

# **Negotiation 101**

**How we negotiated a discount with Atlantic**

**Hotel Vegasack**

Group X members:

Hala Abu Hassan

Joelle Karadsheh

Nada Martinovic

This report will delve into our detailed methodology and outline how we secured a discount from the Atlantic Hotel Vegsack!

*Joelle Karadsheh (week 1)*

*Introduction:*

We, the team of Joelle Karadsheh, Hala Abuhassan, and Nada Martinovic, are excited to present our innovative project proposal for the Purchasing & Supply Management class. In addressing the needs of our university, we have identified two potential partnerships that aim to enhance the overall experience for students, their families, and visitors.

Below are two proposals that discuss potential partnerships, their benefits and implementations. Both in the hospitality industry and both serving students in the university.

*Proposal 1: University-Hotel Partnership*

*Objective:*

Establish a mutually beneficial partnership with a hotel near our campus to offer exclusive discounts to individuals with affiliations to the university, such as families visiting their loved ones, investors, and workers attending university events. We find this partnership working because we see an increasing demand for hotels that are close to campus for convenience. We also acknowledge the peak demands in May for graduation and in August for freshmen moving in.

*Benefits:*

- Increase hotel guests through a targeted audience.
- Good service at a discounted price through the university.
- Treat the student's family members with a good hotel but at a discounted rate

*Potential Suppliers:*

Consists of hotels near campus such as: Atlantic Hotel Vegesack, HavenHaus Hotel Vegasack, and Hotel Zum Klüverbaum.  
All located within less than 15 minutes from campus.

*Proposal 2: University-Wholesaler Partnership*

*Objective:*

Collaborate with a wholesaler, such as Kaufland, to provide university students with discounts on specific items and free delivery of their purchases.

*Benefits:*

- Affordability for students by offering discounts on essential items.
- Convenience through free delivery services, especially for heavy or bulk purchases.

- Strengthening ties between the university and local businesses.

*Potential suppliers:*

Kaufland, Netto, and Aldi.

*Idea Pooling Questions:*

We have used the questions below as a starting point for what we wanted to negotiate. Additionally, it also served as a measure of the success of our project.

- What if we couldn't find a supplier that agrees with all our requests?
- Why should the supplier accept our partnership? What are the advantages that we are going to offer?
- What consequences do we face if there were negative results?
- How can we effectively measure the success of the hotel partnership in terms of increased bookings and overall customer satisfaction?
- What specific items would students most appreciate discounts on through the wholesaler partnership, and how can we tailor the offerings to meet their needs?
- How can we ensure a seamless communication flow between the university and our chosen partners to maintain the success of these initiatives in the long run?
- How can we measure and track the long-term impact and sustainability of these partnerships for both the university and the collaborating businesses?
- In what ways can we involve student feedback in shaping and refining the discount offerings to ensure they align with their preferences and priorities?
- How can we create a comprehensive communication strategy to promote these partnerships within the university community, ensuring widespread awareness and participation?

*Nada Martinovic (week 2)*

After engaging in thorough discussions and careful consideration, our team has concluded that forming a partnership between the university and local hotels would be not only more realistic but also mutually beneficial. This decision comes after evaluating the proximity and potential of various hotels near the campus. We have narrowed our focus to collaborate with the three hotels that are closest to the campus, offering convenience and accessibility

for university-related activities. Additionally, recognizing the diverse preferences of our guests, we have included a partnership with a hotel located in the heart of Bremen City Center. This strategic selection caters to those who wish to stay closer to urban amenities, such as shopping malls, local landmarks, and cultural attractions, providing them with an enhanced experience of the city's vibrancy.

Moreover, we are currently in the process of gathering and analyzing relevant statistics to substantiate our hypothesis. We believe that the hotels nearest to the campus historically generate the most sales through connections with the university. This data will not only reinforce our decision but also help us in tailoring our services and offerings to better meet the needs of our guests. By leveraging this information, we aim to create a relationship between the university and the selected hotels, enhancing the overall experience for visitors while also driving economic benefits for both the university and the local hospitality sector.

Our Plan for Next Week:

1. In-depth Research on Potential Hotel Partnerships in Bremen: We aim to conduct a comprehensive analysis of hotels in Bremen, focusing on those in close proximity to the university and in key areas of the city. This research will include evaluating the services, amenities, and customer reviews of each hotel to ensure they align with our standards and can cater effectively to our guests' needs.
2. Analyzing Supporting Statistics: We will delve into the data to gather empirical evidence that underpins our claims. This will involve examining historical booking patterns, occupancy rates, and any existing collaborations between local hotels and educational institutions. Such data is crucial in presenting a strong, data-driven rationale for our proposed partnerships.
3. Developing and Distributing Questionnaires: To better understand the frequency and nature of family and work visits each semester, we will design and circulate questionnaires among the university community. These surveys will aim to capture detailed insights about the visitation patterns, preferences, and expectations of our students' and faculty's visitors.
4. Estimating Average Customer Volume per Semester: With the data collected from the questionnaires and our research, we will calculate an estimated average number of guests per semester. This figure will be crucial in our negotiations with hotel managers, as it will provide a tangible forecast of the potential business our partnership could bring to their establishments.

*Hala Abuhassan (week 3)*

In the report last week, we have established that a partnership between the university and local hotels would be beneficial for both the students and the contracting hotel(s). During the week, we have had multiple discussions concerning the exact hotel choice, the approach we should take to make a mutually beneficial contract, the negotiation strategy and the overall hotel market.

In terms of research on potential hotel partnerships, we have discussed two major components: the proximity to campus and the purchasing possibility (the possibility of the hotels being open for collaboration). It was decided that the best tactic would be for the team to approach hotels more than one hotel in Vegasack and maybe in Bremen to increase the chances of signing the contract.

In terms of analyzing the supporting statistics, we will use two types of data – data on the hotels and data from students. We are planning to do a thorough analysis on the information found online from booking.com and from other sources on what staying at each of the hotels looks like. Afterwards, we will conduct an online survey for students to state their opinion on which hotels they would like their parents to stay in, as well as which aspects (proximity to campus, included breakfast, the price etc.) are the most important for them and their family members.

For estimating the average customer volume, we discussed how to gather the information. We will most likely send emails to the bachelor students' and ask whether their parents have already visited Bremen and, if yes, which hotel they stayed in.

Objectives for the upcoming week are to further develop the negotiation strategy, as well as to discuss the questionnaires.

#### *Hala Abuhassan (week 4)*

We have done research on the university's website and realized that the university recommends certain hotels to students upon their arrival (considering that a lot of students are accompanied by their parents at the beginning of their academic journey). This serves as our initial reference point for hotels to include in our survey (we will also leave space for students to write the hotel they have been to in case it is not on the list that we will provide them with).

While the recommended hotels are convenient for parents who are visiting, we are aware that some parents or large families would prefer to stay at a hostel or Airbnb due to the high hotel pricing. One could notice the price differences for the same hotels now and during the months: June till September.

In the survey that we will conduct, we will ask the students if any of their parents have been to Bremen during their enrollment, when did they come (was it during the months June to September?), and where they stayed, whether they stayed at a hotel or not, (if yes, then we will ask about the reason they chose that hotel specifically), whether it is the closest to the university, cheaper than the rest, it offers a good breakfast, or maybe it is the closest to Bremen downtown and so on. According to the results, we will be able to draw conclusions.

We are also aware that most of those hotels are quite small in size, hence it will not be able to accommodate the large number of families, so we will keep more than one option available and try and contact those who we believe will also benefit from this deal. This will also help leverage our flexibility in negotiations.

*Joelle Karadsheh (Week 5)*

## 1. Survey Development and Distribution

### **Questions:**

1. How often do your family members/friends visit you during the semester?
2. Where do they usually stay (specific hotel names, hostel, Airbnb, etc.)?
3. If it's a hotel which one specifically?
4. Is breakfast included, is the proximity to campus close?
5. How long is their typical stay?
6. Approximately how much do they spend on accommodation per night?

### **Our expected results**

#### **Frequency of Visits:**

- On average, family members/friends visit university students multiple times per semester, with peak visitation during key events like graduation in May and freshmen move-in during August.

#### **Preferred Accommodation Types:**

- Visitors often choose accommodations based on proximity to the campus, cost, and the availability of amenities.
- The most common choices are hotels, followed by hostels or Airbnb for budget-conscious visitors.

#### **Duration and Cost of Stay:**

- Typical stays range from a weekend to a week, especially during significant university events.
- Average expenditure on accommodation varies, from 500-850 euros.

**We will be working on gathering the actual responses within the next week.**

### **Target Hotels Near University Bremen**

#### **Atlantic Hotel Vegesack:**

- Located within a 15-minute distance from campus.
- Known for its convenient location and quality services, making it a preferred choice for short-term stays.
- Price 98 per night

#### **HavenHaus Hotel Vegasack:**

- Provides a cozy and welcoming atmosphere, perfect for extended stays.
- Conveniently located near the university, making it an attractive choice for visitors.
- Priced at 114 per night
- Offers competitive rates for the quality of accommodation provided

#### **Hotel Zum Klüverbaum:**

- A budget-friendly option compared to others.
- Its location and basic amenities make it suitable for short, cost-effective visits.
- Price 100 per night

We should keep in mind that the prices will change depending on the season but the three hotels are all in the same price range. While Airbnbs offer a more budget-friendly option,

they come with certain drawbacks. Firstly, the quality and services provided by Airbnbs can vary significantly, lacking the consistency and standardization that hotels offer. This can lead to unpredictable stays for guests, with varying levels of comfort and amenities. Secondly, Airbnbs might not be ideally located near the university or other necessary facilities, posing potential issues in terms of convenience and accessibility for visitors. Considering these factors, the discounts negotiated with the selected hotels could bring their pricing in line with Airbnb rates, while ensuring the benefits of consistent quality, strategic location, and reliable services that hotels are known for.

*Hala Abu Hassan (week 6)*

*This week we aimed to gather a focus group and conduct a survey. The questions asked were those below:*

- 1)** *How often do your family members/friends visit you during the semester?*
- 2)** *Where do they usually stay (specific hotel names, hostel, Airbnb, etc.)?*
- 3)** *Did they choose to stay in this place for specific reasons or was it randomly chosen?*
- 4)** *If it was specifically chosen, what was the reason?*
- 5)** *How long is your typical stay?*
- 6)** *Approximately how much does your family spend on accommodation per night?*
- 7)** *If you were able to get discounts at any hotel or hostel etc... which one would you want it to be? and why?*

Q1: How often do your family members/fri...	Q2: 1. Where do they usually stay (specific ...
1	They would stay at a hotel
Only visited once :(	Hotel: Meininger Hotel near main station
1	hotel
1-2 times	Veogesack Atlantic hotel
1 per semester	the hotel in veogesack
1	Novum Hotel   Walle, Bremen

Most of the students' family members would visit once in their academic year.

Q3: Did they choose to stay in ...	Q4: If it was specifically chose...
Yes, specifically	Closest to campus
Yes, specifically	
Yes, specifically	Closest to campus
Yes, specifically	Closest to campus
Yes, specifically	Closest to campus
Yes, specifically	cheap

All of them answered that they would choose the hotel not in a random way but rather because it is closest to campus. Also, one student mentioned that going to that hotel is cheap.

Q5: How long is your typical stay? ↑	Q6: 1. Approximately how much does your ...
5-7 days	40 euros
they stayed for like 5 days in Germany	idk
3 days	40
1 week	90-110
5 days	30 euros
5 days	100

Their stay would be a maximum of 7 days for all students. Their budgets are no more than 110 euros.



Atlantic hotel next to campus so it could be cheaper for my family.

3/10/2024 05:38 PM

Free breakfast bc free food is lyf

3/10/2024 05:30 PM

Atlantic hotel vegesack

3/10/2024 05:29 PM

Any hotel near campus

3/10/2024 05:20 PM

we weren't able

for the last question, 50% of participants wanted to stay at Atlantic Hotel Vegasack but it was not cheap. Hence, the results also portray that many are willing to be closer to campus. This means that although they chose certain hotels that were near the university, there are still other options that are even closer to campus and are preferable but the price plays a major role.

After completing our survey, we're now arranging visits to both the Atlantic Hotel Vegasack and the HavenHaus Hotel Vegasack. We have refined our approach to negotiating price reductions. We understand the importance of face-to-face discussions to establish a mutually beneficial objective which is also a win-win scenario where the hotels can boost their occupancy rates while accommodating more students and where we can satisfy as many students on campus as possible. Our negotiation plan includes thorough research into hotel pricing models to inform our discussions. Moreover, we acknowledge the importance of maintaining multiple options to strengthen our bargaining position, understanding that having several suppliers increases our chances of securing favorable offers. Given the convenience for visiting family members, we're focusing on hotels for our negotiations.

### **Nada Martinovic (week 7)**

During the past week, our group has reflected on the survey done the week before. We consider the survey to be crucial for developing the negotiation strategy. Meetings this week were mostly focused on the development and plans for the execution of the negotiation strategy.

We have combined the learnings from the class with our additional research to find the best approach. One of the most interesting models we have come across is [Brett's \(2000\)](#) adapted model shown in Figure 1. In our case, we have defined our interest priorities through the questionnaire from last week. They include the price and distance from the university. As the potential outcome, we would like to find a way to make the deal beneficial for both sides (the hotel and the students). However, since we have learned in class that we

need to present some type of a ‘threat’ to the other negotiator, we have come up with an idea to present the negative potential outcome for the other side. This means that we will gain some leverage over the hotel. This will be done by mentioning during the negotiation that we are talking to other hotels and that, in case the contract is unsuccessful, it might mean that the other hotels will gain extra customers compared to the one which doesn’t want to sign the contract. This brings the competition as an additional factor, and we are hoping that it will work in our favor. Of course, this needs to be done in a subtle manner and after the first meeting we will assess the result and make improvements if needed. Essentially, our approach would be a combination of distributive strategy and integrative strategy described by [Walton and McKersie \(1965\)](#). By introducing a potential value for the competition if the proposal is rejected and exposing the joint gains which would be achieved through signing the contract with us, we will politely expose the high value that we can offer (through additional customers) and the power that we have to redirect those customers to the competitors. We are planning to have first meetings during the next couple of weeks and we are hoping that, by adding to the original strategy, we can achieve the goal of signing the contract.

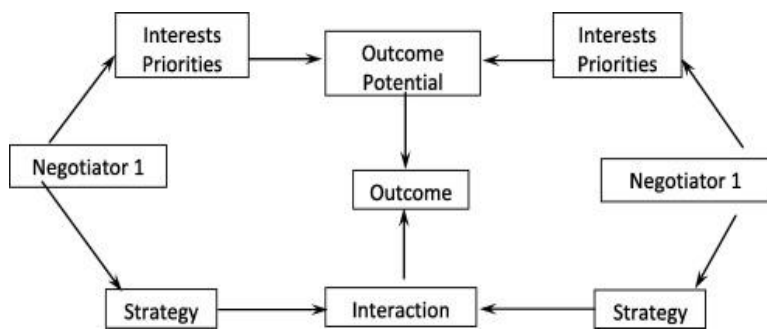


Figure 1

The main reference which we have used was:

Brett, J. M., & Thompson, L. (2016). Negotiation. *Organizational Behavior and Human Decision Processes*, 136, 68–79. <https://doi.org/10.1016/j.obhdp.2016.06.003>

Joelle Karadsheh (week 8)




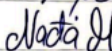
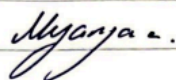


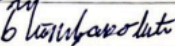






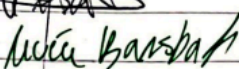



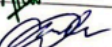
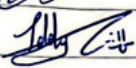
**Attempts in using the negotiation strategies in real life situations**

We went to Atlantic hotel vegesack and engaged with representatives from Atlantic Hotel to discuss the terms of a potential contract. Our visit to the hotel included a meeting with the hotel's secretary, who, due to my father's frequent previous visits, recognized me immediately.

This personal connection facilitated a smoother communication pathway, allowing us promptly to access the hotel manager to discuss our business needs.

The secretary’s warm reception expedited our ability to meet directly with the hotel manager, bypassing typical procedural delays. This not only saved valuable time but also set a positive tone for the subsequent discussions. In our detailed discussion with the manager, we negotiated the terms of our contract, focusing on key aspects such as pricing, service standards, and mutual obligations.

We showed the signatures and explained the gravity of the demand in the university:

	Would your parents/family stay at the hotel if you get a discount?	
	Joelle Koradshah	
	Iman Lepilovic	
	Hala Abu Hassan	
	Nada Martinovic	
	Myongabayer Noirsach	
	Elif Ece Cilingir	
	Busesu sen	
	Bogdan Cprjakovic	
	Oja Bugarij	
	Juana Kueim	
	Meha Mitev	
	Farisha Thakur	
	Mathew Perez	
	Rosa Friedid	
	Lucia Bansbach	
	Aya chquiri	
	Alexis Zaidman	
	marcela Santos	
	Angela Pineda	
	Benjamin Muegi	

Throughout the negotiation process, it became evident that the rapport previously established through familial associations significantly enhanced the dialogue. This encounter

highlighted how emotional intelligence and relational dynamics are crucial in negotiations, transforming standard transactions into opportunities for building long-term partnerships. The meeting concluded with both parties agreeing on the terms, marking a successful negotiation that promises to benefit both our organization and Atlantic Hotel. This experience underscores the invaluable role of personal interactions and emotional engagement in business negotiations, reinforcing our approach to cultivate and leverage these relationships to foster better business outcomes.

This successful negotiation at Atlantic Hotel serves as a compelling case study within our broader purchasing strategy, emphasizing the strategic advantage of nurturing interpersonal relationships within the business landscape

Hala Abu Hassan (Week 9)

### **Going to Havenhaus experience**

Havenhaus is considered to be a small hotel in Vegasack, we were kind of lost while trying to look for it since it is not very visible from the outside. Upon entering, we encountered the lobby secretary and engaged in conversation about the hotel's cozy ambiance despite its lack of visibility from the outside. We suggested that promoting the hotel could attract many students. Comparatively, Atlantic Hotel Vegasack seemed to draw more university students despite HavenHaus being equidistant from the university. Though the secretary was pleasant, she initially seemed unconvinced. However, upon learning of our discount arrangement with Atlantic and by showing her the number of students who are willing to come to the hotel if they received a little discount, she reconsidered and agreed to offer a little discount of 10% to students whose family members visit. Despite expressing interest in a contract, she requested that we send it via email for review by her manager when he becomes available. Subsequent attempts to follow up revealed that the manager was still occupied, and while they verbally agreed to the discount, they were unable to sign a formal contract due to time constraints.

*Joelle Karadsheh (week 11)*

### **Contract information and signature**

#### **Overview of the Agreement**

The document serves as a mutual acknowledgment rather than a legally binding contract, aiming to formalize the terms of a discount program specifically designed for relatives of Constructor University students staying at Atlantic Hotel Vegasack. This partnership facilitates a supportive arrangement that benefits both parties involved:

1. Discounted Rates:
  - The hotel offers special rates for single (EUR 107.70) and double (EUR 134.55) rooms per night, inclusive of breakfast and city tax.
2. Marketing Commitment:
  - In return for the discounts provided, Atlantic Hotel will receive advertising exposure through various university channels, including newsletters and social media platforms, ensuring visibility within the university community.

Conditions of the Agreement

The contract specifies certain conditions to govern the discount program:

1. Booking Channels:
  - All bookings must be made through the hotel's official booking channels to avail of the discounted rates.
2. Discount Code:
  - A specific discount code, "CUB," or direct calls to the hotel are required to apply the discount.

## Duration and Modification

The agreement is set to last for one academic year from the date of the last signature, with the possibility of renewal based on mutual agreement. It can be modified or terminated by mutual consent of both parties, provided there is a two-week notice period given to the other party.

## Intent and Limitations

The agreement clearly states that it is an acknowledgment of the intent to provide a discount program and is not intended to create legal obligations between Constructor University and Atlantic Hotel. This means the document serves as a formal agreement on intent and cooperation but does not legally bind either party in the manner a contract would.

## Signatory Requirements

The agreement concludes with spaces for signatures from representatives of both parties, necessary to validate the mutual acknowledgment formally.

This contract serves as a strategic partnership, leveraging mutual benefits through service offerings and marketing exposure, facilitating a cooperative relationship between the educational institution and the hospitality service provider. It's designed to foster goodwill and support the university community by providing tangible benefits that extend to the students' families, enhancing the relationship between the university and the hotel.

Hala Abu Hassan (week 12)

### **Follow ups**

We would have loved to try the discount and show it to the class on our presentation, however since we are approaching exam season, almost no one receives family visits now, but we have ensured Atlantic hotel that during the month of June, many people will be using the discount code and we will keep an eye on that. Despite attempts to reconnect with Havenhaus Hotel in Vegasack, they reiterated that a verbal agreement had been reached and that individuals could receive a discount by simply calling, without the need for a formal contract.

*Nada Martinovic (week 13 (final week))*

### **Reflections**

Starting this purchasing project was an incredible opportunity to explore different negotiation tactics and various challenges that we needed to overcome. We have learned a

lot about how much time and preparation needs to be invested even before the start of the negotiations, as well as how networking and emotional intelligence can have a big impact on the outcome.

We have prepared in advance by researching not only competition, but also the beliefs of students on campus about which hotel their parents would most likely choose to stay in for their visit. In addition, Joelle's father was one of those parents who stayed at the Atlantic Hotel Vegesack recently, so we had a connection with the receptionist who recognized her. After the friendly greetings, we made a decision to not mention the contract straight away, but rather present our idea as a mutually beneficial agreement, so that we don't bring unnecessary nervousness about the official document that needs to be signed. We also had leverage in the fact that we have another hotel that we are negotiating with, which proved that we are serious about our idea and the goal.

All of these things helped us secure the deal and develop our negotiation skills. Seeing other teams's deals gave us some ideas on how to improve for the next time, such as that it is better to approach smaller businesses for discount deals, because most of the challenges we faced were connected to the fact that it is harder to secure a student deal with a big hotel chain. However, we are satisfied with the result and we enjoyed the process, so we are excited to continue developing our negotiation and business oriented mindset.

We are still waiting for the signed contract back from them, we expect to receive it next week. A verbal agreement was made. Here is the contract that we sent them:

## Partnership Agreement for Student Relatives Discount

**Between:** Constructor University

Address: College Ring 1, 28759, Bremen

Representatives: Hala AbuHassan, Joelle Karadsheh, Nada Martinovic

**And:** Atlantic Hotel Vegesack

Address: Sagerstraße 20, 28757 Bremen

Representative/s:

This document outlines the understanding between Constructor University and Atlantic hotel. It is expressly understood that this agreement is not legally binding and serves as a mutual acknowledgment of the terms discussed herein.

Single room EUR 107,70 per room / per night (incl. breakfast + incl. City-Tax Bremen)

Double room EUR 134,55 per room / per night (incl. breakfast + incl. City-Tax Bremen)

In return of the discount provided above for Constructor university students, Atlantic hotel agrees that it will be advertised on campus including newsletters, and social media platforms, to ensure maximum reach among the University community.

### Conditions:

1. Bookings must be made through the Hotel's official booking channels
2. To avail of the discount, Code CUB or call the hotel directly at +49 421 66050.

This agreement is effective upon the date of the last signature below and remains in effect for one academic year. It may be renewed upon mutual agreement.

This agreement can be modified or terminated by mutual consent of both parties, with a 2 week notice period to the other party.

This document is an acknowledgment of the intent to provide a discount program for relatives of students by Atlantic hotel to the University's students. It is not intended to create legal obligations between the parties.

For Constructor university:

For Atlantic Hotel:

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: Joelle Karadsheh

Name:

Date: 25-04-2024

Date: