communication structure and rectify them to establish an effective communication network. *«A dream becomes goal when action is taken toward its achievement» (*Bo Bennett*). «He that is of opinion money will do everything may will be suspected of doing everything for money»* (Benjamin Franklin).

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BASIC PRINCIPLES AND ELEMENTS OF BUSINESS NEGOTIATIONS

At the beginning of the twenty-first century, technological advances in communication, travel, and transportation have made business increasingly global. This trend is expected to continue in the foreseeable future. As international business relations grow, so does the frequency of business negotiations among people from different countries and cultures. Experts estimate that over fifty percent of an international manager's time is spent negotiating. Since international negotiations play a more and more important role in today's business relations, a general understanding of negotiation is a must to begin with.

Concept of Negotiation

Negotiation is a basic human activity that most people do at some point every day, to sort out differences with other people, or to get what they want. As a matter of fact, negotiation plays an important role in our daily life.

A modern definition of negotiation is two or more parties with common and conflicting interests who enter into a process of interaction with the goal of reaching an agreement (preferably of mutual benefit). Negotiation is a decision-making process that provides opportunities for the parties to exchange commitments or promises through which they will resolve their disagreements and reach a settlement. In brief, a negotiation is two or more parties striving to agree when their objectives do not coincide.

This definition indicates that negotiations take place within the context of the four Cs: common interest, conflicting interest, compromise, and criteria. Common interest considers the fact that each party in the negotiation shares, has, or wants something that the other party has or does. Without a common goal, there would be no need for negotiation. Conflict occurs when people have separate but conflicting interests. For example, in international business negotiations, conflicting interests could include payment, distribution, profits, contractual responsibilities, and quality. Compromise involves resolving areas of disagreement. Although a win-win negotiated settlement would be best for both parties, the parties cannot avoid making compromises during negotiation. The criteria include the conditions under which the negotiations take place.

Major Elements of Negotiation

All negotiators have strategies, interests and power. For our purpose, efforts will be focused on dealing with two of these three negotiation elements.

Interests

Interests are defined as the goal each party desires to achieve. It is the motivation that pushes the parties to enter into a negotiation. No party will enter a negotiation without certain interests. Interests are often classified as common, conflicting or complementary. Common interests serve as the impetus for the parties to sit before the negotiating table. A successful transaction is beneficial to both sides. At the same time, their interests may conflict since profit to one can be cost to the other. The parties have complementary interests in cases of many joint ventures: one party is in need of investment or advanced technology and the other wants to enter a particular market and expects to do business with it and possibly the surrounding markets. Common and complementary interests have positive effects on the negotiation process whereas conflicting interests affect the process negatively. When conflicting interests dominate a negotiation, an agreement becomes unlikely; when common and complementary interests dominate, the opportunity for success increases.

Interests may take many forms: economic such as profitability, volume, market share, and they may also be more subtle and even intangible such as principles, defending or promoting an image, a reputation, etc. In a commercial negotiation, price is of course a major issue, but the key point lies in how to connect this topic with negotiator interests and with other issues (e.g. volume, payment terms, deliveries, quality and guarantees). Identifying interests is of great importance to forming strategies and conducting behaviors. Interests may be easy to figure out (e.g., profitability or long-term relationships) or difficult to decode (e.g., a desire for dominance or for revenge).

Power (Bargaining Strength)

Generally, the power of a negotiator originates from a number of factors, some of which have association with the negotiation situation; others are linked with the negotiator himself. The following factors are embedded in the negotiating situation:

The available alternatives. The more choices a party have, the greater bargaining strength it enjoys, that is, the party that is confronted with more competitors will be in a disadvantageous position.

Urgency of the time. If one party is under some deadline pressure, the opponent party benefits from a bargaining strength relative to the other.

Also some other sources of power are tied to the negotiator.

1. Skill. Effective negotiating skills, either endowed or acquired through training, help build strength in negotiations. Agile mind, sound judgment, sensitiveness in communication and resistance to stress can all be sources of bargaining strength.

2. Credibility and reputation. This aspect is of particular importance to international business negotiations, for the negotiating parties are generally unfamiliar to each other and have little information about each other's credibility, so then there may exist lots of uncertainties when the two parties begin to do business. Therefore, the credibility and reputation of negotiators exert great impact on the success of international business negotiations.

3. Information. In international business negotiations, it is not exaggerated to say «information is power».

Exploring the sources of power is very important in planning a negotiation.

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ADVERTISING AS A COMMUNICATION TECHNOLOGY

Advertising is a major tool in the marketing of products, services and ideas. The idea is to sell products, services or ideas to consumers. It is a form of communication used to encourage, persuade, or manipulate an audience (viewers, readers or listeners; sometimes a specific group) to continue or take some new action. Advertisement can also be used as a means of reassuring employees or shareholders that a company is viable or successful.

Advertisement messages are usually paid for by sponsors and viewed via various transmission media such as newspaper, magazines, television commercial, radio advertisement, outdoor advertisement or direct mail; or new media such as blogs, websites or text messages. Commercial advertisers often seek to increase consumption of their products or services through "branding" which involves associating a product name or image with certain qualities in the minds of consumers. Non-commercial advertisers who spend money to advertise items other than a consumer product or service include political parties, interest groups, religious organizations and government agencies. Non-profit organizations may rely on free modes of persuasion, such as a public service advertising (PSA).

An advertisement can be classified as having six characteristics: it is a paid form of communication; the sponsor is identified; most advertisements persuade or influence consumer; message is conveyed through different types of media; advertisement makes message reach large audience of potential consumers; advertisement is a form of mass communication.

Communication is a contact between two or more parties, giving information. The aim of the communication process is to influence the buyers' behavior, but before the marketers can influence the consumers they need to know how the communication process works. There are 2 communication model theories of communication activity.

1. Lasswell's theory. According to Lasswell a communication model should answer the following questions: Who? Says what? In what channel? To whom? With what effect?

2. Kolter's theory. According to Kolter the communication process was a sender/receiver. Elements in the communication process:

1. Sender – the party sending the message to another party so they buy that product.