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Bachelor Thesis

The effect of Covid-19 on international business negotiations.

A qualitative thesis on international business negotiations.



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Abstract

This thesis aims to examine how Covid-19 affected international business negotiations. This paper uses empirical data collected from four international companies from different industries. The respondents from the companies have different roles, in this case, procurement managers, sales manager, and marketing manager. The findings show that the Covid-19 pandemic has accelerated digitalization and the adoption of digital tools in international business negotiations. Furthermore, the increased digitalization as a result of Covid-19 normalized the use of digital tools in international business negotiations. Additionally, the findings show that the international business negotiation process is less divided and has a better flow with more frequent interactions as a result of the adoption of digital tools. The findings further show when conducting international business negotiations online the cultural differences are less evident due to the difficulties of body language and cultural customs in an online environment. According to the findings, maintaining international business relationships are now easier with the use of digital tools that allow more frequent meaningful communication. Lastly, the thesis concludes with the theoretical and practical implications as well as suggestions for future research.

Key words

International Business, Business Negotiations, Digitalization, Covid-19, Business Relationships

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List of Abbreviations

ICT	Information and communications technologies
E-Negotiations	Electronic negotiations
E-Commerce	Electronic commerce
E-Mail	Electronic mail

1 Introduction

The first chapter begins with an introduction and background of the topic this thesis studies. That is followed by the problem discussion where the significance of the subject matter is presented. The research gap, research question and purpose of the thesis is then described. At the end of the first chapter the delimitations of the thesis are presented.

1.1 Background

When the pandemic first hit, not only did it have devastating consequences in terms of people all over the world becoming sick and many unfortunately passing away. Other consequences of the Covid-19 pandemic were shutdowns and stay at home orders and recommendations around the world starting in March of 2020 (CNN Editorial Research, 2022). Everyday life of people changed, including how they performed their jobs. Remote work was encouraged, to stop the spread of the virus. Data from 365 respondents in the IT-industry showed that a month after the shutdown in the USA, 44% of the respondents worked from home 5 days or more per week compared to only 17% before the Covid-19-pandemic (Sava, 2020). All industries are not as well adapted for remote work as the IT-industry, but digitalization has allowed more industries to be prepared for remote work. The use of different digital tools is also necessary in international business negotiations which were traditionally often done face-to-face. Business negotiations are the process where two or more parties reach an agreement even though the parties have competing interests. Such as the exchange of goods and services. Due to the fact of the different interests' negotiators need problem-solving skills, good communication and strategic thinking (Schoop et al., 2008). International negotiations contain all the same components and difficulties, but the negotiators are from different cultures and/or countries. International business negotiations require the same skills as domestic business negotiations, but the negotiators also need to be aware of the different legal systems, potential culture differences and business practices in the other country (Ghauri et al., 2003, pp. 3-22).

As the Covid-19 pandemic continued, companies had to adapt to a world where business negotiations could no longer be done face-to-face. The digital readiness of companies became more important to overcome a crisis where physical distancing was a requirement and in person meetings not being possible. Many companies looked to digital solutions such as different information and communication technologies (ICTs) such as Zoom, Microsoft Teams and Skype. Virtual business meetings and negotiations have been possible for several years, but the quality and the different outcomes of the negotiations online is not yet established. How well companies managed to continue their business negotiations during the Covid-19 pandemic is connected to digital readiness and the agility of the company to overcome problems through different ICTs (Gfrerer et al., 2020).

The digital transformation of society and business first started with digitization. Digitization is the process of converting an object such as a photo or a document into digital form. Digitization first started in the 1970s when business documents such as purchase-sales documents and invoices were converted into digital format. Digitalization became more widespread as high-speed internet became more readily available in the beginning of the 21st century (Pilinkiene &

Liberyte, 2021). Digitalization is the continuation of digitization but is defined as using digitized information to create value in new ways (Gobble, 2018). Digitalization is often connected to ICTs such as cellphones and computers and with communication software such as Microsoft Teams, Skype and Zoom.

Digitalization and digitization are closely connected to globalization. Technology advancements have made communication easier both domestically and internationally. This holds true both in business and in people's personal life (Chareonwongsak, 2002). As Chareonwongsak puts it: *"Globalization and technology share a causal relationship, each gaining from and building on the other"* (Chareonwongsak, 2002). This means that the barriers of entry to do international business go down as technology advances and globalization increases. The exact definition of globalization is not clear, but most researchers agree that globalization means increasing interconnectedness in the world. This can be viewed both as a short-term process and long-term process where different countries have more trade and better relationships. Globalization consists of three dimensions: economic, political, and cultural (Ritzer et al., 2016 pp. 54–61. pp. 146-156). Economic globalization refers to the increase of economic interrelations throughout the world. Economic globalization is often connected to transnational corporations or multinational companies such as Coca-Cola (Steger, 2010, pp. 49–53). Political globalization refers to the growth of the worldwide political system but also the interconnectedness of the political system (Modelski & Devezas, 2007). The United Nations is often referred to as the typical example of political globalization (Van Der Heijden, 2006). An example of cultural globalization is "The McDonaldisation of Society" written by George Ritzer where the expansion and popularity of McDonald's restaurants throughout the world is used to explain standardization of society (Ritzer, 2010). Some critics of globalization mean that one culture is imposed on another culture or the rest of the world (Verbeke & Ian, 2022, pp. 139-141).

As globalization increases, international business negotiations also increase as a natural consequence. Online international business negotiations remove some of the components such as non-verbal cues, body language and paralinguistic vocal features. This results in weaker communication that could have an impact on business relationships. Communication and negotiation in a virtual setting expose the parties involved to problems that would not arise in a face-to-face setting. Such as not being able to watch body language and non-verbal cues if the parties involved do not use their camera during the conference call (Kazemitabar et al., 2022). In International business negotiations the same core components are of importance as in domestic negotiations, such as trust and the quality of the relationship between the two parties. Research by Alsharo et al (2017) has shown that removing these components affects business relationships negatively with lower levels of trust between parties. The same research showed that although it lowers trust the authors could not find evidence that it lowers effectiveness within an organization. How this affects the quality and outcomes of negotiations is not known. This could potentially lead to worse outcomes from negotiation in a virtual setting compared to face-to-face negotiations (Alsharo et al., 2017).

1.2 Problem Discussion

After researching the subject of online business practices and more specifically negotiations, it has been found that this subject is critical and crucial in many companies after the pandemic.

Now that the opportunity has come to return to physical and ordinary business practices. It opens a debate on how and to what extent companies should return to ordinary business practices or implement online business practices. Ever since the Covid 19 pandemic a lot of companies throughout the world have been forced to use more virtual meetings and business procedures both internally and externally. The global percentage of meetings rose from 40% virtual to almost 100% virtual during the Covid 19 pandemic and a shift toward 75% is expected in 2024 even after the pandemic (Standaert et al, 2022). It has been argued that digitalization and internet technology with different related applications are changing the way business is conducted and has progressively started to be seen as a competitive advantage (Rodriguez et al., 2020). It is quite clear to see that the digitalization process is seen as a positive thing and something that is here to stay in companies and business procedures. The question is to what extent should companies keep these new business negotiation procedures or move back to the old ones.

Previous studies around the subject have shown that there are a lot of different aspects to take into consideration when conducting business online and more specifically negotiations. For example, how public self-consciousness can affect how people negatively or positively relate to having virtual meetings and seeing themselves on a screen during a meeting (Kuhn, 2022). Connected to the public self-consciousness and the previous article one can see how this has an even bigger impact on international business between different cultures. For example, business between an American and Japanese company where people from these two countries and cultures have a significant difference in self-consciousness. This could lead to two different outlooks on online business meetings and negotiations which could then lead to difficulties, now that one can choose how to conduct business after the Covid-19 pandemic (Gudykunst et al., 1987). There can also be other challenges to online business procedures such as a lack of engagement and worse productivity due to procrastination. Some employees might put off online meetings and negotiations because they are online, otherwise if one has booked a business trip there is no easy option to put it off (Sokolic, 2022).

A study by (Standaert et al, 2022) has looked more into the specific subject of business meetings after the Covid-19 pandemic and tried to answer the question of how and when to meet virtually. The study takes several aspects into account such as meeting size and duration but also the objective of the meeting to best match the type of meeting to a certain type of communication. It is argued that after the Covid-19 pandemic online meetings have become a generally accepted substitute for regular face-to-face meetings. And so, the question of when and how to meet virtually becomes more significant. Online business practices relatively new release of covid restrictions, and its importance to companies. There is a general outlook on digital technology as a disruptive force which some see as a risk related to uncertainty with transformative change and some see it as an opportunity (Saarikko, Westergren & Blomquist, 2020).

As digitalization advances more international business negotiations are performed online than before which is the same as for many other business procedures as previously discussed. This has led to so-called e-negotiations which differ from the regular face-to-face negotiations. They differ from each other mainly because one is performed online through e-mail or zoom whilst the other is performed face-to-face. Other differences include that e-negotiations tend to have people

miss out on gestures, mimics, and tone of voice which is not as easy to experience using Zoom or especially e-mail (Schmid and Schoop, 2022).

A study by Kazemitabar et al. (2022) investigated how non-verbal cues such as gestures or mimics played a role in online negotiations with camera and sound or just sound. They found that negotiations with cameras and an easier way of using non-verbal communication led to an ease of detecting honesty and building trust as well as overall better communication. However, they also found that the extra edition of a camera led to increased stress for some of the participants in the negotiation. They found both good and bad aspects with the use of a camera during online negotiations compared to no camera. One could also further study this by looking at online negotiations with a camera compared to face-to-face negotiations. To see if there is a different impact of non-verbal communication between those two options.

In international business procedures such as negotiations it is also important to have knowledge of cross-cultural communication, this should also have importance and impact when conducting business online (Hoo and Lick, 2016). It has been seen during an online university lecture with people from different countries that cross-cultural communication becomes extra notable and important. And it is argued that no matter what medium is used to communicate, culture will still have an important role in communication (Samovar et al., 2016 pp. 16-17). It has been seen after the pandemic that people from different cultures in this case Western compared to Eastern culture has an impact on whether people like or dislike online negotiations. People from the East are more negative towards online negotiations and people from the West are more positive towards it and likely to use it to a larger extent. This can of course lead to future disputes on the best way to meet according to two parties from different cultures (Agamennone, 2022).

The strong connection between online business negotiations and international companies makes it an ideal research context for how such a phenomenon affects an international company. Covid-19 served as a sort of catalyst for the increased use of online business procedures and furthering of digitalization within companies (Amankwah-Amoah et al., 2021). Because digitalization and the use of online business procedures such as negotiations are now more seen as a competitive advantage. It should be very important for a lot of companies to learn how to best navigate between the use of ordinary and online business negotiations (Rodriguez et al., 2020). Adaptability within a company both to external and internal factors is of major importance to staying successful as a company. This of course further increases the importance of adapting to online business procedures such as negotiations (Zhang et al., 2021).

Amankwah-Amoah et al. (2021) argued during Covid-19 that it would be very interesting to do future research after Covid-19 and look at how companies and businesses have conducted their business in new ways and adapted due to the pandemic. This type of research could be done in negotiations as it is one way companies conduct business. Another suggestion from Amankwah-Amoah et al. (2021) is to look at the issues of renewing business after Covid-19 and adapt to the changes that came with it. Lastly, Amankwah-Amoah et al. (2021) also suggests doing future research looking at how slow digitalization in companies could possibly lead to business failure. All these suggestions greatly argue for the importance and many possibilities to research around the topic of conducting business online. It is argued that digitalization is a very important factor

in a company in order to survive in a crisis such as Covid-19 among other factors such as a good amount of liquidity and use of IT (Rodrigues et al., 2021).

This thesis will therefore investigate how Covid-19 has affected international companies and how they conduct international business negotiations. This thesis will be done both to extend and complement current research on the topic. The practical relevance of the outcome of this thesis could therefore help other international companies to enhance their business performance in the modern post-pandemic world. The theoretical relevance of the outcome of this thesis should help to further our understanding of the topic.

1.3 Research Gap

As mentioned in the problem discussion, previous research on virtual business meetings and negotiations has studied a variety of aspects. Such as when and how to do business online, how people perceive the use of online business negotiations differently, and how non-verbal communication is less effective in online international business negotiations. However, there is an overall lack of previous research on the topic, and suggestions made to further study how companies have adapted their business negotiations after the Covid-19 pandemic. Further research is therefore necessary to better understand the issue. This thesis could provide additional insight on how international business negotiations are performed from a practical perspective. Additionally, our thesis could provide further insight on how international companies have adopted more digital tools as an aftermath of the Covid-19 pandemic.

1.4 Research Question

How has a global disruptive event like Covid-19 affected international business negotiations?

1.5 Purpose

The purpose of this thesis is to examine how businesses have adapted to conducting international business negotiations both in a digital setting and in a physical setting as a result of the Covid-19 pandemic. Furthermore, the goal of this thesis is to expand on previous research on how business negotiations are done in an international setting. The thesis will be conducted in a combination of explanatory and exploratory nature through semi-structured interviews with companies who do international business. Lastly, the thesis aims to provide insight into how companies conduct online meetings and business negotiations with different cultures and countries through our empirical findings from qualitative research.

1.6 Delimitations

This thesis is limited to researching how international business negotiations have been affected by the Covid-19 pandemic. The empirical data is only derived from business that had previous international business negotiations before, during and after the pandemic. Furthermore, this thesis is only studying the impact on international business negotiations and not any other business operations such as business meetings in general. This thesis examines negotiations from

the sales, marketing, and procurement perspective but does not focus on a specific department or industry perspective.

2 Literature Review

In this chapter the theoretical framework will be presented. The chapter begins with introducing international business negotiations as a concept, where electric negotiations and the negotiation process will be further explained. Moreover, digitalization and remote work is defined, and the theory of digital readiness is presented. That is followed by defining international business relationships and presenting the social exchange theory. The chapter concludes with a conceptual framework, to give the reader an understanding of how the theories and concepts relate to each other.

2.1 International Business Negotiations

International negotiations are one of the most complex challenges in business, and some managers spend more than half of their time negotiating (Reynolds et al., 2003 p.236). Business negotiations are seen as a formal process made to help different parties in managing differences and assist in decision making that will lead to mutually agreed on cooperative interactions. In a global market as of today employees in companies negotiate on a variety of issues such as intellectual property rights, joint ventures, mergers and acquisitions, and imports/exports (Samovar et al., 2016 p.351). The difference between regular business negotiations and international business negotiations is that international business negotiations can be defined by the two or more parties in the negotiation process being from different national cultures, and countries (Dupont & Faure, 1991).

With the big increase in international business over the last years specifically for global sourcing and outsourcing activities, negotiating across cultures successfully has become very important to international companies (Monczka et al., 2016 p.521). Negotiating with suppliers who can be located anywhere in the world will increase the complexity and challenges with negotiations due to different laws, customs, cultures, and languages. Companies and their employees must prepare additionally for international business negotiations to handle different foreign business requirements such as travel, modes of transport, and new language translations (Monczka et al., 2016 p.522). However, travel and mode of transport are both things that companies and employees do not have to deal with when conducting international business negotiations online. One of the major challenges with international business negotiations is to handle the different cultures, this is necessary to avoid culture clashes and achieve a successful negotiation. A company and their employees who deal with international business negotiations must be ready to face the challenge of dealing with a variety of different behaviors during negotiations due to culture which makes international business negotiations a very complex issue (Manrai and Manrai, 2010).

2.1.1 Electric Negotiations

The term e-negotiation is not so new, but it has gotten a lot more traction and started to become a necessity for a lot of international companies ever since the Covid-19 pandemic. With digitalization advancing, electric negotiations are increasing in usage for business negotiations.

Electronic negotiations can be done electronically through various media such as negotiation systems, e-mail, and ICTs like Zoom or Skype (Schmid and Schoop, 2022). The difference between regular face-to-face negotiations and electronic negotiations are that e-negotiations are performed online through some media, whilst regular negotiations are face-to-face in the physical world. There are some argued benefits and drawbacks with electronic negotiations such as e-negotiations through e-mail making the negotiation process more drawn out when having to write every message which increases the negotiation duration (Galini et al., 2007).

It is also harder to create a cooperative and friendly relationship electronically, and visual cues might not be as effective in electronic video negotiation and do not exist in e-mail negotiation. It can also be harder to detect social norms and status in an electronic negotiation. However, there are also some advantages such as being able to read and reflect on an e-mail before sending it (Monczka et al., 2016 p.526). There should also be an economic benefit to electronic business negotiations especially for companies that negotiate with other companies that are situated far away in the world. Conducting negotiations electronically will save them a lot of money that would be spent on traveling if the negotiations were held face-to-face (Monczka et al., 2016 p.527). There are some argued benefits and drawbacks with electronic negotiations compared to face-to-face negotiations, however there is still need for a deeper understanding of the subject and more research on the possible benefits and drawbacks of electronic negotiations.

2.1.2 International Business Negotiation Process

International business negotiation essentially consists of two or more parties with their own objectives, preferred outcomes and demands. The parties involved reach an agreement through dialogue and communication to achieve the best possible outcome in line with their own interests (Ghauri et al., 2003, pp. 3-22). The international negotiation process can be viewed from different perspectives and includes different parts and phases (Sigurðardóttir et al., 2019). Ghauri et al (2003) argues there are three phases to the international negotiation process; pre-negotiation, the actual face-to-face negotiation and post-negotiation (Ghauri et al., 2003, pp. 3-22). The pre-negotiation phase is the first stage where the parties first come in contact with each other and show their interest in doing business with each other. During the first stage communication starts where the parties try to understand the other party or party's needs. Consequently, the parties start to evaluate the potential costs and benefits of a negotiation. To adequately evaluate and assess the potential costs and benefits, information gathering starts. Ghauri et al argues further that international business negotiations is a form of problem solving, the information gathering phase is to establish the problem that will ultimately be solved (Ghauri et al., 2003, pp. 3-22). Thus, informal meetings and gatherings take place as the adequate identification of the problem is important for the second stage of the process. The first stage is also when the business relationship starts to form, where the parties try to establish trust and goodwill in order to later come to an agreement. This is also where the parties' individual strategies are finalized. The proposed solutions are ranked in terms of their level of desirability for each party.

Ghauri et al (2003) describes the second stage of international business negotiations as the actual face-to-face negotiation (Ghauri et al., 2003, pp. 3-22). The parties have already established a

shared problem and are starting to work on a solution together. All the information gathered from the previous stage ensures that the parties involved believe they ultimately can come to an agreement in the end. Although the problem and solutions have been communicated, the preferences of the different parties are now explored in more detail. This could be done by creating a mutual set of criteria that is used by each party to evaluate the different solutions. During the face-to-face negotiation stage is also where different negotiation strategies are seen. Such as one party controlling the agenda and thus being able to emphasize their own strengths and the other party's weaknesses. During the second stage is also where cultural differences might be more evident (Reynolds et al., 2003). The relationship building from the first stage, if trust and goodwill has been established potential cultural differences can be mediated more effectively. Cultural differences are part of international business negotiations. If the parties are aware of that, more effective communication can be employed. During the second stage the terms and conditions are agreed upon in principle (Ghauri et al., 2003, pp. 3-22).

The last stage of the international business negotiation is the post-negotiation. At this stage everything is agreed upon and the contract is drawn up and signed. A common problem with international business negotiations, specifically during the last stage, is that the language of the contract may result in a new face-to-face negotiation. Especially if the proposed solution has not been evaluated in the same way by all parties. This further points out the importance of understanding the other party's perspective. Documenting the discussion and compromises after each negotiation session is a possible way to remedy potential confusion (Ghauri et al., 2003, pp. 3-22).



Figure 1, authors interpretation based on international negotiation process (Ghauri et al, 2003).

2.2 Digitalization

Digitalization is the result of the emergence of computers and practice of digitizing information such as converting invoices into a digital format (Pilinkiene & Liberyte, 2021). A common misconception is that digitalization is something that only disruptive technology companies such as Uber, Spotify, and Klarna use. Digitalization is closely connected to tech-disruptors and new innovative business models (Muller, 2020). This type of digitalization is generally thought of as

innovation through the use of digital tools. Thus, creating new digital business models such as the emergence of e-commerce giants Amazon and Alibaba (Tulder et al., 2019, pp. 327–356). That way of thinking of digitalization is heavily influenced by the “Disruption Theory” formed by Clayton M. Christensen in 1997. Large companies are slow and the structure of a big company with its inherent bureaucracy stops innovation because of 5 principles according to Christensen. Principle one is that companies depend on consumers and investors for resources. That means that large companies find it difficult to motivate a large investment in new technologies with lower margins and uncertain market demand. The second principle has to do with first-mover advantages. Small companies and entrepreneurs have the first-move advantage if they successfully develop technology that attracts consumers and creates a new market. The third principle is like the first principle, markets that emerge after the innovation of a new technology cannot be analyzed since they didn’t exist before the new technology. The fourth principle is related to the bureaucracy of a large company. The lack of flexibility and mobility is a result of the capabilities of the company. The capabilities of the company are at the same time their disabilities, the expertise in one area is not necessarily transferable to new technology. The last principle has to do with the product life cycle, if product innovation is faster and bigger than the market demand. Consumers pick their product based on price instead of functionality. Big companies have the risk of moving too fast and thus over-satisfying the market and leaving a vacuum in the lower price points where smaller companies can find customers (Christensen, 1997 pp. viii-xxiv).

Innovation is only one part of digitalization; other parts of digitalization are the customers, competition, data, and value. The transformation on how digital tools have impacted the customer is that they use digital tools such as smartphones and social media to interact with brands. Customers have evolved from being marketed through one-way communication. Compared to today where the customer is part of the communication process of a brand through interactions on social media. Digitalization has also transformed competition whereas before digitalization, competition was generally in defined industries whereas today competition is across different industries. Data used to be difficult and expensive to generate whereas today data is in abundance. Lastly, value before digitalization stayed constant for an industry such as car companies that offer transportation but could differentiate themselves with safer cars, better comfort, or a more luxurious experience. After the digital transformation the value proposition is constantly evolving along with how the service or product is evolving (Rogers, 2016, pp. 1-18).

2.2.1 Digital Readiness

The Covid-19 pandemic, like any other crisis, forced companies to change their business practices. According to Broom and Sha (2013) there are eight different types of crises: natural, technological, confrontation, malevolence, skewed management values, deception, management misconduct, and business and economic (Broom & Sha, 2013, pp. 304-305). The Covid-19 pandemic started as a natural global disruptive event but evolved into a technological crisis. Crisis management for a technological crisis highlighted both contingency planning and management strategy during the pandemic (Khodarahmi, 2009). Contingency planning refers to how prepared an organization is to effectively respond during a crisis (Eriksson & McConnell, 2011). Management strategy in crisis management refers to how the crisis is managed in order for the company to meet its goals and objectives (Khodarahmi, 2009). How well prepared a

company was to do their business operations online such as negotiation became a factor of digital readiness.

Digital readiness is closely connected to the digitalization of businesses and society overall. However, digital readiness is the result of the level of contingency planning for a technological crisis or the sudden dependence of technological tools such as during the Covid-19 pandemic. Digital readiness can be viewed from different perspectives such as from the organizational point of view or the individuals such as the managers point of view or the employees' point of view (Gfrerer et al., 2020). From a negotiation perspective, digital readiness is related to how well a negotiator can perform their tasks in the negotiation process such as communicating with the use of technology (Agamennone, E. 2022). Gfrerer et al (2020) created the digital readiness conceptual framework based on the work of Holt, Vardman, and Ferrari (Gfrerer et al., 2020). Using the digital readiness conceptual framework created by Gfrerer et al (2020), applied to international business negotiations shown in the figure below. The availability of ICTs in the company such as Zoom, Skype, Microsoft Teams, e-mail, and the attitudes towards the use of them is an indication of digital readiness overall. The attitudes and beliefs towards ICTs are an indication of the digital readiness from an individual difference factor, meaning how ready one believes themselves to be using digital tools. This governs whether the individual employee will actually use digital tools. Furthermore, if the company is in possession of ICTs but the employees do not have the technical know-how to use ICTs. This is an indication of a structural factor on the individual level. From an organizational perspective the shared attitude towards digital empowerment and digital involvement is also an indication of digital readiness. Such as how ICTs are used to maximize the outcomes from international business negotiations. Additionally, from an organizational perspective are structural factors such as how the company perceive their digital capabilities themselves. Lastly, the speed of adopting new innovative technologies is another structural factor from the organizational perspective (Gfrerer et al., 2020).

Dimensions		
Level of Analysis	Individual Difference Factors	Structural Factors
Individual level	Segment 1: Individual Beliefs Perceived individual digital readiness Attitude toward digital transformation	Segment 2: Competences Digital knowhow Digital skills
Organizational level	Segment 3: Shared Beliefs Digital empowerment Digital involvement	Segment 4: Capabilities Perceived organizational digital readiness Innovation barriers and reaction speed

Table 1. The Digital Readiness Conceptual Framework (Gfrerer et al., 2020).

2.2.2 Remote Work

If a business can work remotely, it is the result of the digital readiness of the company. A potential outcome of digital readiness is the implementation of remote work. Remote work is the practice of working from home or anywhere else except in a traditional office setting. Remote work is not a new phenomenon that occurred as an aftermath of the Covid-19 pandemic but has existed for decades. It was first referred to as telecommuting in the 1980s where office automation through digitization allowed employees to work from home (Olson, 1983). Some have started introducing remote work as a standard part of how the employees perform their jobs. This is often referred to as hybrid work, which means that certain days of the week the employees can work from home via the use of ICTs (Kuzior et al., 2021). However, there is no standard definition of what hybrid work means in terms of how much work takes place in the office and how much work takes place somewhere else in terms of days or hours (Smite et al., 2023).

2.3 International Business Relationships

In the fast-changing business world of today, it is crucial for companies and their employees to establish and manage relationships both internally and externally to succeed as a business. Collaboration through relationships with customers, competitors, suppliers, and research institutions is crucial for reaching success. Learning from others is therefore very important and to do so, companies must be able to establish and manage relationships with a multitude of different companies and people from different industries, countries, and cultures (Åbeltiņa and Rizhamadze, 2021). Some argue that due to increasing costs to business travel and with travel restrictions, a potential outcome for companies is that they will terminate their international business relationships with companies from countries far away. This is in order to save money from long business travel and be able to meet face-to-face easier (Söderlund, 2020).

There are two types of relevant relationships, social and business relationships, which are differentiated from each other in terms of whether the actor in the relationship is a company or a person (Koporcic and Gongne, 2020). Some companies encourage social relationships with companies they work with because of their great resources or knowledge. Social relationships can further strengthen business relationships and increase knowledge and experience, which is especially important in foreign markets. However, social and business relationships can change from one to the other if, for example, an employee who established a social relationship leaves the company then that relationship would become purely a business relationship instead (Agndal and Chetty, 2007).

Cultural backgrounds of companies and individuals that work for companies heavily influence interactions and the development of business relationships (Koporcic and Gongne, 2020). Different national cultures can impact how companies conduct business and the level of personal trust necessary in relationships. Trust is an important factor of long-term relationships in business and so it is important to be aware of differences regarding trust between different cultures. Usually, in countries where trust is less important, reliance in terms of continually

producing good economic outcomes is more important. Trust and reliance are therefore two central pillars in business relationships where the importance of each factor differentiates between different cultures. Social exchange theory can further explain the role of trust and reliance in long-term relationships (Jiang et al., 2011).

2.3.1 Social Exchange Theory

In a simple form social exchange is based on one person starting an interaction with another person who then responds. The exchange can be verbal and non-verbal, there is no limit as to whether the exchange must be face-to-face, but it could also happen through e-mails or phone calls. The social exchange theory was created to explain the underlying structure of interactions between people. The purpose of an exchange is to minimize costs and maximize rewards (Murray and Iding, 2012 p. 7). A relationship will exist as long as there is a continuous exchange of rewards and creation of value; once this stops then the relationship usually runs out (Gordon, 2000 p. 506). Furthermore, the theory was created to explain why exchanges happen as they do, but also the reason that people engage in exchanges, and why some exchanges fail or succeed (Murray and Iding, 2012 p. 7).

As previously mentioned, there are two types of relevant relationships, social and business relationships. The social exchange theory can also help us understand the relationship and exchanges between organizations/businesses (Jiang et al., 2011). It has been argued that trust is at the core of social exchange (Blau, 1964). There are arguments that state trust has two different components, credibility, and benevolence in relation to business relationships. Credibility is based on the belief that employees in the partner company accomplish agreed objectives. Benevolence is based on the belief that employees of the partner company are truly interested in the well-being and success of the relationship and for their counterpart firm to do well (Jiang et al., 2011).

Continuous exchanges in a relationship will over time also increase the trust as favors are returned over time (Lambe et al., 2001). This is important when doing business and building relationships from the start of a relationship and onwards that one knows how an increase of time and exchanges should lead to a better relationship with more trust and commitment. As a relationship advances and trust and commitment increases one can also rely more on that business partner (Lambe et al., 2001). As a relationship advance there will start to form relationship norms which are commonly agreed regulations on how to interact with one another. These regulations can be of great importance to business relationships and negotiations because they increase controlled and expected behaviors and reduce the need of power. As they further increase the common ways of how to interact with each other it will also increase efficiency and reduce the overall uncertainty of the relationship (Lambe et al., 2001).

All of the above benefits are of great importance to negotiations and business relationships as trust is an important aspect in successful business negotiations (Akrouit and Woodside, 2023). However, due to the possibility of parties during online international business negotiations lacking access to cameras one might miss out on non-verbal communication which could make it more difficult to establish trust than with a camera (Kazemitabar et al., 2022).

However, it is unclear if it is also harder to build trust online with a camera compared to a normal face-to-face negotiation.

2.4 Conceptual Framework

The conceptual framework below is made to illustrate how all the concepts can be correlated and should provide the reader with a greater understanding of the thesis. The model is built to show how Covid-19 affected digitalization, international business negotiations, and international business relationships.

The literature review has shown that Covid-19 rapidly increased the digitalization of companies, the increase of digitalization was the best way to stay competitive and survive as an international company. This further affected companies to implement remote work and their digital readiness was a vital part if they could digitalize in an effective way and handle the crisis of Covid-19. The overall digitalization of companies and their implementation of remote work based on their digital readiness then affected how they conducted and now conduct international business negotiations. All of the above affects the negotiation process for international business companies and how they conduct negotiations after Covid-19. It could further also possibly affect their business relationships which are linked to the negotiations, the new way of handling business relationships potentially further affects the social exchange and how to build trust in relationships. In the context of international business, the conceptual framework illustrates how Covid-19 and digitalization affects international business negotiations.

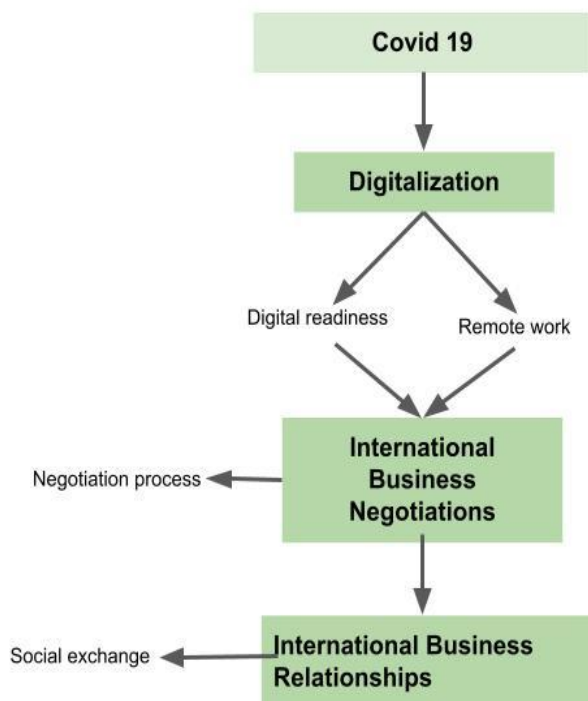


Figure 2, Conceptual framework, created by authors.

3 Methodology

We describe the methodological framework that was employed to carry out the thesis in the chapter that follows. This will include a summary of the data that was acquired, the methods that were employed, and the justifications for why these approaches were thought to be appropriate for this thesis. The chosen research methodology will be presented at the start of the chapter along with its reasoning. We will then go over the categories of data that were gathered, the research methods that were chosen, and the procedures that were employed to gather the data. The chapter will end with a discussion of the thesis quality and critique after a presentation of the operationalization and data analysis approach.

3.1 Research Approach

The research approach is based on the relationship between empirical data and theory. There are 3 different research approaches that one can use, the two main contrasting approaches are deductive and inductive. A deductive research approach starts with an existing theory developed from reading academic literature, one then designs a research strategy to test that theory. However, if one does the other way around and starts by collecting data to explore a phenomenon to then build a new theory based on that data it is called an inductive research approach. Then there is also a third research approach between these two above, which is called abductive. An abductive research approach is when one collects data to find themes and explain patterns, to explore phenomena. Based on the data collected one can then try to modify an existing theory or develop a new theory. An abductive research approach is therefore in the middle of the inductive and deductive approaches and uses both existing theory to possibly modify and could also develop new theory based on the findings from the data collected (Saunders et al, 2019 pp. 152-153). Deduction is seen as a lower risk strategy even though there is some risk in not receiving filled out questionnaires for example. Induction and abduction are then seen as more risk filled strategies because of the possibility that the collected data does not contain any useful patterns (Saunders et al, 2019 p. 157).

The research method for this thesis will be abductive, that is because the base of the thesis is not a specific theory. Instead, the base of the thesis is a general phenomenon related to international business negotiations. The Covid-19 pandemic forced companies into using digital tools as business travel had to be reduced or completely cut out, the area of online international business negotiations and the effect from Covid-19 has not been explored in much depth. With the use of an abductive approach, it is possible to explore the social phenomena in the relationship between negotiating online or face-to-face, and how the key elements of face-to-face negotiations transfer to online negotiations. The abductive approach can help to develop further existing theory and identify new theories (Saunders et al, 2019 p. 160).

3.2 Research Method

There are three main methods for academic research such as quantitative and qualitative and mixed methods. What research method that is used depends on the research approach, the research question and what topic that is researched. One way of distinguishing qualitative research from quantitative research is to examine what type of data that is collected. Numeric data is collected in quantitative research whereas non-numeric data is collected in qualitative research. Qualitative data are data such as words, images, audio recordings, and video clips to mention a few. Common qualitative data collection methods are different forms of interviews but could also be focus groups or observation. Another way of discerning qualitative data from quantitative is the research philosophy. Qualitative research is often interpretive in nature where the researcher is trying to understand a phenomenon that is subjective and has inherent social meanings that needs to be deciphered. Due to the complexity of the data that is collected smaller samples are often used compared to quantitative. The researcher uses either unstructured or semi-structured methods such as interviews to get an understanding of the data generated by the interviewee. The participant is often regarded as a co-creator in the data collection and the researcher must build trust to get the most information and insight from the participant. Furthermore, qualitative research is often used when the researcher uses inductive theory development where the researcher creates a new theory based on the findings. Deductive research approach where an existing theory is tested can be combined with qualitative although it is less common. Abductive research approach which combines the two is also often used in qualitative research (Saunders et al, 2019 p. 172-187).

Quantitative research on the other hand uses numeric data which are numbers derived from, for example, a questionnaire. The sample size of quantitative research is generally much larger than qualitative research. This results in the findings of quantitative data often being more appropriate to generalize if correct probability sampling has been used. The numerical data is analyzed using statistical and graphical techniques (Saunders et al, 2019 p. 172-187).

Mixed methods are a combination of both quantitative and qualitative research methods. An implementation of mixed method research could be using both a questionnaire and interviews to understand the same research question. The reason for using mixed method research may be to help a researcher to generalize their findings to a higher degree compared to only using qualitative research (Saunders et al, 2019 p. 172-187).

In this thesis the use of qualitative research methods is the most appropriate. López-Morales et al argues (2022) that although quantitative methods are more popular than qualitative in international business research (López-Morales et al., 2022). Bansal et al (2018) estimated that 80% of all international business research is done using quantitative methods, the remaining 20% are qualitative methods (Bansal et al., 2018). López-Morales et al (2022) further argues that using qualitative methods is beneficial especially when studying previously understudied topics such as potential contribution of bi- and multi-cultural actors in context or current problems of daily life facing people and companies carrying out international operations (López-Morales et al., 2022). Our thesis is studying a current problem of how a global disruptive event such as the Covid-19 pandemic and how it affected how companies are carrying out their international business negotiations. Furthermore, this also leads the thesis to having a

combination of explanatory and exploratory nature where the semi-structured interviews will provide insight. Using qualitative research methods with semi-structured interviews provides us with more in-depth information such as the reasoning and motivations on how the Covid-19 pandemic has affected international business negotiations.

3.3 Research Design

The research design is a general plan of how one goes about answering the research question of the thesis. There are three main choices to make in terms of the research design. First up is the methodological choice between quantitative, qualitative, and mixed methods which has been described above. One also must describe the nature of the research design choosing between exploratory, evaluative, explanatory, and descriptive or a combination of those. It is also important to use one or more research strategies to make sure that the research design is consistent with the research project (Saunders et al, 2019 pp. 173-174). Coming back to the nature of the research design being either exploratory, evaluative, explanatory, and descriptive or a combination of those. That choice is based on the way one asks the research question, which can also change over time. This thesis will be a combination of exploratory and explanatory. An exploratory nature is a useful way to understand and discover what has happened and to gain insight regarding a certain topic. Questions that one asks during data collection are likely to be how or what questions to explore problems, issues, or phenomena which is the Covid-19 phenomena in this thesis. An explanatory nature will also be used in combination with the exploratory, explanatory studies are made to establish relationships between certain variables. Explanatory research is focused on studying a certain problem or situation to explain the potential relationships between variables. In this case the problem of Covid-19 and the relationship between international business negotiations, international business relationships, and digitalization (Saunders et al, 2019 pp. 186-188). When choosing a research strategy or strategies there are a few options to choose from when doing qualitative research. These options are narrative inquiry, action research, grounded theory, ethnography, archival and documentary research, and case study (Saunders et al, 2019 p. 190).

3.3.1 Multi-Case Study Design

For this thesis the case study approach has been chosen. The case study strategy is a deep investigation into a certain topic or phenomena in the real-life setting (Yin, 2018 p.33). The word case in a case study research strategy can be a variety of different things such as a company, manager, or work team. A case study is suitable if the thesis tries to explore how a phenomenon works, it is said to be the most appropriate design to use to get an in-depth understanding of the phenomena. It is possible to do a case study with one or multiple cases, in this thesis a multiple case study will be used with companies as the cases. Conclusions from a multiple case study are considered to be more valuable than conclusions from a single case. A single case study is usually done on the basis that the case is unique to a certain company, which is not the case for this phenomenon of Covid-19 that is studied in this thesis. Due to the limitation of a single case study for the phenomena of Covid-19 it is therefore more appropriate to use a multiple case study for this thesis (Saunders et al, 2019 pp. 196-199). It is also worth mentioning that this thesis will be a cross sectional study and not a longitudinal study. That is

because of the small amount of time available to write the thesis. This will make the time horizon of the thesis more of a snapshot in the Covid-19 phenomena rather than a diary throughout the phenomena (Saunders et al, 2019 p. 212).

3.3.2 Purposive Sampling

For most research questions it is not possible to collect or analyze all the data available to answer the question due to time, access, and money restrictions. Then one must select a sample out of all the possible cases. To get information on specific topics from a specified group of people is the main goal of sampling. There are two types of groups that sampling techniques are divided into, non-probability and probability sampling. When using probability samples, the probability or chance of every available case from the target population being selected is equal for all cases and the chance is also known. However, when using non-probability samples each available case from the target population being selected has an unknown probability (Saunders et al, 2019 pp. 292-296). The aim of qualitative research is not to measure a frequency of a phenomena but rather to understand it and therefore it is more suitable to use non-probability sampling. One of the techniques used for non-probability sampling is purposive sampling. Purposive sampling is based on selecting specific individuals that have certain characteristics or qualities that are usable to answer the research question. The decision to choose specific individuals is dependent on the judgment of the researchers which could be seen as a risk to the quality and suitability of cases. Purposive sampling is frequently used when using a small number of samples, for example in a case study when the cases used should be especially informative (Saunders et al, 2019 p. 321). One of the main reasons to choose purposive sampling is because the researchers are allowed to choose the samples based on the specific aims and objectives of the thesis which should increase the trustworthiness of the results and data (Campbell et al, 2020).

Due to the arguments from the previous section a purposive sampling technique will be used to select and find suitable companies and respondents for this thesis. It is suggested to use certain criteria for purposive sampling to choose and select the respondents (Merriam, 2009 p.82). The following criteria have been developed to find suitable respondents based on the research question and purpose of the thesis. The 2 criteria related to 5 years are used in order to make sure that the companies and respondents have been active with international business negotiations before, during, and after the Covid-19 pandemic. After identifying potential cases that fit the criteria stated below, the interview respondents were contacted by e-mail where they were informed of the topic of the thesis and asked for their participation. E-mail was also used to set a date for the interview. The GDPR consent form was also sent by e-mail.

The companies must:

1. Be involved in international business and international negotiations.
2. Have been involved in the above-mentioned for a minimum of 5 years.

The respondents from these companies must:

1. Have worked with international business negotiations before, during, and after the Covid-19 pandemic.
2. Be in a managerial position that is involved in negotiating internationally.

3. Have worked with international business negotiations for more than 5 years.

3.3.3 Cases

Name:	Position:	Company:	Date of interview:	Duration of interview:	Interview conducted through:
Johan Bellander	Marketing Director	Johnson & Johnson	2023-05-03	≈ 30 min	Microsoft Teams
Laurent Ponsard	Senior Area Sales Manager	Thuasne	2023-04-28	≈ 30 min	Microsoft Teams
Tony Carlzén	Procurement manager	Modig Machine Tool	2023-04-27	≈ 30 min	Microsoft Teams
Lisa Modig	Procurement manager	Xylem	2023-05-02	≈ 30 min	Microsoft Teams

Table 2, created by authors.

3.4 Data Collection

There are two types of data used in qualitative research, primary data, and secondary data. Primary data is new data collected for the purpose of answering the research questions proposed in the thesis. In qualitative research primary data is collected through interviews in different forms such as in-depth interviews, semi-structured interviews or focus groups which can be performed with different strategies. Primary data can also be obtained through different forms of observation. For this thesis, the primary data is collected through semi-structured interviews. Secondary data is data that is already collected such as research published in academic journals and books. Secondary data is valuable to provide information that the researcher does not have the resources to collect themselves (Hair et al., 2020, pp. 203–218).

3.4.1 Primary Data

Primary data in qualitative business research is usually obtained in two ways. Through interviews or observation. The two data collection methods are further divided into what type of interview or observation that is performed. Interviews can be performed through in-depth interviews, semi-structured interviews, and structured interviews (Saunders et al, 2019 pp. 434-444). In-depth interviews are one-to-one discussions between a trained interviewer and the respondent. Utilizing in-depth interviews is time consuming and requires a skilled interviewer. In-depth interviews are generally unstructured although the interviewer might have an interview guide with them, but the flow of the discussion might go in a different direction than the interview guide. Semi-structured interviews are more governed by the interview guide although the interviewers are free to ask follow-up questions and probing questions. Semi-structured

interviews are more flexible than structured interviews. Structured interviews are completely governed by predetermined questions which are the same for each respondent.

The use of observation in qualitative research is performed in different ways such as observing how long a consumer spends in the dairy aisle. Ethnographic research is another form of observation where the researcher spends prolonged periods of time observing the participants' actual life experiences (Hair et al., 2020, pp. 203–218). What type of primary data that is collected is also dependent on the purpose of the study. Saunders et al (2019) argues that a study with exploratory elements is more appropriate to using semi-structured interviews. This allows for the researcher to ask probing questions and understand the motivations and attitudes of the participants (Saunders et al, 2019 pp. 434-446). This thesis has a combination of exploratory and explanatory nature, using semi-structured interviews is most beneficial in order to answer the research question.

3.4.2 Secondary Data

Secondary data is data already collected and published and made available in academic journals, books, newspapers, or websites. Oftentimes the use of secondary data is used due to the fact that the researcher does not have the resources to collect primary data themselves (Saunders et al, 2019 pp. 338-343). Secondary data used in this thesis has been to provide complementary information about the companies we have interviewed.

3.4.3 Structure of Interview

This thesis is a combination of exploratory and explanatory which leads us to naturally employ semi-structured interviews (Saunders et al, 2019 pp. 434-444). All the interviews were conducted through Microsoft Teams. Face-to-face meetings were not possible due to the busy schedules of the respondents. Conducting the interviews through the same digital tools we are examining in the thesis provided further insight into the advantages and disadvantages associated with them. Interviewing through Microsoft Teams was also a way of managing the issues of time, logistics and costs. The use of Microsoft Teams solved the issue of interviewing one of the participants that were in a different country (Saunders et al, 2019 pp. 455- 467). Schober (2018) argues that interviewing with the help of digital tools might provide better results in terms of higher quality data and higher respondent satisfaction (Schober, 2018). Schober (2018) further argues that one of the reasons why interviews using digital tools might provide better results compared to traditional face-to-face interviewing is the number of requests an average person gets for surveys or interviews. Using digital tools to interview provides the respondent with more flexibility and allows them to feel more comfortable (Schober, 2018).

The respondents were sent the interview guide beforehand to make sure that the respondents were comfortable with answering the questions as well believed they could provide insight. As Saunders et al (2019) argues the benefit of using semi-structured interviews was that during the interview if there was something that had not been fully answered, probing questions were used. At the same time if a question had already been answered even if the questions had not been asked, the flexibility of semi-structured interviews allowed us to skip that question (Saunders et al, 2019 pp. 434-444). Probing and follow-up questions were also used to encourage the

participants to elaborate their answers when needed (Saunders et al, 2019 pp. 455-467). The interview guide was created in English but translated to Swedish as well. The reasoning for translating the interview guide to Swedish was for the convenience for the participants as well as making the interview more natural.

3.5 Operationalization

Concept	Questions	Reasoning
General information/Opening questions	1.a-1.e	These questions are asked to get general information about the participant as well as the consent to record.
Digitalization	2-6	These questions are asked to identify the level of digitalization and digital readiness of the participants' company.
International Business Negotiations	7-11	These questions are asked to find out how the Covid-19 pandemic affected international business negotiations.
International Business Relationships	12-14	These questions are asked to identify how the use of digital tools has affected business relationships.
Final/Closing questions	15-16	These questions are asked to give the participants an opportunity to share their view of international business negotiations in the future for their industry.

Table 3, created by authors.

The interview guide was formed to answer the research question “*How has a global disruptive event like Covid-19 affected international business negotiations?*”. Furthermore, the interview guide was formed as a result of an in-depth literature review of international business

negotiations. Bryman and Bell (2011) argue that literature review is a crucial part of thesis development by understanding what previous research has been conducted in the same field (Bryman & Bell, 2011 pp. 91-95). The three concepts described in Table 3 were found to be the most applicable in order for the authors of this thesis to get an understanding of what has already been written about international business negotiations and to identify a research gap. The three different concepts have been researched independently and to some extent in combination. The abductive research approach in this thesis is also reflected in how the interview guide was formed by using existing theories and concepts in a new combination to answer the research question. In the table above (Table 3), the three main concepts are linked to the questions asked and the reasoning behind the questions.

3.6 Method of Data Analysis

When doing qualitative research, it is especially important to do it in a methodical and accurate way to attain practical and relevant results. To enable the reader to assess the process' validity, a qualitative researcher must systematize, record, and report the method of analysis in great detail. In order to prove that the analysis of data has been completed in a precise and consistent way to be seen as trustworthy (Nowell et al, 2017). The Eisenhardt method is a method of data analysis often used when there is no clear answer to the research question and little prior theory and empirical evidence. Furthermore, the Eisenhardt method is particularly useful when theory is built from limited cases, often between 4 and 10 cases. Another beneficial aspect of the Eisenhardt method of analysis is that the analysis is both for each case individually described by Yin (2009) as replication logic while also analyzing the data between the cases described by Eisenhardt (2021) as cross-case analysis (Eisenhardt 2021, Yin 2009, pp. 54–58).

This thesis is employing the Eisenhardt method due to the fact that the research question does not have a clear answer and could be different depending on the industry. Furthermore, this thesis is building theory from 4 semi-structured interviews conducted through Microsoft Teams. As described in the research gap this thesis studies the specific phenomena of how the global disruptive event of the Covid-19 pandemic has affected online international business negotiations. The Eisenhardt method is particularly good when examining a specific phenomenon which results in the Eisenhardt method being the best choice for this thesis. Furthermore, Eisenhardt (2021) asserts that the Eisenhardt method is useful when using “*careful case selection*” meaning that the phenomenon being researched is likely to have occurred in the cases selected (Eisenhardt, 2021). This thesis uses purposive sampling where the cases required to meet the criteria described in the purposive sampling section to ensure the phenomenon being studied has occurred. This increases generalizability by reducing alternative explanations (Eisenhardt, 2021).

The semi-structured interviews were recorded so that the data could easily be transcribed into documents and word form instead of audio. When the interview was performed in Swedish careful translation was performed when the data was presented. The empirical data was then divided into the three concepts presented in the literature review, international business negotiations, international business relationships, and digitalization for each case. Grouping together the responses into these three categories allowed us to find patterns and themes among the responses which were highlighted in the document to later be presented and analyzed in the

thesis. The analyses were first performed for each case individually utilizing replication logic described by Yin (2009) and then analyzed between the different cases utilizing the cross-case analysis described by Eisenhardt (2021) (Eisenhardt 2021, Yin 2009, pp. 54–58).

3.7 Quality of Research

Being trustworthy in qualitative research is based on the credibility of the researcher, credibility of the findings, and applicability of the research methods. The general perception of quality throughout the research project serves as the foundation for trustworthiness (Rose and Johnson, 2020). Validity and reliability are the main categories for judging the quality of research. Validity is judged on three things, if the findings of the thesis that are claimed to be generalizable truly are so. The quality of measurements used and if they measure important aspects of the thesis, and if the analysis of the data is made in a suitable and precise manner. Reliability on the other hand is judged on how easy it is to replicate the study and achieve the same results, a reliable study can have another researcher do the same study and achieve the same results (Saunders et al, 2019 p. 213). Validity and reliability are normally measured with internal and external aspects, which leads to 4 categories to measure the quality of research with. Those are internal validity, external validity, internal reliability, and external reliability. One issue is that those ways to measure the quality of the research are mainly suitable for quantitative studies and are viewed as unfitting for qualitative research. Nonetheless one can change and adapt the measurements of validity and reliability to be more fitting to judge qualitative research (Saunders et al, 2019 p. 216).

3.7.1 Reliability

The way one can judge external reliability is through looking at how precise the description of the methods, context, and overall research design is. If this is done in a precise way, it will help others to conduct a similar study and it will increase reliability. To increase the reliability of this thesis our methodological process is presented in a clear and well-defined manner. In order to increase the understanding for the reader as to how we gathered data and came to conclusions from the data. Additionally, the interview guide is shown (see Appendix A) so the reader can understand what was asked during the semi-structured interviews. Internal reliability can be increased by using more than one researcher when analyzing data, interviewing, and observing. This thesis is written and developed by two researchers and the interviews were also conducted by two interviewers as well as the data being analyzed by both researchers which should further increase the reliability of the thesis (Saunders et al, 2019 p. 216).

3.7.2 Validity

Internal validity is usually not seen as a problem to qualitative research due to the in-depth collection of data to come to conclusions. The theoretical relationships proposed in this thesis are based on an in-depth collection of data. The validity of the thesis should therefore be increased. External validity is judged by the generalizability of the results from the study. The external validity is increased by using large samples which is an issue when conducting qualitative research. However, findings from qualitative research can still lead to generalization in other similar studies and when learnings from the research can be used for other research. This is quite

hard to judge for this study and the generalizability might be low but could still help other researchers in the future doing similar research. Overall, the study should be seen as rather high quality through both aspects of validity and reliability even though it is more difficult to assess this for a qualitative study (Saunders et al, 2019 pp. 214-216).

3.8 Method Criticism

There are both drawbacks as well as advantages to qualitative research compared to quantitative research. A common criticism of qualitative research from quantitative researchers is that qualitative research is too subjective. The nature of qualitative research and the use of non-probability purposive sampling in this thesis where we started with a rather wide focus and have gradually narrowed down our focus throughout the thesis. The research methods used in this thesis rely on what we as authors deem to be important and significant to study, therein lies the risk of focusing too much on a certain topic rather than another (Bryman & Bell, 2011 pp. 401-409).

Furthermore, Bryman and Bell (2011) argue that qualitative research is difficult to replicate and is problematic to generalize the data collected (Bryman & Bell, 2011 pp. 401-409). However, replication in business and management research is difficult in general even if employing quantitative research methods. This is more of a problem when using unstructured interviews. Although there are benefits of having longer interviews and collecting more data, having no or a very loose interview guide puts more emphasis on the interviewer having the adequate skills to perform a similar interview when attempting to replicate. Thus, being less transparent by being less codified compared to quantitative research (Bryman & Bell, 2011 p. 410). For this thesis where semi-structured interviews were employed the data collection was more codified compared to unstructured interviews but potentially did not get as much in-detail information as an unstructured interview would generate.

Interviews were conducted through Microsoft Teams. Although Schober (2018) argues interviewing through digital tools results in higher quality of data (Schober, 2018). Bryman and Bell (2011) argue there are potential drawbacks of non-face-to-face interviews. Furthermore, Bryman and Bell (2011) argue that previously a drawback of part of conversational analysis in telephone interviews was that body language and movement could not be seen in a telephone interview (Bryman & Bell, 2011 pp. 520-524). When using video conferencing tools like Microsoft Teams, more of these non-verbal cues and techniques can be picked up during the interview. However, some of the non-verbal cues are still not transferable even when video conferencing tools are used (Bryman & Bell, 2011 pp. 520-524).

After each interview, the interview was transcribed to allow for a more thorough understanding of what the participant said in the interview. However, 3 out of 4 interviews were conducted in Swedish and had to be translated to English when the data was presented. There is a risk of information being lost in the translation process. Xian (2008) argues that there are 3 potential problems that can occur when translating interview data. The first one is linguistic problems which means that the interviewee uses words where there is no equivalent in English. The second one is sociocultural where the interviewee uses idioms or proverbs that don't have the

same or a socio-historical knowledge for their meaning in English. Thirdly is methodological, there is a risk of the translator imposing their authority on the foreign language (Xian, 2008).

3.8.1 Ethical Considerations

There are several ethical considerations one must have in mind when conducting qualitative research. Bryman and Bell (2011) suggest that the following is considered when conducting qualitative research. The first consideration is regarding whether there is harm done to the participants by agreeing to take part in the thesis such as harm to their career prospects or future employment. Secondly, whether there is lack of informed consent especially if observation is used as the data collection method. Thirdly, if there is invasion of privacy, this is another reason for the importance of consent from the participant. The fourth consideration is regarding deception, even if consent is granted the researcher must be careful not to misrepresent what the study is examining. The fifth consideration has to do with data management. Even if consent is given and the participants are willing to share private or sensitive information the researcher must handle the data in a careful manner. Furthermore, there are other legal considerations other than data management such as copyright. Furthermore, it is important to not breach the trust afforded by the participants when taking part in a qualitative study. This has been done in this thesis by communicating honestly and openly. This thesis is informed by Bryman and Bell and had these ethical considerations in mind during the thesis process of collecting data, analyzing data and the handling of the data (Bryman & Bell, 2011 pp. 131-141).

3.8.2 GDPR

All interview participants were sent the standard Linnæus University Bachelor thesis GDPR consent form where the purpose of the thesis was stated and how and what personal information would be handled. All participants signed and agreed to be interviewed but were informed of their right to withdraw their consent at all times. The interview participants were also asked during the interviews if they wished to be anonymous if their name, job title and place of work could be published in the thesis. Furthermore, all interview participants were asked for their consent before the recording of the interview started. They were also informed of their right to withdraw their consent at any time. This thesis also put extra emphasis on not misrepresenting the interviews during the translation process.

3.9 Author Contribution

This thesis was written by two authors. The workload was divided equally between the two authors. Parts of the thesis were divided equally between the authors and written independently. However, to maintain the same quality throughout the thesis the two authors were in close contact with each other throughout the writing process. The parts were reviewed and revised together. Therefore, both authors of the thesis take equal responsibility for the content provided.

4 Empirical Findings

In this chapter the findings are presented individually for each case. Additionally, the findings are categorized per theory in line with the literature review, and the operationalization. Furthermore, the findings are presented in line with the method of analysis selected.

4.1 Johnson & Johnson

Johnson & Johnson was founded in 1886 in New Brunswick, New Jersey, USA. Johnson & Johnson develops medical devices, pharmaceuticals, and consumer packaged goods. The corporation includes 250 subsidiary companies with operations in 60 countries and products sold in 175 countries (J&J, 2023). Johan Bellander is the Marketing Director for Europe, the Middle East and Africa. He is part of the MedTech division of Johnson & Johnson. In his role he is responsible for marketing the wound closure portfolio as well as being responsible for development of strategies, portfolio management and strategic marketing. The interview was conducted through Microsoft Teams.

4.1.1 Digitalization

Bellander states that in terms of digitalization and digital readiness the MedTech division of Johnson & Johnson very rarely used digital tools to communicate with clients and customers before the Covid-19 pandemic. When asked how often he had used Microsoft Teams and Zoom prior to the pandemic Bellander stated: *“We had Webcast, Webinar, that kind of thing. Teams 0, Zoom 0. But it was mostly on an internal level. Then there was skype to some extent, but it was very little. More if there were external meetings.”*. As Bellander stated they had some experience using Skype with customers but mainly used Cisco WebEx conferencing solutions to communicate within the company. The pharmaceutical division of Johnson & Johnson was much better prepared for the Covid-19 pandemic. They had already started using Microsoft Teams and Zoom just before the pandemic and had experience doing virtual customer calls and visits. The MedTech division had only used digital tools in forms of webinars but had no previous experience with virtual customer calls and visits. The implementation of Microsoft Teams and Zoom was rather quick during the Covid-19 pandemic, but it took some time for everyone to become familiar with Microsoft Teams and Zoom and how to use it with customers.

Bellander’s role results in him working closely with other members of the company throughout the EMEA region. Remote work and working from home were something he had already done in the past. The switch many experienced of having to be familiar with working from home for the first time was not something that he experienced. Bellander does not find there to be any disadvantages of working remotely if all the necessary technical equipment such as computer monitors, cameras etc. are also available at home. The advantages are that you are more flexible and save time that would otherwise be spent on commuting. There was also an adjustment period when everyone worked from home on what was allowed and not allowed. Bellander stated: *“But*

we also had directives from the top management in the US, that you don't need to have a camera on Teams.”.

Bellander did find some differences in terms of how quickly some countries implemented the digital tools necessary to continue business during the Covid-19 pandemic. He did find that although today everyone is familiar with working through digital tools. In the beginning the Middle East was very fast in implementing the necessary tools. England, France, and Germany were much slower in implementing the digital tools necessary to continue being able to work even at the height of the pandemic. He found that in general the smaller countries were better and faster at implementing digital tools compared to the bigger countries, especially in Europe. Even though there were some differences between the countries the need to adopt digital tools was the same no matter what country you were from. Bellander stated: *“But as I said, everyone also realized that if people could manage and work during this period. Then we have to be able to use these tools in the best way.”.*

4.1.2 International Business Negotiations

Bellander states in the MedTech industry the negotiations are more of an elevated sales meeting where continuing building a strong relationship with the customer is in focus. Before the pandemic the use of digital tools during these negotiations was non-existent. He says that the negotiations were almost always done in person, which meant that traveling to the customers location was required if you had not established a strong relationship. Today the use of Microsoft Teams and Zoom are much more normal. The threshold of who you can communicate with through digital tools has lowered significantly. Today meeting someone for the first-time using Zoom or Microsoft Teams is completely normal and something the customers take for granted. Bellander gives an example of how he uses digital tools now: *“You try to get the customer to agree to be professional educator at a surgical convention. I never did that before.”.* If the first interaction through Zoom or Microsoft Teams were successful, you can meet in person to establish a relationship. Bellander states that the negotiation process itself has changed in his industry. Before the pandemic you did not interact with the customer much until the next time you traveled to their location. This has resulted in the negotiation process becoming shorter as you do not need to wait until the next time you are in Hamburg, or London for example, to interact with the customer in a meaningful way.

Bellander also states that the use of digital tools has also changed negotiations in terms of results by making it possible to approach more potential customers at the same time. You are less reliant on a single customer visit success. Instead, you can have multiple negotiations at the same time which increases the chance of a successful outcome. Bellander uses digital tools for the most part in the same way no matter what stage in the negotiation process he is in. Although, the use of digital tools is beneficial by cutting cost and saving time of traveling. Meeting in person and having a face-to-face interaction is something that cannot be replaced in Bellander's opinion. When asked if he uses digital tools differently depending on the stage of the negotiation Bellander stated: *“I would probably say we use it throughout the process. I would probably say that it is as much in the beginning as in the middle and end.”.* Although, the use of digital tools in negotiations was something new in the MedTech industry. Bellander does not change when he

uses Microsoft Teams or Zoom depending on the country of the customer. The implementation and adoption of digital tools are for the most part the same in all the countries Bellander operates in. Bellander also believes that the use of digital tools is here to stay and are not something that will stop being used in negotiations. Which is illustrated by the statement from Bellander: *“Everyone takes it for granted that there is no problem to have a Zoom meeting or Teams meeting.”*

4.1.3 International Business Relationships

Bellander states that although digital tools are valuable and a great complement to face-to-face interactions. In terms of relationship building, it does not compare to meeting in person. He further states that in his experience it is difficult in general to build relationships online and especially to deepen relationships. Digital tools are valuable to maintain relationships on the other hand in his opinion. Bellander stated: *“Relationship building is very difficult digitally I would say. You can maintain a relationship digitally. I wouldn't say it deepens. It is very much still face-to-face that applies.”* One example Bellander mentioned of differences in how different countries use digital tools differently is France. In Bellander’s experience customers in France are slower to adapting and more apprehensive to use digital tools. Bellander stated that: *“France is more old school in that sense. They prefer to meet in person first and then have meetings online”*. Other than France Bellander does not find there to be any differences in the attitudes towards using digital tools in the other countries in the EMEA region he operates in. Digital tools are great to maintain relationships but meeting face-to-face to build relationships holds true no matter which country you are operating in. Bellander also states that as the restrictions of the Covid-19 pandemic loosened the people he works with were longing to have conventions and exhibitions where you could meet people again.

Bellander also finds in his experience that cultural differences are not as evident when using digital tools. When communicating and negotiating online it is more or less similar no matter what country the other person is from. But cultural differences are more evident when meeting in person. When asked what role globalization and culture will play in how international business negotiations will look like in future. Bellander believes that the use of digital tools could potentially promote globalization and make cultural differences less evident no matter what region of the world you are from. Bellander said: *“Because now it's more the same regardless of which culture you're talking to.”* The use of digital tools makes the world smaller and thus makes it easier to have a shared culture in business settings. Bellander also believes that a shared global business culture could potentially make it easier to negotiate with people from different cultures such as Asia and the Middle East.

4.2 Thuasne

Thuasne was founded in 1847 in St Etienne, France. When Thuasne was started it specialized in the manufacturing of narrow elastic textiles but throughout the years moved into the production of medical and sports devices. Thuasne has a commercial presence in 85 countries supported by 15 subsidiaries, more than 40 distributors and 14 industrial sites in Europe and the United States (Thuasne, 2023). Laurent Ponsard is the Senior Area Sales Manager for Africa and the Middle

East. In his role he is responsible for managing current distributors, partners and finding new customers. The interview was conducted through Microsoft Teams.

4.2.1 Digitalization

Ponsard states that in terms of digitalization and digital readiness in regard to performing international business negotiations Thuasne had all the tools before the pandemic. However, before the pandemic they were not used to a great extent. The use of Microsoft Teams was almost exclusively an internal tool used to communicate with colleagues. When talking to customers or potential clients phone calls and messaging through WhatsApp were the norm. However, as the pandemic first hit, even though they had the digital tools and were proficient in using them internally they were not used to using them in the negotiation process. Ponsard stated that working remotely from home could be seen as an advantage in negotiations because you would be more comfortable. However, Ponsard saw more disadvantages doing business negotiations from home through digital tools. When negotiating online you lose out on important aspects around the negotiation such as body language, but also the small details such as shaking hands that contribute to the overall atmosphere. This is especially true in the international setting where there is a language barrier. Ponsard conducts negotiations throughout the Middle East and Africa where the level of English varies and conducting the negotiation online were often more difficult. Ponsard stated: “...we are not speaking the same level of English and it could be hard to do it online.”. Although Thuasne already had the tools to conduct negotiations online most of the business partners in the Middle East and Africa were not ready. One of the main challenges in some of the developing countries such as South Africa is poor infrastructure. Power shortages are common and internet connections are often poor. This results in difficulties when using digital tools due to frequent dropped connections and calls. Ponsard stated: “I think, you know, the main challenge is the quality of the internet connection. And it sounds stupid, but in my area, unfortunately, it's a major problem. In South Africa, for instance, you have power shortages every day. And every time I'm doing a call with them, we've been cut like three times.”. On the other hand, Saudi Arabia and UAE do not suffer from poor internet connection and using digital tools is easier in that region compared to most of Africa. This is also evident in the attitudes towards using digital tools between the Middle East and Africa. It is more accepted, and they are more accustomed to it where the technology works.

4.2.2 International Business Negotiations

Ponsard states that the Covid-19 pandemic has changed how often and the way they use digital tools in negotiations. They use digital tools more often today than before the pandemic. He believes part of the reason behind that is that they are more comfortable using digital tools now. They have also become better at using them in the sense of making it more professional with a professional digital background, better lighting and having the company logo on the screen. It is also more common now so having business meetings and negotiations is something they can implement more often. Ponsard also states that he uses digital tools differently depending on what phase of the business negotiations he is in. He finds it to be especially valuable during the introductory phase of the negotiations. Ponsard stated: “Yes, I think, you know, I think it's good for the introduction phase. So you need to introduce the company, you need to get to know their

expectations, their needs.”. Using digital tools is a good way of introducing the company and getting to know the expectations and needs of the other party. He recently started negotiations with a party in Saudi Arabia through Microsoft Teams but after the introduction phase traveled to Saudi Arabia to continue the negotiations. Although digital tools are valuable in the introductory phase, Ponsard states that nothing compares to negotiating in person face-to-face. Another benefit of using digital tools in the introduction phase of negotiations is that it is a way of weeding out unserious and bad partners at an early stage. Ponsard gave an example of this when someone is using Microsoft Teams but is in their car on their way to buying groceries. Ponsard stated: *“When I see, when I see an invitation and he's connecting from his car, I'm like, how much importance are you giving to me? I'm on my way to buy the groceries and then you stop. Oh, by the way, I have this meeting. This is not serious.”* Having the meeting online saves him valuable time from interacting with someone that is not serious. Ponsard did not find any differences in outcomes between negotiations online and offline. During the pandemic when everything was on hold, using digital tools was a good way of maintaining business relationships. Ponsard did however find differences in how negotiations are performed online compared to offline. It is custom throughout the Middle East and Africa in his experience to not start talking business right away. The introduction phase consists of chit chat, breaking of the ice by talking about family and alike. That very important phase of the business negotiation is much more difficult online in his experience.

4.2.3 International Business Relationships

In terms of when to use digital tools depending on if it is a new business relationship or an established one, Ponsard has not changed his strategy compared to face-to-face. He finds that when the other party sees that you invest the effort, time, and expense of traveling this results in a big difference in what kind of business relationship you're building. He further explains that he finds Microsoft Teams to be a great tool to maintain relationships because you can use it frequently. However, he uses Microsoft Teams differently when the relationship is established. Sometimes you do not even need to turn the camera on when it is someone you have an established relationship with. It is also a good way of regulating the level of importance you want to give to the other party. Ponsard states there is a big difference in the relationship building process online compared to offline. It is much easier to build trust and goodwill when meeting face-to-face. Ponsard gives an example of this: *“When they see you make the effort to travel, you make the expense of travel as well. You know, it gives a huge difference to the relationship you are trying to build.”* The small details such as shaking hands and eating together contribute a lot to a stronger relationship. He finds that when he is visiting another country the host looks at him as their guest of their country and is proud of showing him their country. This creates a much stronger relationship that he does not believe can be achieved online. Ponsard said: *“It builds something that you can never achieve online”*. Furthermore, body language and different non-verbal cues are much easier to identify in a face-to-face negotiation compared to online. This makes it easier to understand and get a feeling of the business relationship.

4.3 Modig Machine Tool

Modig Machine tool is a family-owned company from Sweden. It was founded in 1947 by the four brothers of Modig who started to build machines in Virserum, Sweden. Modig Machine Tool has produced several different machines since they started in 1947 such as universal drills and extrusion machines (Modig Machine Tool, 2023). Modig Machine Tool conducts business in around 20 countries worldwide. Tony Carlzén is the procurement manager at Modig Machine Tool and is responsible for the procurement department. The interview was conducted through Microsoft Teams.

4.3.1 Digitalization

Carlzén stated that prior to the Covid-19 pandemic digital tools were mostly used for communication outside of the company and not anything inside the company other than with their German R&D center and Sales office in the USA. However, after the Covid-19 pandemic, internal meetings in the company have increased. The company decided not to work from home during the pandemic unless someone felt sick, which was quite bold compared to other companies in the region. Even though they have not worked from home much, Carlzén stated that: *“One advantage with negotiating in the office is that one is close to colleagues and can sit together during the negotiation and quickly discuss something”*. He argues that one disadvantage when negotiating from home digitally then is that it is not possible to quickly discuss something with the negotiation team and instead use chat messages which is not as effective. Regarding the implementation of digital tools Carlzén stated: *“I would say that we had all the tools and software ready before the pandemic”*. This led to an easier transition into working and negotiating fully digitally. However, their sales offices in the USA were not as prepared due to not having certain software installed and access to some technical specifications which made it a bit more difficult for them to transition into the fully digital approach. All of their external partners that they negotiate and do business with were prepared enough to not cause any difficulties. One difficulty that was shown during the transition Carlzén stated is that: *“...for example in Romania they have had worse performance in their internet connection.”* This made it more difficult to communicate and negotiate according to Carlzén. This is something that seems to be the case for a lot of companies and suppliers coming from the eastern part of Europe and overall, in developing countries. Another problem that Carlzén has encountered is that body language is not as easy to detect or see in a digital setting which makes it difficult to read the other person. Carlzén said that this also made cultural differences less evident. One big benefit of the use of more digital tools is that it is easier to find new business partners and start business relationships and to overall scan the market all over the world instead of traveling.

4.3.2 International Business Negotiations

Carlzén stated that: *“Before Covid-19 it was more usual to have digital negotiations and meetings with suppliers from big companies”*. This was due to the fact that these companies wanted to involve employees from different countries and so it made it easier to conduct the negotiations online. But with suppliers from smaller companies Modig Machine Tool rarely if ever had online negotiations before the Covid-19 pandemic. However, after the Covid-19

pandemic digital negotiations have increased for all kinds of suppliers and companies Modig Machine Tool deal with. Carlzén has noticed a trend change among the salespeople who always used to advocate meeting in person who now have come to the realization that sometimes it might be just as effective to negotiate or meet online with smaller things on the agenda.

However, Carlzén mentions that sales employees or departments seem more eager to go back to face-to-face meetings than purchasing and procurement employees and departments. Carlzén states that before the Covid-19 pandemic the negotiation process was preferred to be with face-to-face negotiations all the way. Furthermore, after the pandemic it has become much more flexible and usually either the start or end of negotiation processes can be conducted digitally. For example, Carlzén stated: *“We can start by exchanging information and specifications digitally to later when everything feels more mature and ready meet in person to go through the last things and finish the agreement”*. Another example is that they start the negotiations by meeting face-to-face to set the stage and in some cases see the physical production to then later finish up the negotiation and sign things digitally. Carlzén stated that: *“There is a much bigger flexibility because most companies can adapt and use digital technology to negotiate when it is seen as enough”*. Carlzén mentioned that it is still a bit easier to achieve better results when negotiations are face-to-face, sitting in the same room and at the same table has some weight to it that one misses out on when negotiations are digital.

Further Carlzén believes that international business negotiations in future years will start to have slightly more face-to-face negotiations, especially if the economy moves into a greater state. However, for the overall future Carlzén stated that: *“It will probably be a mix going forward with both digital and physical because a lot of companies have seen a great advantage with it compared to before the pandemic”*. One great reason to use digital negotiations is the expenses saved from not traveling that Carlzén believes is especially big in large companies who used to travel a lot before the Covid-19 pandemic. Another important aspect is the environmental concern that a lot of companies are also more aware of and not traveling by plane etc. and lowering overall business travel can improve their effort to lower emissions etc. It is also more time efficient to not travel, instead this time could be used to work rather than sit on a plane for example.

4.3.3 International Business Relationships

Carlzén explained that there are some differences in how to use digital tools with an established or new international business relationship. Carlzén stated that: *“One is a bit more restrictive and think things through if it is a completely new partner”*. He further added that one needs to be more careful using digital tools with a new business partner in terms of sharing documents and information. There is then a need to send out confidentiality agreements. On the other hand, if it is an established business relationship it is more straightforward and easier to use digital tools. Carlzén further argues that there is a big benefit in meeting face-to-face with a new business partner to establish a relationship. Carlzén stated that: *“When you have met someone face-to-face, I believe that one will get a better goodwill and service in the future of the relationship than if it has been only digitally”*. It is especially valuable to meet face-to-face to establish a relationship with people and companies from different countries and cultures to avoid misunderstandings and culture clashes. Carlzén mentioned that there has not been any difference

in establishing relationships between the different countries and their cultures, what usually matters the most is the different personalities and company cultures. These can change very much within the same country depending on if the company is from a small or large city, especially in eastern European companies.

4.4 Xylem

Xylem is a relatively new name and company from the USA that was established in 2011 through the split of ITT Corporations. However, the company has almost a hundred years of experience in the industry of water technique. They produce several different types of products that help with moving, analyzing, treating, and testing water for companies such as food and drinks companies, agriculture companies, and construction companies. Xylem is a multinational company with offices and production facilities all over the world and their products are sold in more than 150 countries (Xylem, 2023). Lisa Modig is the procurement manager at Xylem and is responsible for the direct material. The interview was conducted through Microsoft Teams.

4.4.1 Digitalization

Modig explained that communication through digital tools such as Microsoft Teams or Zoom did not happen very much either internally or externally for Xylem. However as soon as the Covid-19 pandemic happened the use of digital tools increased a lot both internally and externally due to traveling restrictions as a main reason. Modig mentioned that Xylem had implemented digital tools such as Zoom and Microsoft Teams before the Covid-19 pandemic but not with too much margin. Modig stated that: *“We were still at the office the entire first year of the pandemic which gave us time to further improve”* which Modig claimed helped them during the transition to using more digital tools. Modig further explained that there were some differences in how comfortable people both internally and externally were with using the camera during digital meetings and negotiations. Modig stated that: *“I believe that it was a difference in difficulty to start using the camera for example, but now everyone does that without a problem”*. Modig mentioned that working from home or remotely wasn't really allowed before the Covid-19 pandemic but is now something they do 50% of the time, which is a big change. One of the biggest advantages that Modig mentioned with working from home as well as using digital tools for negotiations is that everyone in the meeting had their own camera and video of themselves. This has previously been a big issue with digital meetings and negotiations when people sit in a conference room and use one camera and microphone for several people. Modig explains that this leads to several issues she stated that: *“...one cannot read any facial expressions and people often talk at the same time”*. She further mentioned that it is not an issue if everyone has a separate camera and microphone. However, Modig claims that it is still better to have one camera and microphone for a lot of people in a conference room than no camera at all. Modig also stated that it is easier to know the specific employees that participate in a negotiation face-to-face, sometimes with digital meetings some employees from the supplier company might sit in the background and listen without one knowing. A general disadvantage according to Modig with digital meetings and negotiations is that it is easy to miss out on body language, face expressions, and the mood in the room. Modig has not experienced any differences or difficulties among the various business partners and suppliers around the world and how they adapted to the

digital change in how to negotiate and communicate. The only problem has been the internet connection in less developed countries.

4.4.2 International Business Negotiations

Modig gives an example of how Xylem used digital tools and negotiations before the Covid-19 pandemic when having negotiations regarding raw materials. They have then used a raw material index online in an agreement with another company which has made the negotiations easier since the price is linked to the index and therefore no big negotiations are necessary. This allowed them to only meet using Zoom to address smaller issues. However, as a whole they did not use digital tools such as Microsoft Teams or Zoom a lot in Xylem before the Covid-19 pandemic. Modig explained that after the Covid-19 pandemic they now use a lot more digital tools for negotiations at Xylem. Modig stated that: *“There are more and shorter meetings”*. Modig further explained that before the pandemic they used to travel to the suppliers and have long negotiations to then have a few things to do until the next negotiation. Now that they are able to use digital negotiation meetings, they can have more meetings throughout the negotiation process to clear up and discuss things as they go. Modig mentioned that the increase of negotiation meetings does not necessarily lead to a longer overall negotiation process. Modig mentioned that they use digital tools such as Microsoft Teams depending on how big the negotiation is, she stated that: *“It depends a lot on how big the deal is”*. She further explained that if it is a really big negotiation, they do the negotiations down in Schweiz at their office there to involve some higher positions in the company. But for a smaller negotiation they are fine with just using Microsoft Teams and negotiating digitally. Modig explained that there has not been a significant change in the negotiation results depending on the negotiation being digitally or face-to-face, if anything the result might be a bit better from a face-to-face meeting, but Modig is not sure on that. Modig also mentioned that it might be a bit easier to use digital negotiations with their suppliers in Europe compared to their suppliers in China where more talk and building a relationship is necessary. Whereas in Europe it is more straightforward. Modig also explained that one of the main reasons for conducting more negotiations digitally is the amount of time and money that they save as a company. First of all, not paying for traveling in terms of flight and hotels is a big way of saving money. Modig also stated that: *“...it takes a terrible amount of time, one is away from the office at the airport which is not effective work time”* this time can now be saved and used more efficiently. Modig stated regarding if negotiations in the future will use more or less digital tools such as Microsoft Teams that: *“I think it will continue to increase. But it will still be important to meet face-to-face sometimes”*. Modig also mentioned that the sales side is a bit more eager to get back to and use face-to-face negotiations while the purchasing side is not as eager to do so.

4.4.3 International Business Relationships

Modig was talking about how they use digital tools such as Microsoft Teams differently at Xylem depending on if they negotiate or communicate with a new or established business partner. Modig mentioned that it is hard to use in a new business relationship, they can use it to do some small tests. She further stated that *“as long as the deal is very small it is fine to use but then it becomes necessary to see each other”*. It is also a necessity because there are often

multiple people involved in the negotiations and business relationships such as quality technicians, procurers, and purchasers. Modig said that this can make it hard for all employees involved to establish a relationship during digital negotiations and meetings with limited time to talk then it is much better to establish a relationship face-to-face with a dinner for example. Modig stated: *“The importance of face-to-face is to establish a relationship and then one can use more digital communication to maintain or possibly improve the relationship”*. Modig also explained that they need these face-to-face negotiations and meetings to establish new relationships when some employees either at Xylem or the supplier have quit, and a new contact person wants to build up the relationships. Overall, there is a big importance in meeting and establishing a relationship face-to-face to later be able to use more digital tools such as Microsoft Teams easier according to Modig. One more reason that makes face-to-face negotiations and meetings necessary is that they must view each other's production facilities on both the supplier and the purchaser side. Modig mentioned that different conventions are a good way to meet many suppliers with only traveling once and this is something they will take advantage of to establish and improve their business relationships. Modig stated that: *“As a purchaser and supplier it is very important to have good business relationships before issues arise such as quality problems or late deliveries”*. Modig said that this will make it a lot easier to solve the issues and if there has not been established a relationship it is much harder to solve such issues.

5 Analysis

In this chapter the analysis will be presented, where the empirical data will be analyzed by connecting it to the literature review. The differences and similarities between the empirical data and the literature review will also be compared and discussed. The analysis will be structured in line with how the literature review was presented.

5.1 Digitalization

The process of digitalization as described by Pilinkiene and Liberyte (2021) where information is converted into a digital format is something all the participants were familiar with (Pilinkiene & Liberyte, 2021). The use of e-mail as a part of everyday business operations was similar for all the interview participants and had been part of their business operations even before the Covid-19 pandemic. Furthermore, other uses of digitized data such as raw material index available online were implemented before the pandemic. The use of webinars where complex information and product information is shared in Johnson & Johnsons case with surgeons was also something that had been established long before the pandemic. Although there were some differences between the industries and the roles of the interview participants, an overall theme was that the use of digital tools was something they had used prior to the Covid-19 pandemic. However even if all the interview participants were familiar with working with digital tools to some extent it was not related to online international business negotiations.

Although, there was a high level of digitalization in all the companies interviewed. The level of readiness to continue international business negotiations online via a digital tool such as Microsoft Teams or Zoom varied. There were also differences both from an individual level and the organizational level when examining the data collected from “The Digital Readiness Conceptual Framework” point of view (Gfrerer et al., 2020). Some of the dimensions were very evident during the interviews such as both individual difference factors and structural factors on both the individual level and organizational level. All the interview participants described their own learning curve to using Microsoft Teams to be quick. Furthermore, from the individual level the interview participants responded that their own individual beliefs of using digital tools and their digital knowhow were high. All interview participants were positive towards using digital tools and saw multiple advantages in the negotiation process. However, although the participants were positive towards the use of digital tools none of them saw it as a replacement for face-to-face negotiations.

There were more differences between interview participants and their companies in terms of digital readiness from an organizational perspective. Three out of four of the companies interviewed explained that they had the necessary tools to continue business negotiations before the Covid-19 pandemic. However, none of the participants interviewed had used digital tools to a great extent in business negotiations before the pandemic. For the one company interviewed that lacked the necessary tools, the reaction speed of implementing the adequate digital tools was

high. Even though a significant sum of money had been invested in a now outdated technology (Gfrerer et al., 2020).

The Covid-19 pandemic changed the working habits for the interview participants (Smite et al., 2023). When travel restrictions and stay at home orders were at a high, both Thuasne and Johnson & Johnson worked more from home. Both Thuasne and Johnson & Johnson are in the MedTech industry although their products are not similar. In addition, the roles of the participants are quite different, but they were both able to do their jobs from home. On the other hand, both the respondents from Xylem and Modig Machine Tool stayed at the office for the most part during the first year of the pandemic. In their opinion having access to colleagues physically was beneficial in the beginning when the transition to online negotiations first started. The respondents from Xylem and Modig Machine Tool both had a procurement manager role. The difference between what industry the participants worked in and their roles within the company seem to play a part in whether remote work is appropriate. In the case where everyday internal interactions are international, the use of digital tools was higher compared to the companies which did not interact with their international colleagues to the same extent. None of the two respondents that worked in procurement worked at home during the first year of the Covid-19 pandemic. Both respondents that worked in procurement found that even though international business negotiations were online, and they could technically work from home, being at the office made teamwork easier. Having access to colleagues to be able to discuss details during the negotiation was one of the reasons why working at the office was seen as an advantage. Although, both the respondent from Xylem and Modig Machine Tool said that they were ready to do online international business negotiations having implemented digital tools such as Microsoft Teams, Zoom, and document sharing software. Neither used the digital tools to a great extent prior to the Covid-19 pandemic even internally within their respective companies. When examining their answers from “The Digital Readiness Conceptual Framework” by Gfrerer et al (2020) there seems to be a gap from an individual level of their perceived individual digital readiness and the structural factors of digital knowhow and digital skills (Gfrerer et al, 2020). Even though both Xylem and Modig Machine Tool had the tools they did not utilize them to their full potential by not working remotely at the heights of the Covid-19 pandemic.

On the other hand, the respondents from Johnson & Johnson and Thuasne had used digital tools prior to the pandemic but mostly for internal communication within the company. However, what specific digital tools that were used before the pandemic varied such as Cisco Webex conferencing solutions in Johnson & Johnson’s case. Thuasne used Microsoft Teams for communication within the company. Johnson & Johnson had made large investments in their Cisco solutions that were shown to not be the correct tool to communicate with their customers. Microsoft Teams and Zoom had to be implemented during the Covid-19 pandemic in Johnson & Johnsons case. From a digital readiness perspective Johnson & Johnson were the least prepared compared to the other companies interviewed. However, the use of digital tools in international business negotiations was not common practice in the MedTech industry prior to the pandemic. The learning curve of using digital tools in international business negotiations was the same for everyone and they did not lag behind their competitors. The use of digital tools and remote work varied depending on the role of the person interviewed and what industry they worked in. When

remote work was common before the Covid-19 pandemic the use of digital tools to communicate internally was more common.

Christensen (1997) mentioned in his “Disruption Theory” how digitalization allows for innovation and new business models (Christensen, 1997, pp. viii-xxiv). What he did not predict or foresee is what role digitalization would play during a crisis and more specifically a global disruptive event such as the Covid-19 pandemic. It is clear from the interviews performed that even though some of the participants had the digital tools there was no need to use them. None of the interview participants used it regularly in the negotiation process. Face-to-face negotiations was the standard prior to the Covid-19 pandemic and is still the preferred method even after the Covid-19 pandemic. The Covid-19 pandemic accelerated the adoption of online international business negotiations and made the practice normal. Furthermore, Christensen's (1997) idea of how small companies would have a first mover advantage compared to big companies with more bureaucracy did not hold true either when looking at it from an online international business negotiations perspective (Christensen, 1997, pp. viii-xxiv). Johnson & Johnson has roughly 140 000 employees worldwide whereas Modig Machine Tool has 90 employees worldwide (J&J, 2023, Modig Machine Tool, 2023). Christensen (1997) claims that the smaller company would have been more agile due to less bureaucracy and thus implementing digital tools quicker to continue doing international business negotiations online during the pandemic (Christensen, 1997, pp. viii-xxiv). This did not prove to be true Modig Machine Tool had implemented digital tools before the Covid-19 pandemic but did not use it much. Whereas Johnson & Johnson implemented Microsoft Teams and Zoom during the pandemic. The learning curve and attitudes were similar for both companies and no first mover advantage or disadvantage due to the size of the company was mentioned by the respondents. The Covid-19 pandemic and its restriction were the same for all companies no matter the size of the company. Although Christensen (1997) “Disruption Theory” focused on innovative technology and new business models, it can be applied to online international business negotiations and the norms in business (Christensen, 1997, pp. viii-xxiv). The Covid-19 pandemic forced the companies interviewed to change their everyday business practices and operations but also how online international business negotiations are done.

Although there are differences in the level of digital readiness and what digitalization looked like in the interview participants' companies. What is clear is that the Covid-19 pandemic accelerated and normalized many aspects of digitalization such as remote work and the level of digital readiness. This was evident both from the interview participants and the people and companies they interact with. That has resulted in less international business travel and the use of digital tools to communicate with customers and counterparts becoming normalized.

5.2 International Business Negotiations

The main difference between regular business negotiations and international business negotiations is that international business negotiations can be defined by the two or more parties in the negotiation process being from different national cultures, and countries (Dupont & Faure, 1991). This leads to several extra aspects to consider when negotiating and traveling to another country such as different laws, customs, cultures, and languages. However, it has been unclear to

what extent Covid-19 has affected these issues and complexities. Due to the increase of online international business negotiations and overall digitalization after the Covid-19 pandemic some of these challenges are not as evident in international business negotiations anymore. According to all of the respondents' different cultural aspects are not as evident when negotiating online. The respondent from Johnson & Johnson stated that cultural differences are not as evident when using digital tools, when communicating and negotiating online it is more or less similar depending on what country the other party is from. The respondent from Thuasne mentioned that it is custom in the Middle East and Africa to start a negotiation with chit chat to break the ice and talk about family and so on, that phase is very important but also very difficult to do online in his experience. This makes it very clear how culture can be less evident in an online environment when customs like this are no longer used the same way which of course makes the interaction more plain and less affected by cultural differences.

Visual cues such as body language might not be as effective in electronic video negotiation (Monczka et al., 2016 p.526). The respondent from Modig Machine Tool mentioned that body language is not as easy to detect or see in an online negotiation which makes it difficult to read the other person and this also makes cultural differences less evident. The respondent from Xylem also made a similar comment as the respondent from Modig Machine Tool which further strengthen the argument. Not being able to see body language is of course going to lead to less cultural differences experienced because different cultures use different amounts of body language. So, this is another great example of online international business negotiations being less influenced by cultural differences. This should make it easier for companies to do business with companies that have very different cultures if those differences are less evident when conducting international business negotiations online. It could further make it easier for less experienced employees to handle international business negotiations with different cultures when it is online and less impacted by that complexity.

Some of the main reasons to conduct international business negotiations online are the economic and time benefits, especially for companies that negotiate with other companies that are situated far away in the world. Conducting negotiations electronically will save them a lot of money and time that would be spent on traveling if the negotiations were held face-to-face (Monczka et al., 2016 p.527). All respondents that were interviewed mentioned the benefits of saving time when conducting their international business negotiations online. The respondents from Xylem, Modig Machine Tool, and Johnson & Johnson also mentioned the economic benefits of conducting their international business negotiations online. For example, the respondent from Xylem said that one of the main reasons to conduct more negotiations digitally is the amount of time and money they save as a company. So, it is very clear that these two factors, time and money are as said in the literature still two driving reasons as to why companies have started to conduct more international business negotiations online. The respondent from Modig Machine Tool also mentioned that another factor is the environment concern that a lot of companies also are more aware of and lowering their amount of business travel can also help their effort to lower emissions for example. This is an aspect that was not mentioned in the literature but definitely should be considered as a possible driving factor behind the decisions of more companies to do fewer international business negotiations face-to-face.

Ghauri et al (2003) argues that there are three stages to the international negotiation process: pre-negotiation, the actual face-to-face negotiation and post-negotiation. The pre-negotiation is the first stage where the parties come in contact with each other and show their interest in doing business with each other. During the first stage communication starts where the parties try to understand the other party or parties' needs (Ghauri et al., 2003, pp. 3-22). The pre-negotiation stage is something that all respondents claimed to be more flexible after Covid-19 and could be both held online or face-to-face depending on the situation. The respondent from Johnson & Johnson said that meeting someone for the first-time using Zoom or Microsoft Teams is completely normal today, and if that first online interaction is successful one can later meet in person to establish a relationship. The respondent from Thuasne mentioned that he finds it especially useful to use digital tools in the introduction phase of negotiations, this is a good way to introduce the company and getting to know the expectations and needs of the other party. Which is clearly in line with the explanation from Ghauri et al (2003). The pre-negotiation stage seems to be the same after Covid-19 as described in the literature review apart from that it is now common to do it online instead of face-to-face.

During the first stage is also when the business relationship starts to form where the parties try to establish trust and goodwill in order to later come to an agreement (Ghauri et al., 2003, pp. 3-22). It is worth mentioning that all the respondents stated the importance of establishing a relationship and doing that face-to-face in order to have successful negotiations and to be able to later use online negotiations more effectively with that party. However, this is discussed more in depth in the international business relationship part of the analysis. Furthermore, during the second stage of the negotiation process the terms and conditions are agreed upon in principle (Ghauri et al., 2003, pp. 3-22). The overall opinion of the respondents for this part of the negotiation process is that doing the actual negotiations face-to-face is better. As described by the respondent from Thuasne, nothing compares to a face-to-face negotiation. However, based on the answers from the respondents, conducting the actual negotiations face-to-face or online is based on various aspects. Such as if they have met the other party previously in the process then it can be fine online but if the first stage was online then this stage is better face-to-face. Another important aspect is the size of the negotiation and the issues to be solved. The respondent from Modig Machine Tool said that suppliers have realized that sometimes it might be just as effective to negotiate online with smaller things on the agenda and that there is a much bigger flexibility now because most companies can negotiate online when it is seen as enough. The respondent from Xylem also mentioned that they conduct international business negotiations online with digital tools such as Microsoft Teams depending on the size of the deal, basically that a smaller deal and negotiation is fine to do online. There is therefore a mix of conducting the actual negotiation and middle part of the negotiation process online or face-to-face based on two factors if the parties have met face-to-face previously and the size of the negotiation/deal.

The last stage of the international business negotiation is the post-negotiation. At this stage everything is agreed upon and the contract is being drawn up and signed (Ghauri et al., 2003, pp. 3-22). The last stage of the negotiation process was not discussed in detail by most of the respondents, however they all have spoken about the possibility of using digital tools anywhere in the negotiation process such as the last stage. The respondent from Johnson & Johnson said that he uses digital tools for the most part in the same way no matter what stage in the

negotiation process. The respondent from Modig Machine Tool gave a specific example that if they have started the negotiation process by meeting face-to-face to set the stage and sometimes view the production then it is possible to finish up the negotiation and sign things digitally. Therefore, it seems like the last stage, same as the middle stage, is dependent on if they have met face-to-face before and then it is possible to conduct the last stage of the negotiation process online.

Overall Covid-19 and the increased digitalization has made the negotiation process less divided with more flow and flexibility. The negotiation process described by Ghauri et al., (2003) is divided into 3 separate stages which is seen as 3 different occasions when the 2 parties in the negotiation meet. The respondent from Xylem explained that now after Covid-19 there are more and shorter meetings in the negotiation process, where before they used to travel and have things to do until the next time they meet. When one travels many hours to a business partner it often leads to full days of many meetings and negotiations to take advantage of the big investment in the time of traveling. The respondent from Xylem further explained that digital tools allow them to have more meetings so they can clear up issues and problems throughout the negotiation process instead of waiting until the next time they meet face-to-face. The respondent from Johnson & Johnson also mentioned that before Covid-19 one did not interact with the customer until the next time one traveled to their location but now, they can interact in a meaningful way in between meeting face-to-face due to digital tools. Therefore, one can draw the conclusion that Covid-19 and the increase of digitalization has made the negotiation process more flexible and allow companies to have better flow through more interactions throughout the negotiation process. This should make the negotiation process for companies easier when they can address issues along the way instead of waiting until the next face-to-face negotiation and have to address a lot of issues at once. Solving issues along the way should allow companies to move on and not get stuck on issues which should save them time and further make the negotiation process more effective. Solving issues along the way was probably possible before the use of Microsoft Teams through e-mail or telephone but might not have been as effective or even useable for certain issues as we understand from interpreting the respondents' answers. This could possibly also be able to help companies start more cooperative business relationships as they can have better and more frequent communication through digital tools.

The respondents were asked about the outcome of international business negotiations online compared to face-to-face international business negotiations and if there was a better outcome when conducting the negotiations in one of the two different ways. The respondent from Thusne said that he did not find any differences in the outcome and the respondent from Xylem had not noticed a significant difference either, if anything it was a bit better outcome face-to-face. The respondent from Modig Machine Tool said that it might be a bit easier to get a better outcome if the negotiation is done face-to-face. The respondent from Johnson & Johnson mentioned that because one can have more negotiations when doing them online due to the amount of time one saves it is easier to reach a successful outcome because more negotiations can be done in the same amount of time. Overall, the answers are a bit mixed but all of them are mostly neutral and if anything, a bit more favorable towards face-to-face negotiations. However, this is not something that has been discussed in the literature and something that one would

guess is much more favorable towards face-to-face which makes it an interesting finding that the results might not differ at all.

All the respondents have said that they believe international business negotiations online will continue to be used in the future and maybe even increase in usage, but face-to-face negotiations are still important, and a mix is the best solution. The respondent from Modig Machine Tool also mentioned that sales employees and departments seem more eager to go back to more face-to-face negotiations than purchasing and procurement employees and departments. This finding was also experienced by the respondent at Xylem which is a procurement manager same as the respondent from Modig Machine Tool. The other respondents did not mention this but the respondent from Thuasne who is working with sales gave the impression that he also was a bit more eager and drawn towards the use of face-to-face negotiations than the other 3 respondents. This is an interesting finding that it could possibly be a difference between sales and purchasing departments regarding the willingness to return to more face-to-face negotiations or use and increase the use of international business negotiations online. It is possible that the sales employees feel that way because their work is more to hunt, find, and persuade new customers, which might be easier to do when seeing them face-to-face.

5.3 Business Relationships

References in the literature review have clearly stated the importance of developing relationships with various actors such as competitors, customers, and suppliers in order to succeed in international business. Learning from others is a key to successful business and in order to do so companies and their employees must establish and maintain relationships with a lot of different companies and people from different countries, cultures, and industries (Åbeltiņa and Rizhamadze, 2021). Our respondents' international business relationships are both with customers and suppliers due to the marketing, purchasing, and sales perspectives. Covid-19 has not changed the importance of relationships in business according to our respondents, one example is the respondent from Xylem who explained the importance of having a good business relationship before various issues arise in order to solve those problems more effectively. The respondent from Xylem also mentioned that it is important to have established a relationship face-to-face to later be able to use digital tools like Microsoft Teams easier. The respondent from Modig Machine Tool also mentioned the importance of establishing business relationships in order to get better service and goodwill in the future of the business relationship. In terms of how Covid-19 has affected the way our respondents manage their international business relationships and build them; it seems to be a general outlook on digital tools as a supplement to better maintain and possibly improve relationships rather than a substitute for face-to-face. Where face-to-face is still seen as the number one way to establish new international relationships.

It has been argued that when travel restrictions started to be put in place and face-to-face meetings were no longer possible that companies would possibly terminate their business relationships as a consequence. Especially with companies far away in the world to substitute for better options such as companies more nearby in the world. Additionally, also due to huge costs to business travel especially to countries far away (Söderlund, 2020). This does not seem to be the case for any of our respondents, instead they have used digital tools such as Microsoft Teams

and Zoom in order to maintain their international business relationships during travel restrictions. Digital tools further allow companies to have business relationships with companies very far away as they do not have to travel as much anymore which means that the previous huge traveling costs are no longer an issue. For example, the respondent from Johnson & Johnson stated that digital tools are valuable to maintain relationships but serve more as a complement to face-to-face meetings. The respondent from Johnson & Johnson further stated that this was due to the importance of meeting face-to-face in order to establish relationships. The respondent from Thuasne also explained that digital tools such as Microsoft Teams are a great tool to maintain relationships because they can be used frequently. Which also links to the comment made by the respondent from Xylem that digital tools allow for more meetings and negotiations but shorter ones. Digital tools seem to lead to more frequent communication, which should be good in order to better establish trust in the business relationship. More exchanges in a relationship will over time increase the trust within the relationship as more favors are returned (Lambe et al., 2001). Due to the increased use of digital tools such as Microsoft Teams and Zoom has led to more frequent communication, meetings, and opportunities to return favors for our respondents, it should help them build trust in the relationship. Because more frequent meetings, communication, and opportunities to return favors over time should increase the trust according to (Lambe et al., 2001).

The references in the literature review stressed the importance of trust within business relationships and this is still something that was seen as important by all the respondents. However, it is argued that trust is not as important in all countries and where trust is less important, reliance as in being able to continually produce great economic outcomes become more important (Jiang et al., 2011). One example of this is from the respondent at Xylem who stated that it might be easier to use digital negotiations with their suppliers in Europe where it is more straightforward, and business focused. Whereas their suppliers in China require more talk and building relationships. Another example is from the respondent at Johnson & Johnson where he mentioned that customers in France are slower and more cautious to adapt digital tools as they are more old school, and they prefer to meet face-to-face before having meetings online. It might therefore be extra important to meet those types of relationships more often in person than digitally in order to best handle the relationships. But mostly apart from those two examples the respondents did not have any examples where they would use digital tools and meetings/negotiations differently depending on what country the other part of the relationship is from.

In the literature it was stated that cultural backgrounds of companies and individuals that work for companies heavily influence interactions and the development of business relationships (Koporcic and Gongne, 2020). The respondents did not have any differences between how they would treat or establish relationships with people from different countries and cultures. However, they all still explained the importance of building relationships face-to-face and the respondent from Modig Machine Tool further mentioned that it is especially valuable to establish relationships with people from different countries and cultures face-to-face. This is especially important to avoid misunderstandings and culture clashes according to the respondent from Modig Machine Tool. Because what has previously been mentioned in the analysis chapter regarding the loss of body language in digital meetings and the overall less impact of culture in

the digital environment. This can explain why it is so important according to the respondents to meet face-to-face in order to be able to fully grasp the other parties' culture, see their body language and so on to be able to fully establish a relationship with all cards on the table. A previous article in the literature review looked at how parties during online international business negotiations lacking access to cameras leads to missing out on non-verbal communication which could make it more difficult to establish trust than with a camera (Kazemitabar et al., 2022). However, it was unclear if it is also harder to build trust online with a camera compared to a normal face-to-face negotiation or meeting. This has been clearly argued by all our respondents that it is much easier and better to build relationships and establish trust face-to-face for international business relationships. As the respondent from Thuasne mentioned that it is much easier to build trust and goodwill when meeting face-to-face, the small details such as shaking hands and eating together contribute a lot to a stronger relationship. The respondent from Xylem also explained that it is much easier to meet and establish relationships face-to-face since often there is more than one person from each company involved in the negotiations and relationship. The respondent from Xylem then explained that it is very difficult to build relationships with multiple people digitally and so it is better to meet physically and have dinner for example.

One insight that the respondents from Thuasne, Johnson & Johnson, and Xylem mentioned is the use of conventions now that Covid-19 restrictions are gone. Because of the more cautious amount of business travel due to the effectiveness of online international business negotiations companies use different business conventions in order to do business but also try to establish and improve multiple relationships at once. This is of course very cost and time effective due to only traveling once and being able to handle multiple relationships face-to-face during one trip. Another great insight from the respondent at Modig Machine Tool is to be more cautious when using digital tools with a new business partner/relationship in terms of sharing sensitive documents and information. It is therefore argued to send out confidentiality agreements in the start of relationships when working/negotiating together online to protect sensitive information. However, once the relationship has been established it is argued by the respondent from Modig Machine Tool that it is much easier to work digitally as there is a certain amount of trust to the other partner. However, it is worth mentioning that this example was not mentioned by any of the other respondents or in the literature review. The literature spoke on the difference between social and business relationships and how a social relationship can become purely a business relationship once a contact person from either side of the relationship quits working for their company (Agndal and Chetty, 2007). The respondent from Xylem mentioned the importance of meeting face-to-face once their contact person or the main contact person at the supplier had quit. This was important in order to quickly establish a new social relationship and not only leave it as a business relationship. The differences between social and business relationships were not mentioned by the other 3 respondents, however it was quite clear that all respondents seemed to develop social relationships for most of their relationships.

6 Conclusion

In the concluding chapter the answer to the research question will be presented, which will be based on the analysis that was conducted in the previous chapter. Furthermore, the theoretical and practical implications that this thesis has resulted in will be provided to the reader. Lastly, in the final part of this chapter limitations and suggestions for future research will be presented.

6.1 Answer the research question.

This thesis investigates international business negotiations. Consequently, to understand the impact of Covid-19 and the increase of digitalization and how it has changed the dynamics of international business negotiations. Digital tools are constantly advancing, and from the impact of the Covid-19 outbreak, it has rapidly increased in usage stated by our interview respondents.

The research question for this thesis is: *How has a global disruptive event like Covid-19 affected international business negotiations?*

From the analysis it was clear that the Covid-19 pandemic normalized and accelerated various aspects of digitalization such as the level of digital readiness and remote work. This was noticeable both from the respondents in the interviews, the people and company they work with and the companies they do business with. The increased digitalization has resulted in less international business travel and made the use of digital tools to communicate and negotiate with customers and suppliers more normalized. The analysis did not find any difference between small or large companies in terms of small companies having a first mover advantage with less bureaucracy. The analysis also showed that the use of remote work and digital tools varied depending on the role of the person interviewed and what industry they worked in.

According to the analysis Covid-19 and the increased digitalization has erased the gaps in the negotiations process where it is now more of a flow and a continuing process. This is due to digital tools such as Microsoft Teams which allow more frequent and shorter meetings and negotiations throughout the negotiation process. International business negotiations online and digital tools are not seen as a substitute for face-to-face negotiations and meetings but more of a supplement to further make the negotiations process more effective. Using more digital tools in the negotiations process also saves the companies time and money along the way and could further help them reduce emissions with less business travel. Furthermore, the analysis showed that cultural differences are not as evident in international business negotiations online when missing out on body language and certain cultural customs. The outcomes of international business negotiations online have not been any different compared to international business negotiations face-to-face. The analysis also found that the future of international business negotiations will most likely continue to be a mix of online and face-to-face. The participants also explained and showed a possibility that the sales department is more eager to return to more face-to-face negotiations compared to other departments such as purchasing and marketing.

The analysis also found that the respondents' international business relationships have been impacted with the increase of international business negotiations online. The use of more digital tools such as Microsoft Teams allowed the respondents to better maintain their relationships with more frequent contact than before when only meeting face-to-face. However, the importance of meeting face-to-face in order to establish a relationship was clearly stated and that digital tools are more of a supplement to maintain and possibly improve the relationships but not to establish them. This was due to multiple factors but the most important one being that establishing trust and goodwill is much easier to do in person. It is also hard to establish relationships online with multiple people involved from both companies in the negotiation process. Therefore, meeting face-to-face and doing activities that build a relationship and trust such as having dinner is a much better way to establish relationships. Business conventions are seen as a good opportunity to establish and improve multiple relationships face-to-face with only one business trip and something the respondents will make sure to take advantage of in the future.

The thesis concludes that Covid-19 increased the digitalization within companies which further erased the gaps in the negotiations process where it is now more of a flow and a continuing process all the way. This is due to digital tools such as Microsoft Teams and Zoom which allow more frequent meetings throughout the negotiation process. This has also had an impact on relationships, which are now easier to possibly further improve but mainly to maintain due to more frequent contact through Microsoft Teams and Zoom. International business negotiations online and digital tools are not seen as a substitute but more of a supplement to further make the negotiations process more effective which also saves the companies time and money along the way. The findings show that the biggest impact of the Covid-19 on international business negotiations is the normalization of using digital tools in international business negotiations.

6.2 Theoretical Implications

The theories described in this thesis do not independently explain the phenomenon of crisis management of a disruptive event. Furthermore, the Covid-19 pandemic has specific characteristics that are unusual even for disruptive events. The combination of the theories described in this thesis does explain how Covid-19 has affected international business negotiations with some limitations, namely the negotiation process is less clearly defined as three stages. The findings show that the negotiation process is less streamlined and freer because of the use of digital tools. In terms of business relationships, the theory focuses on cultural differences which still hold true for analogue business negotiations. However, the findings in this thesis show that cultural differences are less evident in an online setting where there is more of a global business culture. Lastly, the digital readiness conceptual framework is not as applicable when the investments are smaller such as the purchase of software and cameras to be used in international business negotiations from an organizational perspective. From an individual perspective the learning curve of using software such as Microsoft Teams is short according to the findings in this thesis. Thus, the digital readiness conceptual framework needs to be updated to be fully applicable to online international business negotiations. The theoretical framework used in this thesis is for the most part applicable but has some limitations when compared to the findings.

6.3 Practical implications and recommendations

The findings presented in this thesis show that there was a difference between the technological capabilities of companies and the business cultures and norms of when to use digital tools in international negotiations. In many industries the use of digital tools in international business negotiations has been underutilized both in terms of relationship building and in the negotiation process. As described by the respondents, solely using digital tools in international business negotiations is not something that will be switched to in the near future. The Covid-19 pandemic resulted in the acceleration of the adoption of digital tools due to necessity. However, the use of digital tools in international business negotiations is now normal and not seen as a less serious way of conducting business. The occurrence of digital tools in international business negotiations has proven to be higher post-pandemic according to the findings of this thesis and that trend will continue. The future of international business negotiations will include digital communication and any company not adopting digital tools will be left behind compared to their competitors. Face-to-face negotiations will continue to be the preferred method but will now also be complemented by the use of online negotiations.

6.4 Limitations

There are several limitations of this thesis that may have affected the quality of the findings. The limited time and size of the thesis resulted in less new findings for a specific industry. Furthermore, the qualitative data was collected from four different cases in different industries, the interview participants had different roles and sizes of companies varied. The findings found differences depending on the size of the company and the role of the interview participant. Thus, the sample size for each industry is too small to allow it to be representative for each industry. The negotiation process and business relationships varied between the industry and roles of the respondent, making the findings less generalizable. Lastly, this thesis studied a specific type of crisis where the main challenge was to overcome restrictions of travel and physical meetings. Thus, the findings are limited to similar disruptive events where social distancing and travel restrictions occur and not for disruptive events in general. However, the findings are still relevant because international business negotiations will continue to occur more online.

6.5 Suggestions for future research

The World Health Organization officially declared the end of the Covid-19 pandemic as a global health emergency on the 5th of May (UN, 2023). This thesis has studied the immediate aftermath of how the pandemic affected international business negotiations in various industries and roles. Now that the Covid-19 pandemic is officially considered to be over, studying what online international business negotiations look like today in more detail would provide further insight. There is still a significant research gap pertaining to differences in how business relationships are different online, differences in digital readiness and level of digitalization of a company, and how online international business negotiations differ from analogue international business negotiations. To make sure the findings of future research are more generalizable, a suggestion for future research could be to focus on a specific industry where business negotiations are the

same within the industry. Furthermore, another recommendation for future research is to focus the research on a specific role such as sales or procurement to get more generalizable findings.

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7.3 Online resources

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Appendix A

Background questions:

1.
 1. Can we record this interview?
 2. Do you wish to be anonymous?
 3. Could you please explain what your main responsibilities with the company is?
 4. For how long have you worked internationally with business negotiations?
 5. What are the countries you do negotiations with?

Digitalization:

2. Did you use digital tools to communicate with colleagues within the company more than with people from outside the company?
 1. Has that changed after the pandemic?
3. Many started working more from home during the pandemic.
 1. Have you found any advantages or disadvantages of working from home related to negotiating?
4. Was the company ready for a digitalization?
 1. How did the pandemic affect the transition to online negotiations? Did the company implement the use of digital tools in the workplace before the pandemic?
5. How familiar to working online and using digital tools for negotiations were the people you work with?
 1. Was there a difference between countries within the company?
6. Have you found any difference between countries and how likely they are to use digital tools?

International Business Negotiations:

7. How often did you use digital tools in the negotiation process before Covid-19?
8. How often do you use digital tools in the negotiation process now?
9. Has the pandemic changed when you use digital tools in a negotiation? Possibly depending on the country of the other party?
10. Do you use digital tools differently depending on what stage in the negotiation process you are in?

11. Have you found any differences in the outcomes of the negotiations online compared to offline based on the country of the other party?

Business Relationships:

12. Do you use digital tools differently if you are communicating with a new business relationship compared to an established one?

1. Does the country of the other party also affect that decision?

13. Have you found any differences in trust and establishing goodwill in a new business relationship online compared to offline?

1. Does the country of the other party also affect that decision?

14. Have you found any difference in the quality of the business relationship between offline and online?

Closing questions:

15. In the future, what do you think negotiations will look like in your industry? Will the use of digital tools decrease, increase or stay the same?

1. What role will culture and globalization play in the future?

16. Is there anything we haven't asked that you think might be important?

Appendix B

Bakgrundsfrågor:

1.
 1. Kan vi spela in den här intervjun?
 2. Vill du vara anonym i arbetet?
 3. Kan du vänligen berätta vad dina huvudsakliga ansvarsområden är i företaget?
 4. Hur länge har du arbetat internationellt med affärsförhandlingar?
 5. Vilka länder är företagen ifrån som ni förhandlar med?

Digitalisering:

2. Använde ni digitala verktyg för att kommunicera med kollegor inom företaget mer än med personer utanför företaget innan Covid-19?
 1. Har det förändrats efter pandemin?
3. Många började arbeta mer hemifrån under pandemin. Har du märkt några fördelar eller nackdelar med att arbeta hemifrån i samband med förhandlingar?
4. Var företaget redo för digitalisering?
 1. Hur påverkade det övergången till online förhandlingar? Implementerade företaget användningen av digitala verktyg på arbetsplatsen innan pandemin?
5. Hur bekanta med att arbeta online och använda digitala verktyg för förhandlingar var personerna du arbetar med?
 1. Fanns det någon skillnad mellan länderna inom företaget?
6. Har du märkt någon skillnad mellan företag från olika länder och hur sannolikt de är att de använder digitala verktyg?

Förhandlingar:

7. Hur ofta använde du digitala verktyg i förhandlingsprocessen innan Covid-19?
8. Hur ofta använder ni digitala verktyg i förhandlingsprocessen nu?
9. Har pandemin påverkat när du använder digitala verktyg i en förhandling? Kan det vara beroende på vilket land den andra parten kommer ifrån?
10. Använder du digitala verktyg annorlunda beroende på i vilket skede i förhandlingsprocessen du befinner dig?
11. Har du märkt någon skillnad i resultatet av förhandlingarna online jämfört med offline baserat på den andra partens land?

Internationella affärsrelationer:

12. Använder du digitala verktyg annorlunda om du kommunicerar med en ny affärsrelation/affärspartner jämfört med en etablerad? Påverkar den andra partens land också det beslutet?

13. Har du märkt någon skillnad i förtroende och etablerande av goodwill i en ny affärsrelation online jämfört med offline? Påverkar den andra partens land också det beslutet?

14. Har du märkt någon skillnad i kvaliteten på affärsrelationer mellan offline och online?

Avslutande frågor:

15. Hur tror du att förhandlingarna kommer se ut i din bransch i framtiden? Kommer användningen av digitala verktyg att minska, öka eller förbli oförändrad? Vilken roll kommer kultur och globalisering att spela i framtiden?

16. Finns det något vi inte har frågat som du tror kan vara viktigt?