Email-based Negotiations: An Analysis of the Effects of Early-stage Behavior on Process and Outcome

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Electronic mail has become an important medium for domestic and international business negotiations. This paper reports on a study of initial exchanges in a two-party email negotiation, and the role initial exchanges played in determining subsequent process and outcome. The results suggest considerable symmetry between parties in terms of the quantity (words) and quality of messages. However, informal greetings, introductions, and proposal surfacing in these early stages played little role in determining the likelihood of an agreement or an integrative outcome. In contrast, the parties' stated intentions of pursuing a mutually beneficial (win-win) outcome and their exaggeration of initial offers significantly related to the likelihood of reaching an agreement. The implications of these findings for practitioners and future research are discussed.

The past twenty years have witnessed a dramatic increase in competition for goods and services around the world. As a consequence, companies have been forced to adopt more creative and economical means of developing and maintaining business relationships (Balotksky & Christensen, 2004; Schirm, 2002; Smith, 2002). Not surprisingly, electronic mail has emerged as one of the primary media for conducting business negotiations (Nowak, 2003; Shell, 2001; Stahl, 1995; Ulijn, Lincke & Karakaya, 2001).

Electronic mail has a number of advantages over other communication media, including greater flexibility because of asynchronous exchanges, easy storage and retrieval of messages, and general efficiency (Berry, 2006; McGinn & Croson, 2004). On the other hand, email is primarily text-based, lacking nonverbal cues and immediate feedback. Consequently, it is a medium of only moderate information richness (Daft & Lengel, 1986; Daniels, 1964), which can create unexpected challenges for its users. Compared to face-to-face and telephone negotiations, email-based negotiations often involve shorter messages and less information sharing, a greater likelihood of unpleasant exchanges, less cooperation, a more distributive (win-lose) orientation, more unethical behavior (due in part to the inability of parties to read nonverbal cues), and greater difficulty in reaching an agreement (Maruca & McGinn, 2000; McGinn & Croson, 2004; Volkema, Fleck & Hofmeister-Toth, 2004).

The desire for efficiency and the lack of nonverbal cues of electronic mail place added importance on the early stages of the negotiation process. It is easy for one or both parties to form an unfavorable impression based on the apparent haste induced by the process, an impression that is not easily rectified in the rush towards proposal sharing and closure (Paese, Schreiber & Taylor, 2003; Tinsley, O'Connor & Sullivan, 2002). Subsequent messages, lacking the amiability that even a handshake can convey, could be misinterpreted as cold or aggressive.

The early stages of the negotiation process generally, and email-based negotiations in particular, have often been overlooked by researchers and scholars. Far more attention has been given to the strategic and tactical stages of the negotiation process, including the pursuit of distributive outcomes (i.e., zero-sum, or win-lose, outcomes) or integrative outcomes (win-win outcomes, which maximize the parties' overall or joint outcomes) (Lewicki, et al., 2003). Yet the initial stages of many processes (e.g., planning, problem-solving, decision-making, team/group development) often portend the stages and outcomes that will follow (Bettenhausen, 1991; Nutt, 1992; Wheelan, 1999).

This paper reports on a study of the early stages of email-based negotiations, focusing in particular on the initial exchanges between parties. The paper examines the reciprocity found in terms of quantity (length) and quality (introductions, personal information sharing, issue and proposal surfacing) of these early messages, and their effects on the likelihood of reaching an agreement and the integrative nature of that agreement. The implications of these findings for practitioners as well as for future research are discussed.

Background and Hypotheses

The negotiation process has been described in whole or part by a variety of scholars and practitioners. Holmes (1992), for example, summarizing early models by Douglas, Gulliver, Putnam, and others, suggests that there are three broad phases in the negotiation process: initiation (introduction, issue identification), problem-solving (exploring differences), and resolution (final bargaining, agreement).

Pruitt and Carnevale (1993), in contrast, suggest a five-stage process that contains pre-negotiation and post-negotiation stages. Pre-negotiation consists of the decision to seek negotiation and preliminary issue identification. Schuster and Copeland (1996) also have a pre-negotiation stage in their model of global business planning for sales and negotiation, which is followed by establishing effective relationships. Shell's (1999) model of the negotiation process begins with preparing a strategy, followed by entry. Similar to Schuster and Copeland, Shell has a stage for exchanging information in order to establish rapport. His exchanging information stage also consists of obtaining information on interests, issues, and positions, as well as signaling expectations and leverage.

While these four models all contain stages that focus on traditional bargaining tactics (e.g., exchange of offers, demands, concessions), they differ in their depiction of the early stages of negotiation. This could be due to several factors, not the least of which is the relatively recent growth in international markets and subsequent awareness of the importance of relational development in non-Western cultures (Acuff, 1997; Morrison & Conaway, 2006). Schuster and Copeland's model for global sales and negotiation has a specific stage for establishing relationships.

As with many process models (problem-solving, decision-making, group development), the early stages are important in determining the direction of succeeding stages. The way a problem is formulated, for example, will likely determine how it is solved (Nutt, 1992). Similarly, how a group or team comes together and develops collective expectations will likely affect how the group performs its task (Bettenhausen, 1991; Wheelan, 1999).

The same causal relationship might be presumed for the negotiation process, as demonstrated in various studies of traditional face-to-face negotiations. Time spent getting to know one another and building rapport can lead to greater trust and information sharing, which increases the likelihood of finding integrative solutions (Campbell & Davis, 2006; Shapiro, Jankowski & Dale, 1998). It can also prove to be invaluable in later stages of the negotiation process, if disagreements should arise (e.g., when there is again a mismatch between demands and concessions) (Parks & Komorita, 1998; Pruitt & Carnevale, 1993).

On the other hand, negotiations that get off to a contentious start often deteriorate into tit-for-tat behavior, creating a conflict spiral. Once these spirals take form, the parties often lack the trust necessary to reach an agreement, let alone an integrative outcome (Brett, Shapiro & Lytle,

1998; Rubin, Pruitt & Kim, 1994). Instead, the information shared is likely to lack validity and reliability (Tenbrunsel, 1998).

How this behavior unfolds is influenced by a variety of factors, including the choice of a communication medium. The medium can affect the pace and balance of a negotiation (Loewenstein, et al., 2005). In email-based negotiations, for example, the parties can use reciprocity or balance along with timing as means of communicating their respect for the other party early in the relationship, and their general satisfaction with the process. And due to the asynchronous nature of electronic mail, should one party attempt to dominate debate, the other party can easily match him or her word-for-word without interruption.

Given the potential for unpleasant exchanges with electronic mail, due in part to the relative brevity of email messages (Maruca & McGinn, 2000; McGinn & Croson, 2004), we might expect email-based negotiators to be especially careful in how they approach one another early in a negotiation. Exchanges that quickly get out of balance can suggest a corresponding imbalance of power, leading one or both parties to think in terms of a distributive outcome (Maruca & McGinn, 2000; Shell, 1999). Therefore,

Hypothesis 1a: The verbal quantity (number of words) and quality (tactics, behaviors) of the initiating party will be reciprocated by the responding party in the early stages of an email-based negotiation.

Hypothesis 1b: The greater the disparity in verbal quantity (number of words) between the parties in the early stages of an email-based negotiation, the greater the likelihood that no agreement will be reached.

Hypothesis 1c: The greater the disparity in verbal quantity (number of words) between the parties in the early stages of an email-based negotiation, the smaller the joint/integrative outcome (i.e., combined scores).

The likelihood of agreement and the type of agreement also can be affected by the quality of early discourse. A failed negotiation can result from the use of questionable or unethical tactics early in the process (e.g., exaggerated demands, misrepresented information), which creates distrust and reciprocating behavior (Schweitzer, et al., 2006; Tenbrunsel, 1998). Indeed, the initial contact between the parties is important in setting the tone for what actions will follow. Unexpected formality, particularly when reciprocated, can suggest some initial discomfort or apprehension on the part of one or both parties. In contrast, developing rapport by beginning a negotiation with informal exchanges and personal information-sharing creates the type of relationship that supports working through difficult issues to find an agreement: One or both parties wants to see the negotiation consummated, and the relationship maintained (Cialdini, 1993).

Moore, et al. (1999), in fact, found that negotiators who exchanged personal information were more likely to reach agreements. Similarly, Paulson and Naquin (2004) found that negotiators who spent time building rapport reported greater levels of trust, and were more confident and satisfied with the outcomes of their negotiations (although the actual outcomes were no better or worse than those of others).

Beyond simply reaching an agreement, the integrative quality of the accord also is likely enhanced when an atmosphere of trust can be created. Within a cooperative climate, the parties feel more comfortable exchanging information about their interests as well as their positions. This, in turn, leads to important tradeoffs that can help each party reach his/her individual objectives while also achieving the greatest joint outcome (Lax & Sebenius, 1986). A positive, supportive atmosphere or climate often begins with early introductions and the sharing of

personal information. It is easier to open up to someone you "know" than to a stranger (Gudykunst, 2002).

Given these arguments and findings, the following hypotheses are suggested:

Hypothesis 2a: Informal salutations (e.g., Dear or Hi, followed by first name of the other party) in the early stages of an email-based negotiation will more likely lead to agreements than will formal salutations (e.g., Mr., Ms., Sir), particularly where the formality is reciprocated.

Hypothesis 2b: Informal salutations in the early stages of an email-based negotiation will lead to greater joint outcomes than will formal salutations (e.g., Mr., Ms., Sir), particularly where the formality is reciprocated.

Hypothesis 3a: Personal information sharing in the early stages of an email-based negotiation will more likely lead to agreements than will no such sharing of information, particularly where the lack of sharing is reciprocated.

Hypothesis 3b: Personal information sharing in the early stages of an email-based negotiation will lead to greater joint outcomes than will no such sharing of information, particularly where the lack of sharing is reciprocated.

Similarly, the way in which a negotiation is framed can affect the trust, confidence, and determination that the parties have towards reaching a mutually satisfactory agreement. In general, framing situations as challenges or opportunities rather than crises or obstacles can lead to a greater flow of information (Tjosvold, 1984). And with this flow of information comes an increased likelihood of integrative rather than distributive behavior (Olekalns, Smith & Walsh, 1996; Pruitt & Lewis, 1975; Roth & Murnighan, 1982; Thompson, 1991).

Consequently, the following are proposed:

Hypothesis 4a: Positive framing (i.e., statements regarding the importance of seeking a win-win outcome) in the early stages of an email-based negotiation will more likely lead to agreements than will no such framing.

Hypothesis 4b: Positive framing (i.e., statements regarding the importance of seeking a win-win outcome) in the early stages of an email-based negotiation will lead to greater joint outcomes than will no such framing.

In contrast to these behaviors, some negotiators will seek to advance the process as quickly as possible to the later stages (i.e., issue or proposal surfacing). Offering a full proposal early in the negotiation process can suggest one or more of several motives: The process and outcome are not that important to the proposing party, who is more interested in efficiency than effectiveness; the proposing party does not see value in building a relationship (either because it is not in his or her nature, or because of no perceived long-term interests); or the proposing party is trying to steamroll his or her adversary (Campbell & Davis, 2006; Goering, 1997).

None of these motives is likely to endear the responding party to the initiating party or his/her offer. In fact, it is likely to make the responding party suspicious and, in many cases, equally self-serving. Less information will be shared, and the information will be of dubious quality (Folger, Poole & Stutman, 2005). This is particularly true for a medium such as electronic mail, where the lack of nonverbal cues makes it more difficult to test the veracity of the other party (Paulson & Naquim, 2004).

Given this reasoning, the following are hypothesized:

Hypothesis 5a: Proposals offered in the early stages of an email-based negotiation will be less likely to lead to agreements than proposals offered later in the negotiation.

Hypothesis 5b: Proposals offered in the early stages of an email-based negotiation will lead to lesser joint outcomes than proposals offered later in the negotiation.

While a hasty process can affect the likelihood and quality of an agreement, early proposals that contain exaggerated offers can underscore the self-serving intentions of the proposing party (Lewicki & Robinson, 1998). And the more exaggerated the offer or offers, the more suspicious the other party is likely to become. Reciprocating behavior can then lead to a spiraling conflict, which produces either no agreement or an agreement that serves one party at the expense of the other party (Boles, Croson & Murnighan, 2000; Folger, et al., 2005).

Thus, the following are proposed:

Hypothesis 6a: Proposals offered in the early stages of an email-based negotiation that contain exaggerated offers will be less likely to lead to agreements than proposals offered later in the negotiation.

Hypothesis 6b: Proposals offered in the early stages of an email-based negotiation that contain exaggerated offers will lead to lesser joint outcomes than proposals offered later in the negotiation.

Method

Participants

The participants in the study were sixty-six business students taking graduate negotiation courses in Budapest, Hungary, and Rio de Janeiro, Brazil. The thirty-three students taking the course in Hungary were paired with thirty-three students taking a comparable course in Brazil. The students ranged in age from twenty-two to thirty-seven years old. All participants were fluent in English, since this was the primary language of both courses.

Procedure

The negotiation task was a two-party, property-leasing negotiation role play (Volkema, 1999). The students in Brazil represented a telecommunications company called Logan Telecommunications, which was planning to expand its operations internationally. They were interested in leasing some commercial space for this purpose. The students in Hungary represented a property management company called RJW Properties, Inc., which had suitable properties.

Each party was given written background information, and charged with negotiating seven issues: cost per square meter, duration of lease, advanced payment, cost of utilities, renovations, furnishings, and parking space. Depending upon the outcome negotiated for a particular issue, the individual earned a predetermined number of points (see Table 1). The scoring tables were constructed to allow for both distributive (win-lose) and joint/integrative (win-win) outcomes. For example, cost per square meter was a distributive issue, of equal value to both parties and constructed as a zero-sum outcome, whereas renovation of space, length of lease, parking available, and advanced payment were valued considerably more by one party than the other party and, therefore, were candidates for trade-off in order to maximize joint outcomes. Simulations of this type, involving multiple issues with associated point values, have been used effectively in a number of prior studies (cf. Olekalns, et al., 1996; Thompson, 1991).

Insert Table1 about here.

The negotiations took place over a two-week period and entirely by electronic mail. This time period was deemed more than sufficient, given prior experience with this simulation and the

medium. Although there was a "buyer" and "seller" in this simulation, both parties were instructed to initiate the negotiation (i.e., the sellers were not to wait to be contacted by the buyers, or vice versa). Since the courses were taught in English (and English is commonly used in international business negotiations), this was the language used for the negotiation. Negotiating dyads were assigned randomly, and remained the same throughout the study. Participants were instructed to negotiate individually. On the final day of the negotiation, transcripts were collected from the participants. (Since the course involved prior analyses of role plays/simulations, this procedure of sharing transcripts with instructors was not unusual or unexpected.)

Independent and Dependent Measures

Negotiator tactics and behaviors were determined for the initial exchange of email messages by the two parties. In some cases, the initiating party sent more than one email message before receiving a response, so these messages were combined. For purposes of this study, therefore, the "early stage" or "initial exchanges" of an email-based negotiation were defined as all messages through the first response or reply.

To test Hypothesis 1, the number of words sent and the number of each tactic/behavior employed were counted for each participant. Tactics and behaviors were categorized using a variation of the coding scheme suggested by Olekalns, et al. (1996), extended to include introductory and relationship-building behaviors. These categories included both informal (e.g., Dear, Hi followed by first name) and formal (Mr., Ms., Sir) introductions as well as personal information (e.g., age, gender, nationality, year in school) (Hypotheses 2 and 3). Positive framing was indicated by the presence of a statement asserting the importance of seeking a win-win outcome (Hypothesis 4). Both full and partial proposals were measured, and the proposal had to be contained in a single message. A full proposal consisted of numeric offers or demands for each of the seven issues, while a partial proposal consisted of numeric offers for fewer than all seven issues (Hypothesis 5). An exaggerated offer occurred when the value offered for an issue was beyond the range specified in the scoring table (see Table 1). Categorizations of independent variables were determined by two independent coders, using an estimate-discuss-estimate approach to resolve differences (Nutt, 1992).

A negotiator's outcome was measured by totaling the point values for each of the seven issues negotiated (Table1). The joint outcome of a negotiating dyad was calculated as the sum of the two negotiators' scores.

Analyses

Hypotheses 1a and 1b were tested using correlation analysis. Hypotheses 2a, 3a, 4a, 5a, and 6a were tested using discriminant analysis. Hypotheses 1c, 2b, 3b, 4b, 5b, and 6b were tested using regression analyses.

Results

Of the thirty-three pairs of negotiators, valid transcripts were obtained from thirty-one dyads. Twenty-two (71.0%) of these thirty-one dyads were able to reach an agreement. The scores for the negotiators representing Logan Telecommunications that reached an agreement ranged from 2550 to 3000, with a mean of 2777.3 (SD=119.3), while the scores for their RJW

Properties counterparts ranged from 2400 to 3050 (mean=2675.0, SD=183.7). The joint outcomes ranged from 5300 to 5700 (mean=5452.3, SD=122.9).

Twenty (64.5%) of the thirty-one negotiations were initiated by Logan Telecommunications representatives. Since Logan Telecommunications was the "buyer" in this negotiation, this was not unexpected. In fact, in several cases RJW Properties representatives actually requested that the Logan Telecommunications representative make the first proposal or offer. The thirty-one dyads exchanged between four and thirty-six messages (mean=11.6 messages, SD=6.0).

The initial messages sent by negotiators varied in terms of the number of words sent, from as few as eleven words to as many as 422 words (mean=131.4, SD=95.5). For Logan Telecommunications, the mean was 142.4 words (SD=93.3); 112.3 (SD=75.0) when the Logan representative initiated and 175.7 (SD=104.7) when the Logan representative was the responding party. For RJW Properties, the mean was 120.4 words (SD=98.0); 105.5 (SD=56.0) when the RJW representative went first and 140.3 (SD=119.4) when the RJW representative responded.

Overall, initiating parties wrote less than their responding counterparts (mean=109.9 words, compared to mean=152.8 words for responding parties) and there was less variance in the number of words written (SD=67.9 compared to SD=113.9 for responding parties) (Length of Responding Message=1.03 x Length of Initiating Message + 39.3). For the most part, however, the responding party wrote in proportion to the initiating party ($r=.62$, $p<.001$), as hypothesized (Hypothesis 1a). There was no correlation between the number of words in initial messages and the total number of messages exchanged.

A single initial email message was responded to by the other party in twenty-five (80.6%) of the negotiations. In four cases (12.9%), two messages were sent before the other party responded, while in two cases (6.5%), three messages were sent before the other party responded. In five of these six cases of multiple first messages, the "buyer" (Logan Telecommunications) was the persistent initiating party. These second and third messages generally took the form of a reminder that a response had not yet been received. The RJW Properties representative who sent a follow-up initiating message, however, employed a unique approach: She sent an advertisement from the *Financial Times* for her company, urging the reader to "contact us, if you need the best solution to your real estate problem." Eleven individuals (35.5%) apologized for their slow response.

Discriminant analysis of the difference in number of words written by the initiating party and respondent did not predict whether or not an agreement would be reached (Hypothesis 1b). In addition, regressing the joint outcome for the two parties on this difference was not significant (Hypothesis 1c).

The most common tactic or behavior employed in early messages was an informal greeting or salutation (55 instances), which occurred in twenty-eight (90.3%) of the negotiations (Table 2). In twenty-seven cases, both parties began with an informal greeting (e.g., "Hi" or "Dear," generally followed by the first name of the other party). In one negotiation only a single party used an informal greeting, while in three cases (9.7%) both parties employed formal greetings (e.g., "Mr." or "Ms.") ($r=.85$, $p<.001$, consistent with Hypothesis 1a). In one of these three cases of formal salutation, the parties did not reach an agreement. Likewise, in the dyad where one party began with an informal greeting but the other party did not respond in kind, no agreement was reached. Discriminant analysis found no significant relationship between informal greetings and reaching an agreement (Hypothesis 2a). Regression analysis indicated no significant relationship between informal greetings and joint outcomes (Hypothesis 2b).

Insert Table 2 about here.

Other common tactics or behaviors employed in early messages included: closing (e.g., "Regards," "Bye") (46 instances; r=.27, p=ns), informal introduction of oneself (31 instances; r=.18, p=ns), sharing personal information (30 instances; r=.51, p<.01), request for an email reply (28 instances; r=.22, p=ns), request for information about the value of an issue (15 instances; r=.01, p=ns), introduction of one's organization (13 instances; r=.32, p<.10), and stating or re-stating the overall task (13 instances; r=.14, p=ns). Thus, the behaviors that were most likely reciprocated in the first email messages were greetings, introductions (organization), and personal information sharing.

More specifically, in eleven cases (35.5%) both parties offered personal information (e.g., age, nationality, major), in eight cases (25.8%) only one party offered personal information (six of these being the initiating party), and in twelve negotiations (38.7%) neither party offered personal information. Thus, in 74.2% of the negotiations the parties behaved similarly in terms of sharing personal information. In those three cases where the parties employed formal greetings, no personal information was shared.

Three of the eleven dyads that shared personal information in their initial messages did not reach an agreement, while three of the twelve dyads that did not share personal information in early messages failed to reach an agreement. Discriminant analysis revealed no significant relationship between sharing personal information and the likelihood of reaching an agreement (Hypothesis 3a). Regression analysis, however, found that when the initiating party shared personal information, the joint outcome was lower (mean=5404.2) than when this party did not share such information (mean=5510.0) (β=-.43, t=-2.18, p<.05). This is contrary to what had been predicted in Hypothesis 3b.

In nine (29.0%) of the thirty-one negotiations, at least one of the parties mentioned the importance of working towards a win-win outcome. These included statements such as: "I think we both are interested in a win-win situation," "I am sure we will be able to find a great deal for both of our companies," "Obviously we should seek to work out a trade-off that benefits both of us," and "I look forward to closing a 'good-for-both' agreement." In two cases, both parties mentioned the value of working to benefit both parties. Logan Telecommunications representatives accounted for seven of the eleven references, while RJW Properties representatives accounted for four of the references.

An agreement was reached in every case where at least one party mentioned the importance of working towards a win-win outcome. A discriminant analysis of agreement/no agreement, with number of parties mentioning the importance of reaching a win-win outcome as the independent variable, yielded a significant function (canonical correlation=.38; Wilkes' lambda=.86; p<.05), supporting Hypothesis 4a. However, regression analysis found no significant results for a relationship between the mention of working towards a win-win outcome and joint outcomes (Hypothesis 4b).

In seven negotiations (22.6%), proposals regarding one or more issues were offered (but not for all seven issues). Two of these were by the initiating party alone, four were by the responding party alone, and in one case both parties offered partial proposals. Overall, full proposals (values for all seven issues) were offered in the initial messages in six negotiations (19.4%). In one of those cases, both parties offered full proposals. That negotiation ended in

failure to reach an agreement. However, of the six negotiations where at least one party offered a full proposal, an agreement was reached in four cases.

No significant relationship was found between offering a proposal in the early stages of a negotiation and the number of email messages exchanged. Discriminant analyses revealed that offering a partial or full proposal in the first messages did not predict whether or not an agreement would be reached (Hypothesis 5a). In addition, regression analyses found no significant relationship between partial- or full-proposal offers and joint outcomes (Hypothesis 5b).

Finally, nine individuals exaggerated at least one offer in the early stages of their negotiations. Two of those nine individuals were negotiating partners. Three individuals were the initiating party, and six individuals were the responding party. The number of exaggerations ranged from one to seven.

Discriminant analysis revealed that exaggeration by the initiating party was a predictor of whether or not an agreement would be reached (canonical correlation=.36; Wilkes' lambda=.87; $p<.05$). None of the negotiations in which the initiating party exaggerated an initial offer reached an agreement. This is consistent with Hypothesis 6a. Regression analysis, however, found no significant relationship between exaggerated offers and joint outcomes (Hypothesis 6b).

Discussion

In the past decade, electronic mail has become a popular medium for use in many business negotiations, offering some obvious efficiencies over face-to-face communication. However, the modest information richness of the medium also can create serious challenges for even the most skilled negotiator (Maruca & McGinn, 2000; McGinn & Croson, 2004; Volkema, et al., 2004). The brevity of messages and lack of nonverbal cues places particular importance on the early stages of a negotiation to create the right climate for sustaining the level of information sharing that can produce satisfactory agreements.

The participants in this study of the early stages of email-based negotiations demonstrated a fair amount of symmetry in their initial exchanges. There was, for example, a high correlation between the length of their initial messages ($r=.62$, $p<.001$). In addition, informal greetings and sharing of personal information were frequently offered and generally reciprocated. This would seem important with a moderately lean medium such as electronic mail, particularly where the parties are "meeting" for the first time. Furthermore, it represents an important lesson for inexperienced negotiators: A negotiating counterpart is likely to respond in kind to your initial email message, so think carefully about the climate that the quantity and quality of your words will set.

The negotiations in this study ranged from as few as four messages to as many as thirty-six messages, with agreements reached in as few as four messages and, in one case, requiring thirty-six messages. One dyad exchanged eighteen messages, only to fail in reaching an agreement. Another dyad exchanged fourteen messages without reaching an agreement, with one party finally offering some personal information in a postscript to the final message.

There was no significant correlation, however, between the number of messages exchanged and reaching an agreement. Instead, two other factors were found to be significantly related to success – mention of the importance of reaching a win-win outcome, and exaggeration of offers in partial or full proposals. In all seven negotiations where one or both parties mentioned the importance of finding a mutually beneficial agreement, an agreement was reached.

(Interestingly, there was no positive correlation between mentioning the importance of finding a win-win outcome and the number of messages exchanged.) Alternatively, in none of the negotiations where the initiating party exaggerated an initial offer was an agreement reached.

These two behaviors represent indicators of intentions (i.e., desire for a win-win outcome) and actual behavior (i.e., exaggerated offer). A further analysis revealed that none of the parties who mentioned the importance of working towards a mutually beneficial (win-win) outcome exaggerated an initial offer, at least in the early stages of their negotiations. Negotiators often are looking for validation of words early in a relationship, and such behavior provides a solid indicator that words and deeds will be consistent (Paese, et al., 2003; Tinsley, et al., 2002). Recall that exaggerated offers in this study were values that fell outside the range of values shown in Table 1, so there was little doubt about the behavior. Other situations, where the exaggeration is not so obvious to the other party, may be worth examining in future research. Nevertheless, the lesson for negotiators is that inconsistency between one's stated intentions and behavior early in a negotiation can make reaching an agreement more problematic.

In contrast, cordial behavior (e.g., informal salutations, personal information sharing) did not predict negotiation outcomes. This lack of significance may have been because of minimal variance in the use of informal greetings: In 27 or 31 cases, 87.1%, both parties employed an informal greeting. It is also possible that such behaviors may not create a sense of either assurance or doubt about the other party, which can affect process and outcome. And unlike intentions to pursue a win-win outcome, they are difficult sentiments to validate early in a negotiation: What behavior validates or invalidates cordial behavior?

There was only one significant finding linking the independent variables in this study to a joint or integrative outcome, and this was contrary to what had been hypothesized (H3b). There are several possible explanations for the lack of significant findings, including the relatively narrow range of joint outcomes produced by dyads (5300 to 5700 points). It is also conceivable, however, that other factors (e.g., tactics, intentions) expressed in later stages of these negotiations influenced outcomes. Just as Paulson and Naquin (2004) found no significant difference in actual outcomes based on time spent building rapport in negotiations, it may be that relational development is simply not significant in determining the quality of outcomes. Or, alternatively, that the relationship must be more mature before it represents a realistic cost (deterrent) to pursuing a distributive outcome. In this negotiation, the parties had no past dealings, nor little potential for future business or social encounters. Electronic mail may not be sufficient to establish a bond strong enough to thwart distributive behavior and promote integrative action. Future research might seek to vary relational development (past, present, and future) to determine its effects on process and outcome.

It is also possible that the general haste of the participants limited their opportunities for teasing out trade-offs that would be mutually beneficial. Participants' desire to maximize efficiency is evident in the fact that eleven individuals proposed a process or procedure such as ICQ or Yahoo Messenger (i.e., electronic chat rooms) to speed up negotiations, although none actually employed these tools (see Table 2).

The contrary finding, that initiating parties who shared personal information ended up with significantly lower joint outcomes than did parties who did not share personal information, is interesting. It is quite possible that the sharing of personal information sent a signal to the other party that this individual would subsequently offer valuable information that could be used to gain an advantage in the negotiation, causing the other party to seek a distributive (win-lose) outcome rather than an integrative (win-win) outcome. Further analysis, in fact, revealed that

Logan Telecommunications representatives who were first to offer personal information ended up with a mean score of 2743.8, below the mean for all "buyers" of 2777.3, while RJW representatives who were first to offer personal information ended up with mean scores of 2537.5, below the mean for all property representatives of 2675.0 points.

As noted previously, full proposals were offered in an initial email message in six negotiations (seven proposals total, since in one of those negotiations both parties offered full proposals). One or more exaggerated offers was made in five of the seven proposals. In two cases no agreement was reached, both cases involving exaggerated offers.

These results suggest that offering full proposals early in an email negotiation does not necessarily doom the negotiation or adversely affect the chances of reaching an agreement that benefits both parties. The more important factor appears to be the nature of the proposal (e.g., exaggerated offers). If efficiency were not an issue, another medium (e.g., face-to-face) would be employed.

Some caution needs to be exercised in applying these results more broadly. As noted, the negotiators in this simulation had no prior encounters with one another. Limited experience with an individual can generate caution or even trepidation (Gudykunst, 2002), particularly if the negotiation is important, there are time constraints, or the other party has a reputation for being skilled (Volkema & Fleury, 2002). Thus, application of these findings would best be restricted to negotiations between parties with limited or no prior contact, who are using electronic mail to conduct business.

Also, not unlike many business negotiations these days, this study involved negotiators from different countries/cultures. While none of the findings involving greetings, personal information sharing, or stated desire for a win-win outcome could be attributed to culture, there may be circumstances where culture plays a role in shaping process and outcome (Ting-Toomey, 2005). This is a difficult area to research, since cultures are frequently defined by national boundaries (consider, for example, Hofstede's, 2001, seminal work on country cultures) despite variations with a country, but worth examining in future studies.

Finally, electronic mail was the only medium employed during these negotiations. In many circumstances, other media might be used in combination with email. For example, an individual might initiate negotiations with a face-to-face encounter, and use email or telephone conversations to clarify information and intentions. While studying the use of combinations of media is more complicated, researchers should be encouraged to examine those combinations that are employed most frequently.

The continued globalization of markets means that organizations will likely rely more and more on technologies such as electronic mail to negotiate agreements, particularly during difficult economic times when international travel is limited. Often the early stages of these negotiations will set a tone for subsequent encounters, which can affect not only the process but the outcome as well. The better we understand the nuances of this relationship, the more effective negotiators can become employing this medium as well as other media of moderate information richness.

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Table 1 - Issues, Negotiated Outcomes, and Point Values

Issue	Negotiated outcome	Point value	
		Logan Telecom.	RJW
Cost per square meter	$500.	900	300
	$600.	750	450
	$700.	600	600
	$800.	450	750
	$900.	300	900
Renovation of space	No rooms renovated	150	250
	One room	400	200
	Two rooms	500	150
	Three rooms	600	100
Utilities included	None	100	300
	Water/sewer	150	200
	Water/sewer/electricity	200	100
Length of lease	One year	500	200
	Two years	450	500
	Three years	300	700
	Four years	200	900
Parking available	No cars	100	300
	One car	300	250
	Two cars	500	200
	Three cars	600	150
	Four cars	650	100
Furnishings	None	100	100
	Refrigerator/stove	350	150
Advanced payment	One month	500	200
	Six months	350	600
	One year	150	900
Maximum		3700	3700
Minimum		1100	1100

Table 2 - Frequencies of Tactics/Behaviors in Early Stages of Email Negotiations [a]

Category	Tactic/Behavior	Initiating Party	Responding Party
Introductions/ Relationship building	Greeting/hello		
	(informal salutation)	28	27
	(formal salutation - e.g., Mr.)	3	4
	Introduces self (name)		
	(informal)	21	10
	(formal – e.g., Mr., Sir)	1	0
	Offers personal info (e.g., age, gender, nationality)	17	13
	Introduces organization	7	6
	Offers organization info	2	1
	Asks about or refers to other party	3	3
	Apologizes for slow response	2	9
	Closing (e.g., Regards, Bye)	22	24
Clarifications	States (or re-states) overall task	8	5
	Requests clarification on an issue	0	2
	Clarification of email address	8	2
Framing	Asserts importance of win-win outcome	5	6
	Comments on desire to negotiate	3	5
Priority information	Requests information about the value of issue(s)	6	9
	Provides information about the value of issue(s)	2	4
	Suggests a range of options or trade-offs across issues	0	0
Restructuring	Proposes a new way of proceeding	0	1
	Makes an open-ended, non-directional statement	0	1
	Requests additional information about other party's position	0	1
Positional information	Makes or repeats an initial offer		
	(one or a few issues)	3	5
	(all issues)	3	4
	Exaggerates an offer or demand	3	6
	Requests an initial offer	1	1
	Denies relevance of other's position	0	1
	Argues in support of own position	1	7
	Uses threats or promises to change other's position	0	2
	Attributes bad faith to other party	0	0
	Suggests an advantage	0	1
	Sends an ad	1	0

Concessions	Proposes modifications to other party's offer	0	3
	Makes an offer that has a lower value to self than the immediately preceding offer	0	0
Process/Procedure	Asks about the process	1	5
	Proposes a process or procedure (e.g., ICQ)	4	7
	Responds to process proposal	0	2
	Informs about time of next message	2	6
	Reassures about progress/process	0	1
	Asks about availability	1	0
Response request	Requests reply to email message	19	9
Agreement	Agrees to some of other party's positions	0	1

[a] Counts are based on at least one occurrence per negotiator per message. Multiple initial email messages are treated as one message for purposes of this count.