. Competitor usually wins big	Collaborator shows strong concern for both issues and relationship; Accommodator tries to make the Collaborator happy. Relationship should be very strong, but the Collaborator may achieve better outcomes	Compromiser shows some concern for both issues and relationship; Accommodator tries to make the Compromiser happy. Relationship will improve, Compromiser may entice the Accommodator to pursue some issue focus

NEGOTIATION FRAMEWORK IN CASCAIS REAL ESTATE MARKET

Competing			Both parties pursue their goals on the issues and ignore any concern for the relationship; create conflict, mistrust, hostility	Collaborator shows strong concern for both issues and relationship, while Competitor only pursues issues. Competitor usually “wins” and both parties become competitive	Compromiser shows some concern for both issues and relationship, while Competitor only pursues issues. Competitor usually “wins” and both parties become competitive
Collaborating				Both parties pursue their goals on the issues, show strong concern for the others’ goals and sustaining trust, openness, and a good relationship	Compromiser shows some concern. Collaborator shows strong concern for both issues and the relationship. Minimally, good compromise or better
Compromising					Both parties pursue their goals on the issues in a limited way and attempt to “do no harm” to the relationship

Source: Lewicki et al. (1996)

Chapter 4. Negotiation in Practice

4.1. Framework

Negotiation literature has lean towards a focus on more assertive attempts to reach an agreement. Hence, tactics of avoidance and accommodating are not the core of negotiation theorists' studies. Their focus is assigned almost entirely on tactics for competing, collaborating, and compromising (Thomas, 1992). Whereas there are five main strategies that can be applied in negotiations, collaborative (problem-solving) and competitive (contending) strategies are the ones that require an extended attention regarding negotiation tactics (Pruitt and Rubin, 1986). The two most popular strategies are competitive and collaborative (Lewicki et al., 1996). Therefore, tactics from competitive and collaborative strategies were the ones chosen to be studied in this thesis.

4.2. Collaborative Process

Collaborative strategy consists in a problem-solving approach towards a negotiation aiming to achieve an outcome that would be the best solution for both involved parties, also called win-win solution. A problem-solving approach can be made individually (where one or both parties act on their own) or jointly. In joint problem-solving, the similarities between involved parties are emphasized rather than its differences. This approach implies that involved parties work together in collaboration through a creative problem-solving process (Lewicki et al., 1996; Pruitt and Carnevale, 1993; Pruitt, 1983). Some authors formulated this process of problem-solving with different phases.

Pruitt and Rubin (1986) developed a four steps' suggestion for creative problem-solving:

- Step 1: Ask Whether There Really Is a Conflict of Interest
- Step 2: Analyze One's Own Interests, Set Reasonably High Aspirations
- Step 3: Seek a Way to Reconcile Both Parties' Aspirations
- Step 4: Lower Aspirations and Search Some More

Fisher and Ury (1981) presented a method of joint negotiations, called Principled Negotiation, that can be divided into four points:

- Separate the people from the problem (people);
- Focus on interests, not positions (interests);
- Invent options for mutual gain (options);

- Insist on using objective criteria (criteria).

This method was an alternative considered neither a soft or hard positional bargaining. It is a method that pretends to allow involved parties to achieve better outcomes efficiently and harmoniously.

According to Ury (1993) the best way to conduct a negotiation is through a joint problem-solving approach, which consists in being soft on the people, hard on the problem. After recognized five barriers to cooperation, Ury (1993) identified five steps of breakthrough negotiation. It is a process that intends to breakthrough cooperation barriers by taking indirect actions instead of direct reactions to what is presented. This approach consists in focusing on the problem and finding solutions that best benefit both parties, instead of trying to conquer the lead of negotiation against the other part. Those five steps are:

1. Go to the Balcony;
2. Step to Their Side;
3. Reframe;
4. Build Them a Golden Bridge;
5. Use Power to Educate.

Lewicki et al. (1996) composed this collaborative process in four main phases:

- 1) identify the problem;
- 2) understand the problem;
- 3) generate alternative solutions;
- 4) select a solution.

After selecting what is the problem and issues under negotiation it is necessary to look towards a solution. This phase involves looking for a set of alternative possible solutions and it aims to get an alternative that mutually satisfies both parties. It is possible to find these solutions by using two processes: to redefine the problem or to generate a list of solutions.

- Redefine the problem: consists in spotting win-win alternatives through different approaches. Pruitt (1983) developed five strategies for creating integrative agreements which are the following:

- **Obtaining Added Resources:** it means that involved parties should look for solutions that can be either inside or outside the direct domain of the negotiation. It is a useful strategy when the conflict arises from a resource shortage, but is only viable in situations where both parties' interests are not mutually exclusive. The base of this strategy is expanding the agreement framework, it is also called expanding the pie strategy.
- **Trading Issues:** it goes with the one of the main reasons why is so important to understand the difference between positions and interests. Trading issues consist in each part to concede less important issues in exchange of more important issues concessions from the other part. In this way, it is possible to reach an agreement that satisfies the most important issues for each of the involved parties. To practice this strategy, it is mandatory the mutual understanding of the underlying interests of both parties in order to identify exchangeable concessions. It is an effective strategy when stated positions under negotiation are blocking the possibility to reach an agreement. This strategy is also called logrolling.
- **Providing Nonspecific Compensation:** nonspecific compensation is similar to trading issues, since it involves tradeoffs of different issues. In contrast to trading issues, nonspecific compensation consists in additional issues that are introduced into the main conflict under negotiation in order to create a broader arrange of the conflict. That is the reason why it is called nonspecific compensation, since there are unrelated issues to the main conflict. In this strategy one party is rewarded for the unrelated issue in exchange of satisfaction of the other party by fulfilling its interests. This strategy is also called compensation.
- **Cost Cutting:** this strategy consists in the satisfaction of one party by fulfilling its interests and reduce or eliminate the concessions associated to the costs supported by other party. Cost cutting demands a complete understanding of costs that each party would incur in case of the other party fulfils its interests. Thus, the party that achieves its interests will reward the other party through a specific compensation that fulfils their interests that were unsatisfied by the concession. It is one of the strategies

that presents more joint benefits since not only satisfies the party that achieves its interests but also reduces or eliminates the other party's costs of conceding.

- Bridging: represents a strategy that results in exploration of new and creative solutions that fulfils the most important underlying interests from initial stated positions of both parties. Bridging requires a reformulation of the conflict through brainstorming after perceiving the underlying interests of both parties. In a simple way, bridging is redefining an agreement framework and create a new bargaining zone.

These five approaches to problem-solving developed by Pruitt (1983) lead involved parties to search for outside solutions when negotiating. All strategies are viable, however there are three – trading issues, providing nonspecific compensation, and cost cutting – that are more used as techniques to increase final outcomes of involved parties, since their focus is on making mutual beneficial trades (Bazerman, 1998; Lewicki et al., 1996; Pruitt and Rubin, 1986).

- Generate a list of solutions: consists in facing the problem as it is and generates a list of possible solutions to it. This process can be made via: brainstorming, piggybacking, nominal groups, and surveys.

4.3. Competitive Tactics

Competitive tactics – moves and countermoves, positions, and maneuvers – are used by involved parties as a mean to succeed. Tactics are specific actions that can be considered as the mechanism of implementing or understanding strategies (Thomas, 1992). Pruitt and Rubin (1986) presented the nature of competitive tactics that can be divided in five categories: ingratiation; gamesmanship; persuasive argumentation; promises and threats; and irrevocable commitments (Pruitt and Carnevale, 1993; Pruitt and Rubin, 1986).

- Ingratiation: is a set of tactics that pretends to influence the other party through the attractiveness of the negotiator, the negotiator attempts to influence the other party to make later concessions into negotiator's benefit. This type of tactics is more effective in situations where the other party is ignorant about the subject

under negotiation. Examples: flattery, opinion conformity, doing favors, and self-presentations.

- Gamesmanship: it consists in tactics that involve leading the other party to a state of uproar or trouble which diminish the other's party resistance to yielding. In order to be effective through gamesmanship, it is important that negotiator creates a state of "muddled fluster", which means that the negotiator should act and behave against the other party toward a break of other's rhythm and generate a distraction, but pretending, at the same time, that is helping the other party.
- Persuasive Argumentation: consists in a series of tactics that attempts to lead a reduction of the other's party interests and aspirations through logical appeals. Persuasive argumentation can be divided in two types: first, when negotiator convinces the other party of the negotiator's valid right to a favorable outcome within the situation; second, when negotiator persuades the other party to grasp a reduction of latter's interests and aspirations that contribute to a better outcome.
- Promises and Threats: are declarations of intentions, made by the negotiator, to react accordingly to other party actions and responses. Negotiator's reactions can be either beneficial or harmful to other party interests depending on the response to promises and threats. Among contentious tactics, threats are becoming the major form of social influence.
- Irrevocable Commitments: it represents irrevocable commitments assumed by the negotiator, whom passes all responsibilities and course of negotiation to the other party. These tactics are similar to threats with the exception that they do not have any contingency element and cause immediate impact. Examples: Chicken and nonviolent resistance.

Competitive tactics are used with the goal of maximize negotiator's gains while decreasing the other party's outcome. At the same time, the intent of these tactics is to lead the other party to assume that is making the best possible agreement. (Lewicki et al., 1996) Since different authors refer different tactics, the author elaborated a table (Table 4) which compiles a synthesis of all major competitive tactics, from: Lewicki et al., 1996; Aaronson, 1999; Craver, 2003; and Falcão, 2013. To better understand in what each tactic consists, it follows a brief description:

Threats and Promises: are commitment statements. Threats are statements of what would happen if the other part does not do what you want and sets the other party into a defensive position. Promises are statements that usually offer any kind of reward to the other party and induce the other party to open up and be less defensive. (Craver, 2003; Lewicki et al., 1996)

“Final Offers”: are statements that express to the other party that all the possible concessions and offers were already made by the negotiator and it is the other party that has the responsibility to take a final decision of closing the gap between parties and achieve an agreement. (Lewicki et al., 1996)

Getting Out of Commitments: sometimes is better to “uncommit” and there are different ways to do that: let the commitment quietly disappear or vanish; change the commitment on general terms by reinterpreting the statement; or even claiming that the situation changed or there is new information to consider. (Lewicki et al., 1996)

Hardball: implies to put pressure on the other party by being the tough guy and making an extreme first offer or refuse to make concessions. (Lewicki et al., 1996)

Good Guy/Bad Guy: it requires two negotiators from one side to play a role: one is “good” and the other is “bad”. This tactic starts with the “bad” negotiator pushing the other party to its limits (similar to hardball tactics). At some point the “bad” negotiator leaves the negotiation for a moment. Then, the “good” negotiator take the lead of the negotiation and tries to set an agreement with the other party before “bad” negotiator comes back into negotiation. (Falcão, 2013; Craver, 2003; Lewicki et al., 1996)

Highball/Lowball: it is a simple tactic that consists in making a high or low first offer (depending on the subject under negotiation), which pretends to oblige the other party to reevaluate its position. (Lewicki et al., 1996)

Bogey: this tactic subsists in making a concession that looks more important than actually is. The negotiator transmits to the other party the idea that a certain issue is really important to him/her to trade for something really important in exchange. Bogey is pretend that a negotiator attributes high value to a certain issue to later exchange it for something valuable. (Falcão, 2013; Aaronson, 1999; Lewicki et al., 1996)

Nibble: this tactic is implemented when the negotiator presents a new issue into the negotiation, that was not taken in consideration before, near the moment of closing all the

points and reach an agreement. The negotiator waits right until the last moments of the negotiation to press the other party for one more concession. (Falcão, 2013; Lewicki et al., 1996)

Chicken: it is considered a classic competitive tactic, since it pretends to bluff and threaten the other party allowing the negotiator to achieve the desirable agreement. Situations where the chicken tactic is applied end up with only one party's interests satisfied, as a result of other party giving up. The key to be successful through this tactic is to hold a solid position and intimidate the other party to give up. (Lewicki et al., 1996)

Intimidation and Aggressiveness: represents a set of different tactics that pretend to force the other party to reach an agreement in competitive negotiations. Intimidation and aggressiveness can be translated in moves and countermoves like: anger and aggressive behavior, present formal document (that force certain responses or postures), being pushy, or even attacking the other party's view. (Craver, 2003; Lewicki et al., 1996)

Deadline, Scheduling, and Delays: deadlines and scheduling can affect the course and outcome of negotiations if the negotiator is able to manage the following points into its own benefit (or prejudice for the other party): pick the day of the week, the hour of the day, set last hour meeting of a schedule, and the meeting place. Delays are a strong maneuver when time is a big concern for the other party, and can be applied through stalling and slowing down the process, not showing up on time, meeting's postponement, or ask for a proceedings' revision. (Falcão, 2013; Aaronson, 1999; Lewicki et al., 1996)

Silence and Bracketing: this tactic pretends to gather information through silence. It requires an attention bracket moment, where the negotiator conducts the other party's focus to a specific issue. After getting the other party attention into that specific issue, the negotiator carefully listen everything that the other party has to say about it without interrupting. (Falcão, 2013; Craver, 2003; Aaronson, 1999)

Limited Authority: when the negotiator or the other party declare that they do not have the authority to proceed with the negotiation to the next step. It is used when one of the involved parties pretends to interrupt or stops the negotiation since there is some objection, which leads to an impasse. (Craver, 2003; Aaronson, 1999)

The Bottom Line: is an established point that is presented by the negotiator, which determines that any offer below that point is declined. The negotiator's focus should be

turned into discover someone that is able to achieve an agreement and recognizes the value of the presented offer, instead of looking for any discount or restructure the offer. (Aaronson, 1999)

“No”: is a statement that one of the involved parties is not satisfied with the offer and something needs to be arranged to achieve an agreement. A “no” allows the negotiator to better understand in which circumstances (bottom line, alternatives, requirements, concessions) the other party is aligned to reach an agreement. (Aaronson, 1999)

Expectation and Control: this tactic is considered positive, clear, friendly and honest. The negotiator declares to the other party which issues are under negotiation and which are not. This allows the other party to better understand where the focus should be. (Aaronson, 1999)

Auction: one of the most powerful and common tactics used by buyers. It is typical from situations where the buyers claim that can get a better agreement from a competitor; or where the sellers claim that is the one that provide the best possible agreement among all competitors because presents more advantages or value to the buyer. (Aaronson, 1999)

Concessions: this tactic is used to create interest. Negotiators can apply it to create interest and reach an agreement with the other party. By presenting a concession, the other party may look to the deal with more interest and continue with the negotiation. (Aaronson, 1999)

Rationale: allows people under negotiations to fulfill and satisfy their interests. Sometimes negotiator’ statements are misunderstood by the other party, which may lead to a drop out negotiation. Through a rational explanation, the other party can understand that its own interests are being satisfied, turning the agreement possible. (Aaronson, 1999)

Message-Sending: all kind of messages need to be interpreted and correctly understood. Messages are sent in different ways: written, verbally, visually, or gestures. Negotiators must be able to understand them to better negotiate and communicate back to the other party. (Aaronson, 1999)

“Principled” Offers and Concessions: are similar to simple concessions but vary on the way that they are made. “Principled” offers are characterized by setting up position since the beginning of the negotiation, which allows the other party to understand negotiator’s demands. Negotiators need to explain why they set such demands and which are their

objectives, in order to set a connection that allows him to change position or demands, when needed, through “principled” offers. (Craver, 2003)

Argument: legal and nonlegal arguments are one of the most common tools when negotiation occurs. Arguments can result from different resources such as public policy, emotional appeals, factual and legal information. (Craver, 2003)

Anger: most of the times that anger is used by negotiators pretending to be angry as an attempt to convince the other party that their demands and position is serious. (Craver, 2003)

Uproar: it is a specific kind of threat that sometimes is considered as bluff. Uproar is implemented when the negotiators gain any advantage from threatening the other party with heavy consequences if its own demands are not fulfilled. (Craver, 2003)

Settlement Brochures and Video Presentation: this tactic allows the negotiator to achieve a higher level of power and control. Through brochures and video presentation the negotiator is able to present facts and figures that will work in his/her favor while conditioning the creativity or freedom to the other party. (Craver, 2003)

Boulwareism: is associated with best-offer-first or take-it-or-leave-it bargaining. This tactic leaves the other party without any option or alternative to reach an agreement, it accepts what is presented or leave it. (Falcão, 2013; Craver, 2003)

Br'er Rabbit: is the name that covers a reverse psychology tactic in negotiations. This tactic can be used against opponents that are only focused on how bad their adversaries are, instead of worrying with their own outcomes. It is a good tactic for situations where the other party is satisfied by thinking that their adversaries were obliged to accept dire concessions. (Craver, 2003)

Belly-Up: occurs when the negotiator pretends to lack the ability and knowledge to negotiate at the same level as its' opponents to establish a sense of security and empathy with them. In fact, belly-up negotiators tend to have more knowledge and capabilities than their opponents. This tactic is used to trick the other party into making its first offer lower than the one planned before, as a move to fulfill the negotiator's requests of presenting a reasonable offer. (Craver, 2003)

Passive-Aggressive Behavior: corresponds to a passive position taken by the negotiator, which is, at the same time, a position characterized by aggressiveness, such as

simultaneously arrive late to a meeting and forget to bring important documents. This tactic allows negotiators to provoke anger and challenge the other party proposals through passive-aggressive actions. (Craver, 2003)

Bluff: consists in making the other party believe that something exists or will occur when it is not true. It is a tactic that intends to deceive the other party regarding a subject with the objective of increase the negotiator's power or leading the other party to make concessions. (Falcão, 2013)

Empty Pocket: this tactic diminishes the negotiator's power of bargaining since it comprises the negotiator by telling that it has no capability to satisfy the other party's requirements looking for sympathy regarding its condition. (Falcão, 2013)

Split the Difference: it is a proposal to split the difference that occurs after both parties present their last offers. It aims to achieve an intermediate point between last offers, with the objective to overcome an impasse or facilitate the agreement. (Falcão, 2013)

Insistence: involves repetitive requests for a demand approval besides any previous disapprovals. (Falcão, 2013)

Krunch: consists in keeping the other party interested in reaching an agreement while making concessions. After the other party presents an offer, the negotiator should demonstrate that it is not entirely satisfied with the offer but it is close to reach an agreement if the other party reformulate the offer considering some concessions. (Falcão, 2013)

Flattering: pretends to influence the other party to adopt a soft position through flattering, increasing other party' self-esteem. (Falcão, 2013)

Postponement: relies in postpone complex issues or the ones that are more difficult to reach an agreement until the last moment of the negotiation. By delaying some issues, the negotiator pretends to facilitate the negotiation opening. (Falcão, 2013)

Table 4 – Synthesis of Contentious Tactics

Lewicki et al. (1996)	Aaronson (1999)	Craver (2003)	Falcão (2013)
Threats and Promises	Delay	“Principled” Offers and Concessions	Bluff
“Final Offers”	Silence and Bracketing	Argument	Bogey
Getting Out of Commitments	Limited Authority	Threats and Promises	Empty Pocket
Hardball	The Bottom Line	Silence and Patience	Deadline
Good Guy / Bad Guy	“No”	Limited Authority	Split the Difference
Highball / Lowball	Nibbling	Anger	Insistence
Bogey	Expectation and Control	Aggressive Behavior	Krunch
Nibble	Auction	Uproar	Flattering
Chicken	Concessions	Settlement Brochures and Video Presentations	Last Minute Request
Intimidation and Aggressiveness	Rationale	Boulwareism	Take It or Leave It
Deadlines, Scheduling and Delays	Message-Sending	Br’er Rabbit	Good Cop / Bad Cop
	Deadlines	Mutt and Jeff	Postponement
		Belly-Up	Silence
		Passive-Aggressive Behavior	

Source: Author Elaboration

4.4. Characteristics of Effective Negotiators - Characteristics

Choosing the most appropriate tactics is not enough and does not guarantee the achievement of best agreements. Personal skills and characteristics of the negotiator influence the final outcomes of negotiation processes. Achieve better outcomes implies the development of several capabilities and behavior (Stoshikj, 2014; Raiffa, 1982).

To be an effective negotiator, it is fundamental to know how to interact, persuade and communicate with others, since our own intuition and perception skills are no longer enough (Thompson, 1998). Effective negotiators must be able to identify, understand and predict other party's alternatives, and understand the difference between distributive and integrative approaches to negotiation process. Being able to distinguish distributive from integrative actions allows negotiators to increase their outcomes levels by adding value to all involved party's outcomes (Bazerman and Neale, 1992).

Some negotiators achieve better outcomes than others which is a consequence of their personal qualities. There are no two equal negotiators, every negotiator is different, as a result of their own personal qualities that in turn vary from negotiator to negotiator. These differences reflect the power that is given by several personal qualities. Some of these qualities are: persuasiveness, persistence, and personal integrity. Besides these qualities also personal reputation is considered a source of power in case of being positive (Lewicki et al., 1996).

Persuasiveness - when persuading the other party, a negotiator can have three different purposes: persuade them to see things with a different perspective; convince them that their approach is incorrect; or influence them to use a collaborative approach. Persuasiveness is one of the most significant sources of power and it is the reason of some negotiators success (Lewicki et al., 1996).

Persistence – through the negotiators' journey some ups and downs will come and it is important to be persistent by keeping in the path to achieve objectives and goals (Lewicki et al., 1996).

Personal Integrity - in bargaining situations personal integrity is powerful in the sense of represent someone trustworthy, leading the other party to be more willing to negotiate. A good reputation of personal integrity commonly make other party trust you (Lewicki et al., 1996).

Adapted from Karrass (1968), John Hammond conducted a study in order to better understand how characteristics and attitudes of an effective negotiator differ with job activity. Hammond et al. (1998) concluded that accommodating and “satisfy-the-other-side” attitudes are more common in people with occupations such as bankers and sales personnel. “Preparation and planning skill”, “knowledge of subject matter being negotiated”, and “ability to think clearly and rapidly under pressure and uncertainty” are

ranked as the top three characteristics of an effective negotiator according to Hammond et al. (1998). “Ability to express thoughts verbally” and “Listening skills” were ranked as the fourth and fifth, respectively, most important characteristics of an effective negotiator in the same study (Hammond et al., 1998; Raiffa, 1982; Karrass, 1968).

Information is one of the key aspects in negotiations. Therefore, quality information is what determines outcomes’ levels of negotiated agreements. Good quality information is achieved when information is filtered by distinguishing truly reliable and relevant information, and available information. Sometimes, available information is perceived as reliable when it is not. Negotiator should have the capability to recognize and use reliable and relevant, not only available, information. A negotiation only exists if the negotiator executes a back-and-forth process with one or more opponents looking forward to reach an agreement regarding an issue. Caring about the other side’s point of view allows the negotiator to better understand and predict its actions and responses (Bazerman and Neale, 1992).

Chapter 5. Theoretical Framework of Study Variables

The main objective of this thesis is to acquire information about the relevance and involvement of negotiation subject in the context of real estate companies in Cascais. In order to translate the reality of Cascais real estate market and how it relates with the theory, it is important to select the most relevant and appropriate topics.

5.1. “How do you describe negotiation? What is the concept of negotiation?”

Negotiation is “the process of back-and-forth communication aimed at reaching agreement with others when some of your interests are shared and some are opposed” (Ury, 1993: 4). There is no unique definition for the negotiation concept, different authors describe negotiation in different ways and refer different aspects. In general, it is described as a process of interaction between parties with the objective of achieving their interests through a mutually satisfactory agreement. According to Pruitt and Carnevale (1993) negotiation is a discussion between two or more parties with the aim of achieving a solution for their divergence of interests.

Given the subject under research and the main objective of this thesis the author consider that a brief framework should be done as introduction. Hence, understand how interviews’ participants define negotiation as an indicator that will help to contextualize if real estate professionals are aligned with negotiation authors or not.

5.2. “What is the difference between position and interest? How important it is to distinguish these concepts in real estate business?”

Fisher et al. (1991) affirmed that problems are defined by involved parties’ interests and negotiators should focus on interests not positions. A negotiation can only reach a successful agreement when involved parties are able to distinguish interests from positions (Falcão, 2013; Bazerman, 1998; Thompson, 1998; Pruitt and Carnevale, 1993; Fisher et al., 1991; Lax and Sebenius, 1986). A negotiator is only prepared to do a successful negotiation when he is aware of how important each issue under negotiation it is for him/her and it is ready to exchange less valuable issues for more valuable ones (Bazerman, 1998).

Given the relevance attributed by theorists to the capability of distinguish interests from positions, the author consider that is also relevant to understand if that distinction is also done and relevant for real estate business.

5.3. “Do you know BATNA and ZOPA concepts? Which is the involvement of BATNA and ZOPA concepts in real estate business?”

To achieve a successful negotiation it is required to analyse alternatives and identify both parties' reservation points. Alternatives can be a source of power during bargaining situations (Lewicki et al., 1996). BATNA stands for Best Alternative To a Negotiated Agreement which represents the point that a negotiator should have as reference to ponder and decide about any alternative (Fisher et al., 1991). ZOPA is a concept develop by Raiffa (1982) and Bazerman (1998) that stands for Zone Of Possible Agreement and it represents the bargaining zone where it is possible to reach an agreement between involved parties' reservation points.

In all negotiations, it is mandatory to understand if there is any ZOPA and its range, otherwise there is no possibility to reach an agreement and the negotiation should be avoidable (Falcão, 2013; Raiffa, 1982). Therefore, it is pretentious to understand if there is awareness about both concepts in real estate market, as well as how real estate professionals relate with them.

5.4. “Which approach do you use when negotiating? Why?”

There are two main approaches when negotiating a possible agreement: integrative and distributive. These approaches have different characteristics that will produce different outputs (Bazerman and Neale, 1992). An approach can either be translated in a simple fixed-sum game or can bring great outputs through joint problem-solving.

The author found relevant to know which approach is most adopted by real estate agents and why. The author think this information would help to understand and clarify what can we expect when negotiating with real estate agents.

5.5. “Which tactics do you use more frequently?”

Negotiation literature has lean towards a focus on more assertive strategies that allows to reach an agreement, that is the reason why strategies like avoidance and accommodating are not studied in such detail. Following Pruitt and Rubin (1986), the author looked deeper inside competitive and collaborative strategies. Each of them require the use of tactics to translate its intentions and achieve an outcome. Collaborative tactics such as brainstorming, are transversal to different authors. On the other side, competitive tactics

vary from author to author being that most of them identify and highlight different competitive tactics.

After presented more than thirty different competitive tactics from several authors, the author consider appropriate to ask in the interviews which are the most common and used in real estate business. Since, competitive tactics are used with the purpose of maximizing the negotiator's gains while decreasing the other party's outcome (Lewicki et al., 1996), a better understanding about which of them are more used can add value to this thesis and for future studies.

5.6. “Which skills and characteristics do you consider that are crucial to be a successful negotiator (in this case a successful real estate consultant)?”

Raiffa (1982) stated that personal skills and characteristics of the negotiator influence the final outcome in negotiations. According to a study conducted by John Hammond, “preparation and planning skill”, “knowledge of subject matter being negotiated” and “ability to think clearly and rapidly under pressure and uncertainty” were considered the top three characteristics of an effective negotiator.

It can be interesting to compare the answers from Cascais real estate professionals about the characteristics of an effective negotiator with the ones presented in the literature review. It is a pertinent question to do, since it can add value to this thesis and negotiation research topic.

Chapter 6. Methodology

6.1. Research Method

Research methodology is a specialty that comes from logic and it aims to study the scientific method (Sampieri et al., 2013; Tarski, 1977). Hence, it is possible to infer that the scientific method or process is a set of practices used and endorsed by the scientific community as valid for exhibition and validation of a given theory.

Therefore, and considering the search classification criteria proposed by Vergara (2006) and Vilelas (2009), the methodology adopted to produce research documents can be classified in two different ways, according to the means and the purpose. The means are related to literature research and field study, while the purpose is connected with applied and explanatory research.

Data collection is a logical procedure of empirical research, which is responsible for the selection of appropriate techniques of collection and data processing, as well as control its use for specific purposes (Vilelas, 2009). Therefore, techniques are well defined procedures that aim to produce certain results through collection and data processing, required by the research activity (in this case, interviews).

This research followed a pragmatic and inductive¹ trait, and it was conducted from a non-probabilistic sample by convenience², established according to the availability and accessibility of addressed elements (Sampieri et al. 2013; Carmo e Ferreira, 1998), in this particular case, twelve interviews to twelve Cascais real estate professionals from twelve different companies.

However, considering that the main objective of this research is centred in discovering the meaning and represent experiences of multiple realities, the generalization was not a primary objective. Nevertheless, it is important to notice that the sample of performed interviews, for sample establishment, had an intentional trait, since were chosen the

¹It is not possible to reach true conclusions from equally true premises (deductive method), but only through the mean of induction to measure a set of social phenomena under study in order to arrive at a set of probabilities that allow to make comparisons and discover existing relations between them.

² This type of sampling is not representative of population. It occurs when the participation is voluntary or the elements of the sample are chosen for convenience reason. In this case, the sampling process was composed by a set of individuals who were asked to collaborate in an interview. This means that the sample was composed by elements that collaborated, therefore cannot be representative, so the results of this research must be read carefully with great caution in order to be generalized to the general population.

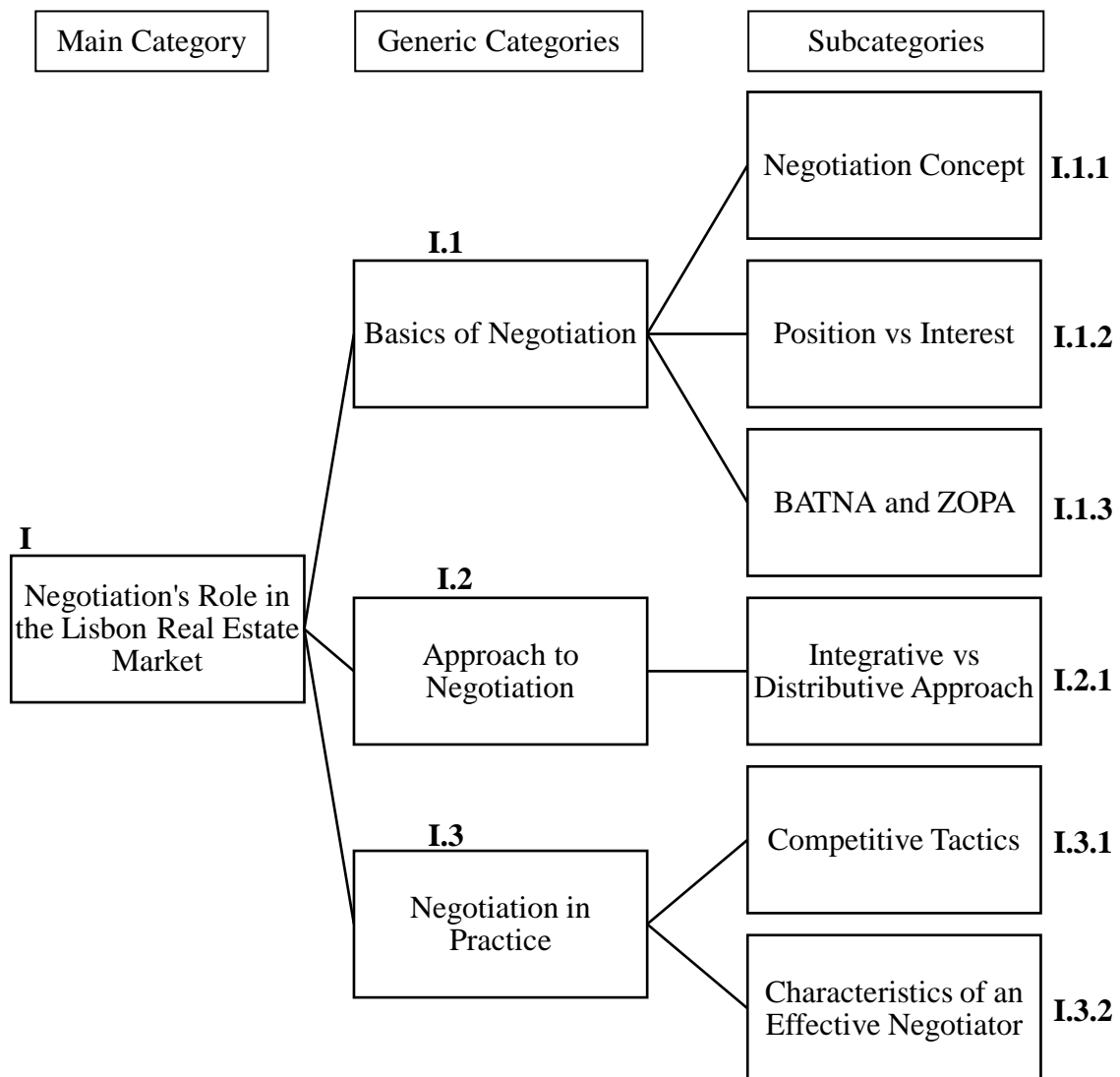
participants with best fit for the subject under research, according to their knowledge, experience and current job positions.

In this context, regarding the purposes that sustain this research, verification criteria and demonstration had an implicit exploratory trait given the inexistence of a systematized knowledge about the complex social phenomenon of the negotiation's role in the Cascais real estate market, and also classify concepts and generate new ideas and theoretical knowledges about the subject, with the expectation of adding new inputs about the relevance and involvement of negotiation in Cascais real estate market, answers that are only possible to find through the search for causes of certain founded effects (internal validity).

Concerning the means, this research was based on a set of primary sources, through pre-designed interviews to twelve Cascais real estate professionals from twelve different companies, and secondary sources, literature research and data processing, comprised in systematized studies developed in books, magazines, scientific articles and electronic networks.

In terms of qualitative methodology used, this is a result from the analysis of a set of interviews, looking to measure the phenomenon under research in terms of social dynamic, individual and holistic of the human being³ framed in the negotiation subject in Cascais real estate market, looking forward to understand the meaning given by people to the analysed phenomenon, more than trying to portray them, since acts, words and gestures can only be understood in their context, by pretending to live the reality of that specific context, in a way to analyse data inductively, which is only possible through observation, collection and in loco analysis of scientific facts (Vilela, 2009). Regarding the technique used for qualitative analysis to describe collected data from the interviews resulted in a content analysis, trying to relate semantic structures (representatives) with sociological structures (meanings) of the collected data, in order to articulate the statements with the factors that determine their characteristics [(psychosocial variables, cultural context and, context, processes and message reproduction) – (Duriau et al., 2007)] – Figure 8

³ Assuming the integral comprehension of the human being as an individual being and in continuous interaction that cannot be analysed through isolated activities.

Figure 8 – Categorization of corpus interviews' codification for qualitative analysis

Source: Author Elaboration

From voice reproductions, documented posteriorly in written texts the process of explanation, systematization and expression of messages' content, promoted by content analysis, was organized in conformity with the three chronological phases from Bardin (1977), i.e., in the first phase is organization and systematization of ideas, in the second phase the examination of all collect data, in the third phase is the processing and respective descriptions of obtained results.

According to the main objective of this thesis the interview was chosen as the primary source of data collection since is the most appropriate method since despite the fact that the answers can have an implicit level of subjectivity, it is a method that allows real social

actors to contribute with their testimony to collect data about the phenomenon under research (Carmo e Ferreira, 1998). Regarding the twelve interviews realized, this amount is slightly below the scale defined by Vilelas (2009) which considers that a number of interviews between fifteen and twenty is the one that guarantees a certain level of reliability. Besides being slightly below the recommended, these twelve interviews are considered as relevant and admit a certain level of reliability since the participants were selected given their knowledge, experience and current job position, as well as the company that they work for, which translates diversity since each participant works in a different company from the others.

The main method of data collection was the interview. This data was complemented with literature research through books, scientific articles, magazines and also research papers.

Semi-structured interview was the method used in all the twelve interviews. The interviews followed pre-designed guidelines with pre-defined topics. Besides the guidelines being composed by questions with a rigid trait, it leaved the interviewee with freedom to answer (Carmo e Ferreira, 1998). This type of interview allowed a better and easier data processing, given the homogeneity of the answers that facilitates grouping similar data and its comparison (Vilelas, 2009).

Concisely, the first phase of this research consisted in literature research and data processing; the second phase was a selection of reviewed theory into a framework for field observation and proper data collection; the third phase involved the field observation and data collection through the interviews; the forth, and last phase, entailed an analysis of qualitative collected data resulting into a description of the current negotiation's framework in Cascais real estate market.

Regarding an external validity, i.e., the possibility of generalize founded outputs to other contexts or samples, this research reinforces any existent theory relatively to other institutional conditions about the negotiation subject, allowing future contextual analysis to have these outputs for assessment with outputs from other cities or even different markets in this research field.

To ensure the confidentiality of the information obtained, the answers will not be identified or presented individually.

6.2. Sample Characterization

This research presents the possibility to better understand how the concept and theory around negotiation is applied and works in practice in the Real Estate Market in Cascais. Therefore, it is relevant to understand the dimension and characteristics of the sample regarding the subject under research.

For data collection twelve interviews were conducted, having as participants: one General Director, four Commercial Directors, one Human Resources Director, one Partner and Manager, three Real Estate Agents, one Senior Sales Consultant and one Private Broker.

The average age of the participants was 40 years old. There is a range of 29 years between the younger (29 years old) and older (58 years old) participants. There were two participants with the minimum age recorded. Two thirds of the twelve conducted interviews corresponds to male participants, since four interviews were done with female participants.

Regarding the time that participants were working for the current company the average was 4 years. However, there was only one participant that was working in the company for less than 1 year (eleven months more precisely), the others were working for more than one year. Nevertheless, it is relevant to point out that only two participants worked for more than 4 years in current company, one had worked for 10 years and the other for 18 years (which is the highest value). All the other participants were working for the current company for less than 4 years, having 58% of all participants working for less than 2 years.

Other indicator that is important to categorize the sample is the years of experience in negotiation the sector or even area of activity in the past. Two participants responded 4 years of experience in negotiation, which corresponds to the lowest value from the sample. The participant with most experience in negotiation had 34 years of negotiation practice. The average time of experience in negotiation is 15 years. The majority of the participants had past experience in areas non-related with real estate market.

Looking up to training in negotiation field only two participants stated that never had training in that specific area. These two participants stated that they have been learning through the practice and with their experience is enough to understand how it works. The other ten participants claim that negotiation's training is very important and plays a

crucial role to achieve good results and be successful. Hence, these ten participants affirm that they have continuous training in negotiation in order to keep up with trends and be updated. Nonetheless, all the twelve participants agree that practice is the best training to improve and understand negotiation.

Besides all participants work in different companies it should be described in detail. These companies are from Cascais (9 participants) and Estoril (3 participants). These companies' locations allow to conclude that collected data has a focus in Cascais Real Estate Market, since Cascais and Estoril is a civil parish that belong to Cascais Municipality. Besides the fact that all participants work in different companies with different brands, companies belong to the same home brand. It was collected information from two participants that work for the home brand Century 21 and other two participants that work for Remax. Despite that fact in both cases are companies that act autonomously and work independently, which means that each one has its own business.

It is also possible to differentiate companies according to their structure, some companies work as a group (a cross flow between different stores), while others work autonomously. One of the participants is self-employed and work alone for its own company. In average, each company has 21 workers.

The income level of real estate companies under analysis varies between 40.000€ and 4.000.000€. This large range of income among all twelve companies proves the big diversity that exists and it was extracted into collected data, which supports the reached conclusions.

Chapter 7. Presentation and Discussion of Results

A considerable level of diversity of collected data is achieved by having in consideration that all the participants that were interviewed work for different companies and their age range, years of experience and current job positions. It is possible to take relevant conclusions through the similarities and contrasts found between them. This research will add value to the study on negotiation in the real estate market, since it describes how real estate professionals relate with negotiation and their knowledge regarding its theory.

Table 5: Data Analysis – “How do you describe negotiation? What is the concept of negotiation?”

Data Analysis - Interviews			
Interviewee	Content	Generic Category	Subcategory
Participant 1	Negotiation is the most interesting part of the business. It is the starting point for a business.	I.1	I.1.1
Participant 2	Understand both parties. Walk towards involved parties and guide them.	I.1	I.1.1
Participant 3	Convince whose selling and whose buying. Reach a consensus between parties.	I.1	I.1.1
Participant 4	Meet the necessary conditions between buyer and seller to reach an agreement and close the deal.	I.1	I.1.1
Participant 5	Reach an equilibrium between both parties through what they have in mind (their interests).	I.1	I.1.1
Participant 6	Achieve a consensus between both parties to close the deal.	I.1	I.1.1
Participant 7	Reach an agreement between both involved parties.	I.1	I.1.1
Participant 8	Process by which involved parties try to protect its own interests aiming to reach an agreement. Is as agreement between two parties that reach benefits for both sides.	I.1	I.1.1
Participant 9	Is a process that allows the sale of a property between two parties.	I.1	I.1.1
Participant 10	Process used to reach an agreement between both parties.	I.1	I.1.1
Participant 11	Meeting parties' interests, by representing one or both of them during the negotiation.	I.1	I.1.1
Participant 12	Confrontation between two parties to find an equilibrium between their interests.	I.1	I.1.1

Source: Author Elaboration

The starting point for this data analysis is the concept of negotiation. Generally, participants defined negotiation as a process that aims to arrange a consensus between involved parties (buyer and owner) and close the deal. According to the data from Table 5, it is possible to highlight two main pillars that form the basis of negotiation, which are achieve an equilibrium between involved parties' interests and reach an agreement. Negotiation is described as a process that allows to reach an equilibrium of interests, by

meeting the necessary conditions for a buyer and seller close the deal. Negotiation was also described as a process that allows negotiators to walk towards involved parties and guide them, or even a process that allows involved parties to protect their own interests. One real estate professional stated that negotiation is the most interesting part of business, since it is the point that marks the beginning of business.

From the data presented in Table 5, it is possible to conclude that interviewed participants are aligned, at a certain level, with negotiation authors such as Ury (1993) and Pruitt and Carnevale (1993). Both definitions declare that negotiation involves two or more parties, a divergence of interests and aims to reach an agreement. These points are also presented in the definitions collected from the interviews, which allows to conclude that real estate professionals' perception of negotiation is align with general definitions of negotiation authors.

Table 6: Data Analysis – “What is the difference between position and interest? How important it is to distinguish these concepts in real estate business?”

Data Analysis - Interviews			
Interviewee	Content	Generic Category	Subcategory
Participant 1	Consultants are always concern to exactly perceive what clients are looking for, want and need. That is called clients' qualification. It is similar to scan buyers and owners features	I.1	I.1.2
Participant 2	Clients must be satisfied, that is only possible if a good understanding of their desires and needs is done	I.1	I.1.2
Participant 3	Buyers only buy according to their interests, which are spotted right from the start	I.1	I.1.2
Participant 4	Both parties have different interests, therefore a previous qualification is done in order to identify and align their real interests and needs	I.1	I.1.2
Participant 5	A prior qualification is made to identify financial flexibility and what clients are actually looking for and need	I.1	I.1.2
Participant 6	90% of clients never tell the truth about what they really are seeking and need, neither about their financial situation. It is not easy to qualify a client and it is a process that takes some time.	I.1	I.1.2
Participant 7	Qualification is very important (understanding and identifying clients' needs and wants). There is a big difference between the position and interests of clients, which makes qualification an essential step in the process of selling a property.	I.1	I.1.2
Participant 8	It is extremely necessary, it serves to filter peoples' intentions and to align their expectations (at a personal and financial level)	I.1	I.1.2
Participant 9	Clients' qualification allows to save time in the process of selling a property and it is vital to negotiate because it identifies clients' profiles	I.1	I.1.2

Participant 10	Qualification is key, otherwise property demonstrations will not occur. There is a big difference between clients' positions and interests. Clients' first statements do not match their real needs	I.1	I.1.2
Participant 11	Clients' qualification indicates their financial capabilities, which allows to save time and make appropriate house demonstrations. It also serves to align clients' expectations	I.1	I.1.2
Participant 12	Not always is possible to qualify clients, but the lack of information collection is compensated by consultants' sensibility and experience	I.1	I.1.2

Source: Author Elaboration

In order to successfully negotiate, negotiators should be able to understand the difference between positions and interests (Falcão, 2013; Bazerman, 1998; Thompson, 1998; Pruitt and Carnevale, 1993; Fisher et al., 1991; Lax and Sebenius, 1986), and identify those of their clients. In real estate business, this distinction between clients' positions and interests is done through a process called clients' qualification and its relevance is very well known across all real estate professionals that were interviewed. All interviewed real estate professionals affirmed that there is a big difference between their clients' positions and interests. Since that real estate is seen by participants as a business of people's relationship and their loyalty, they considered clients' qualification as a crucial and essential step to manage a successful negotiation, that's why it is done in the beginning of the process when they get to know their clients. Client's qualification is a process of client's profile delineation where negotiators gather information about clients' real needs, wants and requirements, as well as what they are looking for and their financial status (capacity to obtain credit). It is mandatory to do a reliable client's qualification in order to sort client's intentions, save time, align clients' expectations and achieve win-win situations.

This process of client's profile delineation is not easy and takes time for the reason that clients do not always tell the truth. Some clients are not aware about their current financial status, since they are going to talk with real estate companies before check their real capacity to obtain credit with banks, which would allow them to look for properties that would fit their budget. Other persons just desire to spend their time looking and wandering around new houses without the objective to buy them. This type of persons reduces real estate professionals' efficiency and effectiveness, since the time spent with them will result in nothing, that's why most of the interviewees do not set visits before making a client's qualification.

Among the twelve conducted interviews, one revealed that clients' qualification is not always executed given the fast market pace and their clients segment portfolio, which is composed mainly by international clients. This lack of information collection is compensated by real estate professionals' experience and sensibility.

As observed in Table 6, all real estate professionals are well aware of how important it is to distinguish positions and interests from their clients and identify their interests. This understanding of how essential it is to distinguish positions and interests to better negotiate, matches and fulfils the requirements stated by Falcão (2013), Bazerman (1998), Thompson (1998), Pruitt and Carnevale (1993), Fisher et al. (1991) and Lax and Sebenius (1986).

Through clients' qualification, real estate professionals intend to gather information about real needs and wants from buyers and owners, which allows to recognize the relative importance of each issue and prioritize them. This understanding facilitates the process of satisfying a client when negotiating, since real estate professionals are able to trade interests that are less important to their client, in exchange of the ones that are more important and satisfy them the most. According to Bazerman (1998), this process of prioritize interests regarding its importance should be done by all negotiators in order to achieve better agreements.

Table 7: Data Analysis – “Do you know BATNA and ZOPA concepts? Which is the involvement of BATNA and ZOPA concepts in real estate business?”

Data Analysis – Interviews			
Interviewee	Content	Generic Category	Subcategory
Participant 1	Each client is different, but they always protect owners' interests. There are no alternatives before clients' qualification. ZOPA is the center of negotiation and an intermediate value is the objective	I.1	I.1.3
Participant 2	None of the concepts is used daily but its understanding is important to achieve better results	I.1	I.1.3
Participant 3	Both owners and buyers are well aware about their BATNA. Clients look out for the market standards and present them when they are negotiating. ZOPA is generated naturally and real estate professionals only make clients understand how it works.	I.1	I.1.3
Participant 4	All clients (buyers and owners) are well aware of their BATNA which give them some power when negotiating. Real estate professionals look to reach an intermediate value (though they protect their clients' interests). ZOPA is managed depending to their client (owner or buyer), hence when both are clients a middle ground is the objective.	I.1	I.1.3

NEGOTIATION FRAMEWORK IN CASCAIS REAL ESTATE MARKET

Participant 5	After clients' qualification, a BATNA is established as a comparison property. Clients have a lot of information collected from the internet, which gives them argumentation power for the negotiation, therefore an intermediate value is the aim of any negotiation.	I.1	I.1.3
Participant 6	Both owners and buyers use BATNA when negotiating. However, it is more important to identify a reliable BATNA when it needs to be presented to owners. None of the parts is benefited, since the aim is split the distance between both parties.	I.1	I.1.3
Participant 7	Clients are presented with 6 or 7 properties, which will result 2 preferred properties. One of the properties will be used as BATNA in case of unsuccessful negotiation with the most preferred property. ZOPA is managed towards an arrangement that best benefits both parties, most of the times an intermediate value results from a consensus.	I.1	I.1.3
Participant 8	There is more interest in protect and benefit owners' interests, since are the ones that control the market and are more loyal than buyers. A middle ground agreement is the standard objective, but each business is different.	I.1	I.1.3
Participant 9	All clients are aware of their BATNA. Owners' interests are always protected and benefited when negotiating. ZOPA is very sensitive to some aspects and is impossible to happen with big ranges between owners and buyers' values.	I.1	I.1.3
Participant 10	BATNA is presented to their clients through consultants, since their clients never have it. Consultants are well aware about their client's interests and budget, thus there are only presented properties that create a ZOPA. None of involved parties is benefited.	I.1	I.1.3
Participant 11	Each client is different. Sometimes they are prepared and aware of market standards, others they have no information. General rule 3 properties are presented to the client and the first one is the best in order to align expectations and lock it as a client's preference (in this case is a BATNA)	I.1	I.1.3
Participant 12	ZOPA is always defined and established by the client	I.1	I.1.3

Source: Author Elaboration

After analyzing the importance of distinguish client's positions from their interests, it is relevant to understand how real estate professionals relate with BATNAs and ZOPAs. When asked if they know BATNA and ZOPA concepts, all participants stated that they are not acquainted with both terms and do not know its meanings. None of the responses was positive which allows to conclude that training sessions do not teach, not even mention, these terms. It was explicit, that after explaining both concepts all participants acknowledged the understanding and connection with their job when negotiating.

Some participants declared that each client is different, therefore each case is treated differently according to client's profile and interests. It is clear that there are two types of clients in real estate market. Half of the participants affirmed that all their clients, both

owners and buyers, are well aware of their BATNA. This type of clients look out in the internet for market standards and references to be prepared to present them when they are negotiating. The other half, affirmed that clients have no information about the market and they have no BATNA before being presented by real estate professionals with one. Consultants are only allowed to present properties options to their clients after doing a clients' qualification. Hence, clients will accept as BATNA one of the properties presented by real estate professionals. When consultants present different property options to their clients, all of them are qualified to create a ZOPA and a possibility to achieve an agreement.

As seen in Table 6, real estate professionals are well aware of client's qualification relevance that is directly connected with alternatives and BATNA identification. This information gathering gives real estate professionals clarity about which are properties' requirements that fit clients' interests and satisfies them. Knowing from the beginning how to fulfil clients' interests represents an advantage for real estate professionals because gives them power to present alternatives that creates a possibility to reach an agreement, in other words creates a ZOPA. When clients have information about the market and have their own BATNA, they gain a certain power during bargaining situations. In line with what is presented in subchapter 2.4 BATNA and ZOPA, alternatives can be a source of power during bargaining situations (Lewicki et al., 1996), real estate professionals agree and confirm that market information and BATNA recognition represents argumentation and bargaining power.

Crossing information from Table 6 and Table 7 it is possible to conclude that real estate professionals only present properties that create ZOPA. On the other hand, if only clients' positions would be taken into consideration most of the times ZOPA would not exist and an agreement would not be possible to reach. That is one of the reasons why it is so important to do a clients' qualification before any property presentation or proposal. Recognising which points (or values) are the reservation points (or values) from buyers and owners, is the same as identifying their BATNA (Raiffa, 1982; Bazerman, 1998) and is vital to find a bargaining zone, i.e. ZOPA.

Accordingly to interviews' participants, at this moment in the current Portuguese real estate market the demand is higher than the supply side, which leads to an increase of suppliers' power. On one side, real estate companies are now looking for property owners

and creating needs and opportunities to sell their properties. On the other side, real estate companies are getting to many requests from potential buyers looking for properties. Some real estate companies have as policy an equal treatment between owners and buyers, others just give preference to owners (in general are the ones that pay the service provided by real estate professionals), while others give their best treatment to their clients (independently of being a buyer, a owner or both).

Regarding the treatment policy used by real estate companies, most of interviewed participants declared that when negotiating towards an agreement, they intend to achieve an intermediate value between the owner and buyer. These situations aim for a neutral position by real estate professionals, where none of the involved parties is benefited. The second most applied policy is always protecting client's interest (which can be the owner, the buyer or both), through benefiting him/her when negotiating an agreement. When both owner and buyer are clients of the same company, the aiming turns to be a middle ground where benefits are equally distributed by both parties. At last, other participants assumed that they always protect owners' interests, since are the ones that controls the market and are more loyal compared to buyers.

Some additional notes can be concluded from singular observations presented in Table 7, such as: (1) ZOPA is always defined and established by the client; (2) ZOPA is generated naturally and real estate professionals only make their clients understand how it works; (3) the involvement of BATNA and ZOPA concepts is inherent to real estate professionals job activity and a clear understanding about those points allows achieving better results; (4) when the client is an owner and needs to be presented with an offer, it is crucial to collect valuable and reliable information in order to establish a better BATNA; (5) ZOPA is considered by some real estate professionals as the center of negotiation; and (6) ZOPA is very sensitive to some aspects and it is impossible to achieve an agreement when the range between owners' and buyers' values is too big.

Table 8: Data Analysis – “Which approach do you use when negotiating? Why?”

Data Analysis – Interviews			
Interviewee	Content	Generic Category	Subcategory
Participant 1	Always look to add value to the owner through an integrative approach.	I.2	I.2.1
Participant 2	Equilibrium between integrative and distributive approach. Aiming to create win-win agreements to benefit all involved parties. Most important is satisfy the client.	I.2	I.2.1

NEGOTIATION FRAMEWORK IN CASCAIS REAL ESTATE MARKET

Participant 3	Does not have any knowledge about any approach. No approach is used. Considers that the buyer is the one dictating the negotiation flow.	I.2	I.2.1
Participant 4	The aim is an integrative approach as a way to reach an agreement that best benefits its clients and adds more value.	I.2	I.2.1
Participant 5	Usage of integrative approach with a view of keep involved parties satisfied.	I.2	I.2.1
Participant 6	Usage of integrative approach.	I.2	I.2.1
Participant 7	It is impossible to use distributive approaches. Exists an integrative approach that intends to add value to the business and benefit both parties.	I.2	I.2.1
Participant 8	General rule is used an integrative approach. The secret of the business is creating relationships with clients for future recommendations. When a specific deal is classified as punctual the approach used is distributive.	I.2	I.2.1
Participant 9	No approach is used and is not aware of any approach. Each case is seen and approached in an unique way.	I.2	I.2.1
Participant 10	An integrative approach is used through different aspects (deadlines, payments, conditions, ...) that add more value to all involved parties. The objective is strengthening clients' relationship and satisfy them.	I.2	I.2.1
Participant 11	Both integrative and distributive approaches are used. The objective is reach an agreement and sell.	I.2	I.2.1
Participant 12	Integrative approach is the most used. Close deals and create relationships is the most important. Intend to give their clients all conditions to satisfy them.	I.2	I.2.1

Source: Author Elaboration

After understanding how real estate companies deal with ZOPA depending on their clients' treatment policy, it is relevant to comprehend which approach is applied. The majority of participants affirmed that an integrative approach is the one that fits their own approach when negotiating. Since their aim is to create relationships with clients as a way to generate future recommendations, an integrative approach allows them to reach an agreement that best benefit involved parties, which keeps them satisfied and add more value to the business. Other participants stated that an equilibrium between an integrative and distributive approach is the best approach to have, which fulfils the primary objective of their job activity that is close deals and, at the same time, satisfy the client. Two participants declared that they do not use any approach and the buyer is the one dictating the negotiation flow, resulting into a different and unique approach for each case. These two participants also declared that they do not have any knowledge about any specific approach.

It is interesting to underline two answers that collide when assumed as general rule in real estate business. One participant stated that in real estate business it is impossible to use a distributive approach, which collides with other statement from another participant that

affirmed, when a specific deal is spotted and labelled as punctual, the right approach is a distributive one. This divergence force the conclusion that none of the answers can be representative from the market behaviour.

Besides most of the answers from Table 8 point out for an integrative approach, a deep analysis is required. Interviews' participants affirmed that they use an integrative approach when negotiating, but most of the examples presented by them represented a distributive approach. As concluded from data analysis of Table 7, real estate professionals aim to reach an intermediate value between buyers and owner which is a representative situation of a distributive approach. This situation is similar to a fixed-sum scenario, it means that the sum of involved parties outcomes will be always the same, disregarding how it is distributed (Lewicki et al., 1991). In other words, looking for a middle ground between buyers and owners BATNA is merely a split of the value, because what represents a loss for the buyer will represent a gain for the owner and vice-versa. On the other hand, integrative bargaining exists when a conflict allows involved parties to find solutions that benefits both parties or one party's gain does not represent equal loss to the other (Walton and McKersie, 1965). Thus, it is also possible to conclude that an integrative approach is used since both parties are benefited from one way or another through little details indicated by real estate professional, such as contract costs, payments deadlines, payments methods and expectations management.

In addition, if real estate professionals' activity is analysed in a simple way, what they do is basically arrange an agreement within a ZOPA that is naturally defined by clients' BATNA. The reality is that real estate professionals' activity is much more complex than appears, real estate business is a business of peoples' relationship. Thus, real estate professionals need to manage those relations in the best way possible. Managing divergence of interests while building and strengthen relationships is not an easy task. Only with an integrative approach is possible to satisfy buyers and owners at the same time as developing a relationship with them.

After conducting twelve interviews and analysing collected data, the author consider that is correct to assume that both an integrative and distributive approach are used by real estate professionals. Each client and business is different and the way to deal with it also varies.

Table 9: Data Analysis – “Which tactics do you use more frequently?”

Data Analysis – Interviews			
Interviewee	Content	Generic Category	Subcategory
Participant 1	Bluff and Split the Difference.	I.3	I.3.1
Participant 2	Do not use tactics as typical vendors. Don't want clients to feel forced to do something, not even rush any agreement. Agreements are achieved naturally.	I.3	I.3.1
Participant 3	Do not use any tactic. Only try to help involved parties by showing them the reality. Expectation and control	I.3	I.3.1
Participant 4	Split the difference. Different tactics are used but they do not know their names only how they work in practice, since learned them through roleplays.	I.3	I.3.1
Participant 5	Did not named any tactic. Tactics are used to manage client's expectations instead of benefiting the business for the mediator. Expectation and control.	I.3	I.3.1
Participant 6	Bluff does not work anymore. Clients are more informed and know when they are being deceived. Split the difference is the most used one.	I.3	I.3.1
Participant 7	Tactics vary from business to business. The most common is split the difference. Given the high segment of the target market competitive tactics are not used. Clients have know-how about the business world and are more demanding.	I.3	I.3.1
Participant 8	“Unmasking objections” and split the difference. Tactics are used depending on the business under negotiation and clients profile.	I.3	I.3.1
Participant 9	Deadlines, take or leave it, expectation and control, split the difference and lowball (explained how it works, did not know the name).	I.3	I.3.1
Participant 10	Each case is different and different tactics are used (depending on the offers and clients). Never rush any agreement not even put any pressure in the client.	I.3	I.3.1
Participant 11	Split the difference and play with different offers that were made.	I.3	I.3.1
Participant 12	Do not identify any tactic by its name. The most common is lowball with expectation and control (explained how it works, did not know the name). Also, usage of portfolio of successful businesses and market potential as a mean to convince clients to trust them and close deals.	I.3	I.3.1

Source: Author Elaboration

Given the amount of tactics presented by the authors, it is pertinent to point out which are the most common and used. When asked about which tactics are used more frequently, several affirmed that the selection of tactics vary from business to business, since it depends on the clients' profile and the property under negotiation. As happen before, most of participants did not identify any tactic by its name, instead they explained how tactics used by them works, through examples, being the only way to identify some tactics. This lack of knowledge is due to their negotiating training that teaches through roleplays and actions. Only one participant answered that do not use any tactic when negotiating,

believing that should only intervene to help involved parties understand the reality. All the others assumed that besides the fact that they do not recognize tactics by its names, tactics are used but not as typical vendors. Real estate professionals do not want clients to feel forced to do something, thus it is vital to never rush any agreement (agreements should be achieved naturally), not even put any pressure on the client. Nowadays' clients are more informed, about market values and standards as seen previously, and know when they are being deceived, that is why some participants considered tactics as means to manage clients' expectations instead of benefiting the business outputs for the mediator. Some participants work for companies that have as target the high-level clients' segment. This specific clients' segment requires other type of clients' relationship and, according to real estate professionals, competitive tactics cannot be applied to them, since those clients have a considerable level of know-how about business world and they are more demanding.

From the collected answers split the difference is clearly the most frequently used and highlighted, which connects with the conclusions of how real estate professionals deal with ZOPA. Following split the difference is expectation and control, and lowball. Expectations and control allow real estate professionals to manage clients' expectations through a friendly and honest approach. Lowball is used very often since, besides the fact that aligns clients' expectations also results in clients' satisfaction, which will benefit a strengthen of relationships. Tactics such as deadlines, take it or leave it, bluff, unmasking objections, play with different offers that were made, and usage of portfolio successful businesses and market potential as a mean to convince clients to trust them and close deals, were also referred. It is interesting to clarify that there is a contradictory option regarding bluff as a tactic, since some participants still use bluff when negotiating while others affirmed that bluff does not work anymore.

Table 10: Data Analysis – “Which skills and characteristics do you consider that are crucial to be a successful negotiator (in this case a successful real estate consultant)?”

Data Analysis – Interviews			
Interviewee	Content	Generic Category	Subcategory
Participant 1	Transmit security and confidence and knowledge	I.3	I.3.2
Participant 2	Confidence attitude, empathy and focus. Continuous training and learning, as well as follower of market trends	I.3	I.3.2
Participant 3	Persistence and capacity to read clients' interests	I.3	I.3.2

Participant 4	Argumentation power and knowledge	I.3	I.3.2
Participant 5	Practical, confidence attitude and empathy	I.3	I.3.2
Participant 6	Honesty	I.3	I.3.2
Participant 7	Having an investor profile (being cold)	I.3	I.3.2
Participant 8	Persistence, organization and empathy	I.3	I.3.2
Participant 9	Confidence attitude, knowledge and honesty	I.3	I.3.2
Participant 10	Integrity, ethical and sympathy	I.3	I.3.2
Participant 11	Listener, capacity to avoid objections, and capacity to read clients' interests	I.3	I.3.2
Participant 12	Autonomous, confidence attitude, social, professional posture, argumentation power and problem solving skills	I.3	I.3.2

Source: Author Elaboration

By reading Table 10, it is possible to identify 23 skills and characteristics that interviews' participants considered crucial to be a successful real estate consultant. Confidence attitude, knowledge and empathy are the top 3 skills and characteristics. Confidence attitude is the most common among all the collected answers. Since real estate business is a people's business and depends on relationships with clients it is important to transmit a trust feeling through a confidence attitude. Following a confidence attitude, empathy is also vital to build and strength relationships with clients. Knowledge includes a market knowledge and real estate business know-how.

Capacity to read clients' interests, argumentation power and honesty are other skills and characteristics that were referred more than once across all collected answers. Capacity to read clients' interests is essential since it represents the ability to know what clients are looking for, which allows real estate consultants to fulfil their interests and satisfy them. To build and maintain a good relationship with clients, argumentation power is also one vital skill that gives a certain level of control during a negotiation and also influences the perception that a client has over a negotiator. For several participants, being real with clients and show them the reality is the most important characteristic that a negotiator can have, thus honesty is also considered a crucial characteristic.

There is a set of skills and characteristics that were referred only once. This set of skills and characteristics is composed by: transmit security; focus; persistence; continuous training and learning; practical; investor profile; persistence; organization; integrity;

ethical; sympathy; listener; capacity to avoid objections; autonomy; social; professional posture; and problem solving skills.

Persistence and integrity were characteristics indicated by participants as being essential to be an effective negotiator. Both characteristics are also indicated by Lewicki et al. (1996) as personal qualities that attributes power to negotiators and allows them to achieve better results.

When compared Table 10 with top 5 characteristics of an effective negotiator identified by Hammond et al. (1998), the first thing that stands out is that the number one skill “preparation and planning skill” was not mentioned by participants. One reason that can justify it is clients’ qualification and the particularity of data collected. Hammond et al. (1998) collected answers from a broad variety of participants’ job activity, while this research specifies only with real estate professionals. Maybe for real estate professionals a preparation and planning skill is not mentioned since is considered as essential from the beginning with clients’ qualification. The second conclusion that is clear is that knowledge of subject being negotiated is considered in both studies as a top 3 characteristics of effective negotiators. Ability to express thoughts verbally and listening skills were referred by participants, while the ability to think clearly and rapidly under pressure and uncertainty characteristic was not mentioned in the answers. Therefore, it is possible to conclude that Cascais real estate professionals are aligned with Hammond et al. (1998) study conclusions.

Conclusions

This thesis has the focus in main topics of negotiation theory, following a funnel contextualization to better understand the knowledge and behaviors of real estate professionals regarding negotiation theory while attending negotiation concepts and approaches. Most of the conclusions were done and presented across the thesis within its correspondent chapters. The conclusion that is possible to do at this point, is a final consideration that has an aim of formulating generalized statements based on observations already analyzed.

After analyzed collected data from twelve interviews with a considerable level of diversity from real estate professionals interviewed it is possible to conclude that current negotiation training sessions do not include negotiation theory. In this thesis, only main topics of negotiation theory were studied which were the basis for interviews' guidelines. All questions from interviews' guidelines were generalized topics of negotiation subject. Most participants did not recognize at first sight what was being questioned. Following a brief contextualization and explanation of what was being questioned, almost all participants were 100% capable of answering without any further barrier. This generalized behavior leads to conclude that nowadays negotiation trainings are focused in practice and reality of how everything works passing the opportunity to teach some theoretical framework. According to what was declared by real estate professionals, training sessions consist in practical learning through examples and roleplays, that allows them to practice and keep in mind how to interact and behave with clients.

The structure of this thesis follows a funnel orientation, starting from a wide presentation of negotiation origin and its concepts, passing by negotiation strategies, until a narrow clarification of negotiation tactics and characteristics of effective negotiators, which reflects interviews' structure. Participants' answers also followed a pattern from the first question to the last one. In the first questions a trace of homogeneity characterizes the answers. Oppositely, last questions present a diversification of answers with some punctual similarities. This pattern leads to a conclusion. When participants were confronted with questions about negotiation basics (such as definition of the concept and importance of distinguish positions from interests) their knowledge and understanding is practically homogeneous, thus all of them are in the same level. On the other hand, when confronted with questions that were more specific (such as which tactics they use and

which are the skills and characteristics required to be an effective negotiator) their answers and understanding is much more diversified and vary in each case. Therefore, negotiation knowledge and understanding is much more diversified regarding negotiation specifics.

Evidence was found that real estate professionals are align with negotiation theorists. The concept of negotiation where real estate professionals' definition matches negotiation authors' definition with only some particular adaptations to the real estate business activity. A clear distinction between position and interest is fundamental to successfully achieve any agreement, is called by real estate professionals as client's qualification and also represents a vital phase of the process to reach a successful agreement and it is conducted in the beginning of the process when real estate professional get to know their clients. Through the question that involved BATNA and ZOPA concepts was possible to conclude that real estate professionals vary in their treatment policy, some of them do not benefit any involved parties, others prefer to benefit owners instead of buyers, and others prefer to benefit their own clients (being buyers or owners, or even both). From the same question, it is also possible to conclude that there are two types of clients: half of the clients are well aware of market standards and do their own research before approaching real estate professionals; while the other half of the clients have no information about market price and conditions when they approach real estate professionals. The data analysis of the approaches used by real estate professional to negotiations concluded that participants considered real estate as a business' peoples and relationships should be the center of every approach. From the conducted interviews is also possible to conclude that real estate professionals consider each client as different from the others and everything vary, what does not vary so much is one of the tactics that are used by participants when they are negotiation, which is split the difference. Lastly, evidence was found that confidence attitude, knowledge and empathy are the top 3 skills and characteristics of an effective negotiator, in this case a successful real estate consultant.

The development of this thesis allowed the author to acquire some new learnings and achieve some findings. Clients' qualification and its importance; particular aspects and details of real estate business; and the basis of negotiation theory, represent some of the knowledge that the author was able to withdraw from the elaboration of this thesis.

During the process' development of this thesis other limitations were identified. As a master thesis, the timeline for elaboration and deliver was defined and established by the master program, which attributed one year from the beginning until the delivering. This can consist in a limitation since all the structure and size of the research was conditioned by the time. Other limitations are related with the data collection and the data itself.

For the elaboration of this thesis it was applied a qualitative method of data collection. Data collection was done through twelve interviews conducted from a sample by convenience. This sampling cannot be considered as representative of population. In this case, the sampling process was composed by a set of real estate professionals who were asked to collaborate in an interview and voluntarily accepted. Thus, these real estate professionals cannot be representative of population and the results of this research must be analysed carefully. Another limitation that does not allow to generalize the conclusions achieved with this thesis is sample's size. Twelve interviews are not representative of population, since real estate is a massive market and there are hundreds of companies in Portugal that are not in represented in the data. Also, only real estate companies from Cascais municipality were considered for the interviews in the data collection process. Maybe other companies from other locations would reflect different results and conclusions.

Regarding the collected data one point can be considered as a research limitation. The point is that only two interviews' participants worked for more than 4 years in the current company when interviewed. All the other participants were working for the current company for less than 4 years, having 58% of all participants working for less than 2 years. This can create some limitations since the data was collected from real estate professionals that do not have many years of experience in the company that are representing.

This thesis was produced in Portugal and all interviews were also conducted in Portugal. A suggestion for future research would be conduct an international research about countries similarities and contrasts regarding the negotiation framework in real estate companies. This suggestion might present new and relevant findings for negotiation and real estate fields of investigation and produce real impact in new methods and contents of training sessions as well as adaptation or/and adaptation of new approaches.

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Attachments

Appendix I – Interview Guidelines

Entrevista:

Introdução: deixar o entrevistado à vontade

Descrição do Entrevistado:

- ♦ Quantos anos tem? Género? (Feminino vs Masculino)
- ♦ Quantos trabalhadores trabalham na empresa?
- ♦ Qual o volume de faturação da empresa no ano 2016?
- ♦ Quantos anos de experiência em negociação?
- ♦ Há quanto tempo trabalha na empresa?
- ♦ Qual o seu cargo?
- ♦ Teve formação de negociação? Considera que foi suficiente?

Relacionamento com Negociação:

- ♦ O que é a negociação para si? Como descreve o conceito de negociação?
- ♦ Qual é a diferença entre posição e interesse? Qual a importância da distinção destes conceitos no negócio imobiliário?
- ♦ Já ouviu falar de BATNA e ZOPA? Qual o envolvimento e importância destes conceitos no negócio imobiliário?
- ♦ Qual a abordagem que usa quando negoceia? Porquê?
- ♦ Quais as táticas que usa mais regularmente?
- ♦ Quais as características que considera serem necessárias para ser um negociador de sucesso (neste caso um consultor imobiliário de sucesso)?

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