

Smartphone Sales Negotiation Strategy

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The mobile manufacturing company recently discovered there is a need for smartphones with great features, such as large storage capacities and camera resolutions, but at a lower cost to accommodate the population that cannot afford alternative devices with the same specifications. I was privileged to serve as a sales agent in a contract deal between a smartphone company and an e-commerce organization. Hence, representing the smartphone manufacturing company, the aim was to increase sales by marketing through their online websites, which will increase the number of prospective customers who will likely buy the product (Shonk).

The stakeholders were the marketing team of the smartphone manufacturing company, which comprises the sales agents, and the marketing team of the e-commerce platform. Hence, our negotiation strategy was based on the commission, discount, price and profit of the products we sell through the online marketing platform and what benefits the online marketing platform company gains from such transactions. The cost of advertising the product is also important in business negotiation since the objective is to make the smartphone product known and increase the sales of the product since it is new in the market.

Information sharing is critical in the negotiation of the contract; hence, there is a need to share every detail concerning what both companies bring to the table. The online marketing company will bring out the services they offer, which will range from advertisement to delivery to the customers, just to mention a few of the services they provide. As for the mobile manufacturing company, it will bring out the products that they offer, such as the various smartphones and mobile phone accessories. Since the mobile company is new in the market, we are prioritizing a penetration pricing strategy in our price matrix choice, which means lowering the cost of a quality product with the objective of attracting high sales in that the customers will switch to the lower cost product with amazing features that the product offers. Hence, this marketing pricing will attract huge sales that will benefit the company and, therefore, be considered the fastest way to obtain market share. The disadvantage of adopting this kind of technique is that there will be low-profit margins, and there might be the occurrence of customer resistance if the price of the products is raised. In setting up the pricing cost, we analyze the labour input, raw material expenses, tax, and profit. Hence, the four named variables are essential for estimating the price, and the company elaborates on the percentage of the commissions in the sales of the product and the discount the online marketing organization may offer in the negotiation table. After necessary bargaining tactics, which entailed extreme demands from the online platform as well as our take-it-or-leave negotiation strategy in our team concerning the discount and commission percentage. Our best alternative negotiation agreement was a commission of ten per cent for every hundred smartphone products sold and a commission of twenty-five per cent of merchandise for every two hundred and fifty products sold in a week.

We chose the online marketing platform since it creates more than ten thousand sales in a week, which signifies the market share that the platform enjoys; thus, our strategy was to tap into the market share and increase our sales (Martinelli). The customers are the only ones who will not be involved in the negotiation of the pricing of the product, but there will be a massive stake in the effectiveness of the deals since both parties will benefit from the sales of the product.

Hence, in preparation for such a negotiation scenario, you should be conversant with the economic trends and how to pull a market share, as well as various marketing strategies that should be instituted to achieve the desired results. Regarding the pricing strategy of the product, such as mobile phones, one needs to view the marketing trends. For a new device that needs to acquire a significant market share, the company will opt to use the penetration pricing models to attain high sales but will have low-profit margins. Hence, in negotiations, there are several strategies that one uses to set out his demands as well as safeguard the interests of the organization (Michaels).

Preparation For The Negotiation

In this scenario of negotiating, we adopted a try-it or leave-it strategy while tabling the offers that we had when the negotiation was very extreme since the online marketing organization had adopted extreme demands of various unreciprocated offers to our company. Hence, with our strategy, we were able to table a proposal, and there were multiple offers that the online marketing company would benefit from, ranging from the discounts, commissions, and advertising fees that it obtains. The stakeholders who are directly involved in this business scenario are the two parties that negotiate the deal, such as the two business parties negotiating a partnership deal or a contract that consists of benefiting from the merger of resources they have at their disposal. The stakeholders who are not always involved but have a considerable stake are the customers in the business since they are the ones who make the company run. The resources that will be used to obtain knowledge on the deals that one is making are reviewed, such as the kinds of deals that have been done in the past, with the objective of gaining the various strategies they used in negotiating the deal. Most of the resources are found online concerning the arrangements between business partnerships since they are under jurisdiction to inform all the stakeholders, which includes the customers; hence, they must be tabled in a news article to inform all the stakeholders concerning the business as long as it trades in the stock exchange. Most negotiators in the business scenario adopt bargaining tactics to be able to table the agreement on the deal. The common ones are extreme demands, take it or leave it strategy, use of unreciprocated offers, and good cop, bad cop.

Works Cited

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