

## The impact of cognitive biases on negotiations in international B2B

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**Annotation.** The article explores how cognitive biases affect the negotiation process in international business-to-business (B2B) interactions. The aim of the study is to identify how cognitive biases and principles influence the effectiveness of negotiations in the international business environment. The study employed general scientific methods of cognition, including analysis, synthesis, induction, deduction, comparison and generalization. The findings indicate that cognitive biases play a significant role in decision-making during international B2B negotiations. They shape the subjective perception of information, influence risk assessment approaches, and affect the choice of interaction strategies between parties. Among the most influential biases are confirmation bias, the blind spot bias, and the availability heuristic – all of which operate on a subconscious level, leading to distorted assessments of counterparties, deeper cross-cultural barriers, and reduced overall communication efficiency. Understanding the presence and mechanisms of these biases can improve the quality of managerial decisions and enable more accurate predictions of partner behavior in a complex global context. The study also reveals that three cognitive principles play a crucial role in international B2B negotiations: authority, social proof, and reciprocity. The principle of authority helps build trust by appealing to expert opinion. Social proof reduces perceived risk by showing that certain actions are supported by other market participants. However, the principle of reciprocity proves to be the most effective for establishing long-term partnerships, as it is based on a moral obligation to return goodwill. In the international context, gestures such as offering free advice or symbolic gifts are particularly effective - they create cognitive pressure while simultaneously serving as powerful tools for building trust. Overall, cognitive biases can either enhance negotiation effectiveness or become sources of risk if left unchecked. Practical value of the study lies in the potential to improve negotiation strategies by consciously leveraging and mitigating cognitive biases in the international business environment.

**Key words:** cognitive biases, negotiations, international business, B2B, decision-making.

### Вплив когнітивних упереджень на переговори у B2B

**Анотація.** Стаття присвячена дослідженню впливу когнітивних упереджень на процес ведення переговорів у сфері міжнародного бізнесу між компаніями (B2B). Мета дослідження - виявити, яким чином когнітивні упередження та когнітивні принципи впливають на ефективність переговорів у міжнародному бізнесовому середовищі. В ході наукового дослідження використовувалися загальнонаукові методи пізнання, зокрема аналіз, синтез, індукція, дедукція, порівняння та узагальнення. Результати дослідження

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показують, що когнітивні упередження є важливим фактором, який впливає на прийняття рішень під час міжнародних B2B-переговорів. Зокрема, вони формують суб'єктивне сприйняття інформації, визначають підхід до оцінки ризиків і впливають на вибір стратегії взаємодії між сторонами. До найбільш впливових когнітивних викривлень належать ефект підтвердження, упередження сліпої зони та евристика доступності - усі вони діють на несвідомому рівні, що призводить до спотвореної оцінки контрагентів, поглиблення міжкультурних бар'єрів та зниження загальної ефективності комунікації. Знання про наявність і механізми дії таких упереджень дає змогу підвищити якість управлінських рішень та більш точно прогнозувати поведінку партнерів у складному глобальному контексті. У ході дослідження також встановлено, що в міжнародних B2B-переговорах значну роль відіграють три когнітивні принципи: авторитету, соціального доказу та взаємності. Принцип авторитету сприяє формуванню довіри через апеляцію до експертної думки. Соціальний доказ знижує рівень ризику, демонструючи схвалення певних дій іншими учасниками ринку. Водночас, найвагомим для налагодження стійких партнерських зв'язків виявився принцип взаємності, який базується на моральному зобов'язанні відповісти на виявлену доброзичливість. У міжнародному контексті особливо ефективними є такі прояви, як надання безкоштовної поради чи символічні подарунки - вони створюють когнітивний тиск і водночас слугують потужним засобом формування довіри. Загалом, когнітивні упередження можуть слугувати як інструментом підвищення ефективності переговорів, так і джерелом ризику, якщо залишаються поза контролем. Практичне значення дослідження полягає у можливості покращення переговорних стратегій шляхом усвідомленого використання та нейтралізації когнітивних упереджень у міжнародному бізнес-середовищі.

**Ключові слова:** когнітивні упередження, переговори, міжнародний бізнес, B2B, прийняття рішень.

### Introduction

Problem Statement. In today's environment, marketing is undergoing a transformation - from traditional tools of influence to a deeper, more personalized level based on psychological principles. Modern B2B marketing goes beyond rational argumentation and increasingly appeals to unconscious decision-making mechanisms that shape the behavior of counterparties during negotiations. This shift is especially evident in international supply agreements for goods and services, where relationships between parties are often long-term and strategic in nature.

In such a context, possessing only persuasion techniques or standard presentation methods is no longer sufficient. It becomes essential to deliberately use psychological triggers that build trust, reduce perceptual barriers, and influence decision-making. However, it is important to remember that in the B2B environment, especially in the context of cross-cultural interaction, these mechanisms must be applied subtly and with a high degree of respect for the partner's autonomy. Overuse or poor communication can not only destroy trust but also jeopardize the very prospect of collaboration.

Thus, effective psychological marketing in B2B is not manipulation, but rather the art of shaping persuasive communication strategies that simultaneously consider both the rational and the emotional-cognitive aspects of the partner's behavior, while maintaining a balance between influence and mutual respect.

Analysis of recent scientific research and publications. The issue of the influence of cognitive biases on negotiation processes in the international B2B segment is not sufficiently covered in the scientific literature. Most available sources are presented in the form of applied online publications, which offer an overview of the topic in the context of business practice, but are not always based on academic analysis or a systematic approach.

Within the presented literature, significant contributions to the coverage of specific aspects of the topic have been made by such sources as UX Republic [5], with focus on the role of cognitive biases in information processing-fundamental for understanding their impact on negotiations. The study by Formentini, M., Romano, P. [2] highlights the application of the reciprocity principle in B2B digital marketing, demonstrating how psychological factors influence partner behavior in communication processes. In turn, W. Homden [3] analyzed three core psychological principles, including biases, that shape the effectiveness of B2B marketing, thus indirectly addressing the topic of negotiations. Liozu S., & Hinterhuber, A. [4] examined the anchoring effect in price perception in B2B sales, which is directly related to negotiations on pricing and pricing strategies. Also worth noting is source [1], which provides a contemporary overview of the influence of the anchoring effect on B2B pricing strategies, albeit from a more pragmatic than theoretical perspective.

Expert literature was also used in the study, including publications in online media such as Mgn.com.ua, Digital Staff, and Drukarnia.com.ua, which highlight current aspects of the influence of cognitive triggers and psychological mechanisms on the behavior of clients and partners in the business environment.

Despite the sufficient number of sources addressing individual aspects of the problem, there is a noticeable lack of systematized material on the research topic, especially in the context of international B2B. Therefore, using various methods of scientific inquiry, the information was analyzed, grouped, systematized, and presented in the light of the research topic.

The aim of the article is to determine the impact of cognitive biases and principles on the effectiveness of negotiations in international business.

### Results

In the process of conducting negotiations within the sphere of international B2B cooperation, increasing attention is being paid not only to economic and legal factors, but also to psychological mechanisms of influence, among which cognitive biases are particularly prominent. These systematic deviations in thinking, arise as a result of the use of mental heuristics and are crucial for information perception, risk assessment, and the formation of strategic decisions in the highly regulated and cross-cultural environment of B2B communications [5].

Under the influence of biases, parties often perceive differences as greater than they actually are. Conversely, during the formation of long-term alliances, the confirmation bias becomes particularly evident: parties tend to seek arguments “in favor” of the desired cooperation and ignore critical signals.

One of the most insidious biases is the blind spot bias - the tendency to identify distortions in others while failing to recognize them in oneself. For negotiators in the B2B sector, this manifests as an overconfidence in their own objectivity, which often leads to a reluctance to consider feedback or the opinions of external analysts.

The availability heuristic involves overestimating the likelihood of an event based on how easily it comes to mind. In international negotiations, this heuristic is particularly evident when assessing political, currency, or reputational risks. For example, during periods of rising geopolitical tension in certain regions, companies from partner countries may display an unjustifiably heightened level of caution toward cooperation, referring to isolated, media-amplified incidents. This, in turn, can lead to delays in contract finalization or the revision of previously agreed terms.

The “surprise” effect has heightened cognitive appeal. In B2B negotiations, it can be used as part of a presentation strategy when a company presents an exceptional success story in a new market or with an unconventional product [5].

In international B2B marketing, psychological triggers function as invisible yet highly effective mechanisms that not only convey information but also establish emotional connection, build trust, and influence the behavioral patterns of target audience representatives. It is precisely through these triggers that communication strategies gain the persuasiveness necessary to motivate a partner or client toward a target action - signing a contract, responding to an offer, or participating in the negotiation process [7]. Table 1 presents the key principles most commonly used in marketing.

Table 1 – Psychological Biases Used in Negotiations in International B2B

№	Name	Essence of Cognitive Influence
1	Principle of Authority	People trust authorities; companies use experts or position themselves as thought leaders.
2	Principle of Social Proof	In situations of uncertainty, people tend to adopt the positions and observe the behavior of those who act confidently.
3	Principle of Reciprocity	People are inclined to reciprocate kindness – even a symbolic gift can stimulate loyalty and repeated actions.

Note: systematized based on [6]

As noted by Homden W., the most appropriate approach in negotiation matters is to focus on three key cognitive biases: authority, social proof, and the principle of reciprocity [3].

Principle of Authority (Authority Bias). The cognitive bias of authority suggests that individuals tend to agree with the opinions or actions of those who possess high social, professional, or expert status. In the negotiation process, this creates a situation in which the presence or involvement of top management representatives, thought leaders, or internationally recognized experts can significantly strengthen the party's argumentation [3].

In the international B2B environment, this mechanism is manifested through:

- appeals to certifications, membership in professional associations, and participation in global forums;
- inclusion of individuals with recognized authority in the field in the negotiation process;
- building presentations based on data obtained from authoritative research institutions.

At the same time, it is important to consider cross-cultural differences in the perception of authority. In some cultures (e.g., Arab countries or China), social status and formal hierarchy play a key role, whereas in low power distance cultures (e.g., Scandinavian countries), competence is of primary importance, regardless of official rank [3].

The principle of authority underpins another important principle used in strategic and pricing planning – anchoring (the anchoring effect). This is a tool for shaping price perception in B2B sales that influences decision-making processes in high-value and technologically complex industries. The essence of the effect lies in the fact that the first stated price (the anchor) sets a reference point, relative to which all subsequent offers are perceived as more favorable or, conversely, less attractive. This allows for shifting not the pricing policy itself, but its perception, guiding the client toward a desired price level even before negotiations begin [4,1].

Principle of Social Proof (Social Proof Bias). Social proof is a cognitive bias whereby the behavior of others is viewed as a guide for one's own choices, especially in conditions of uncertainty. In the context of international B2B negotiations, this means that examples of cooperation with other well-known companies, public client testimonials, and successful implementation cases act as persuasive factors and help reduce perceptual risk. The psychological mechanism operates as follows: if others have trusted this counterparty, it signals reliability and professionalism. This effect is amplified when:

- testimonials from companies recognized as industry leaders are presented;
- the geographic and cultural diversity of clients is highlighted (to emphasize adaptability to different markets);
- numerical data is published (e.g., number of completed projects, growth in customer satisfaction, etc.).

This principle becomes especially important in cases where the person participating in the negotiations is not the final decision-maker. In such situations, social proof serves as an argumentative resource that facilitates the internal “resale” of the product or solution to their superiors [3].

Principle of Reciprocity (Reciprocity Bias). The principle of reciprocity is one of the fundamental social norms, according to which individuals tend to respond with a positive action to a received benefit, service, or gesture of trust. Historically, this behavioral model served as a mechanism for strengthening interpersonal and intergroup ties, contributing to the formation of social capital and trust within communities. In the context of international B2B, where deals are often concluded amid cultural barriers and high levels of uncertainty, the principle of reciprocity plays a critical role in building initial trust and activating the negotiation process [2].

The reciprocity bias is based on a universal social norm: if one party provides a service or benefit, the other feels a moral obligation to reciprocate. In international B2B negotiations, this behavioral model serves as a foundation for building trust, which is critical in conditions of cultural diversity and initial uncertainty.

It is worth noting that the effectiveness of this principle depends on an appropriate balance between the value of the provided “benefit” and the expected return. Excessive or asymmetrical gestures may be interpreted as a sign of weakness or an attempt of manipulation - especially in high-context cultures such as Japan or South Korea [3].

One of the key manifestations of the reciprocity bias in B2B interaction is the strategic use of a free, value-rich piece of advice. This communicative move has a powerful psychological effect, as it creates an asymmetry in social exchange, activating in the recipient a tendency toward reciprocation [8]. In the international B2B context, where cultural distance, asymmetrical information, and limited mutual understanding are often present, a free piece of advice performs several important functions:

Reducing cross-cultural mistrust. The advice signals a willingness to cooperate and openness, which is highly valued in cultures with a high level of uncertainty avoidance.

Demonstrating expertise through action rather than declaration. In contexts where reputation and authority are critically important (e.g., Japan, Germany, South Korea), a specific piece of advice carries greater persuasive power than abstract claims of experience or competence.

Building “emotional capital.” In cultures where business relationships have a personal dimension (e.g., Arab or Latin American countries), such an act often becomes the starting point for building long-term partnerships.

Creating an implicit obligation. Although the advice is presented as unconditional, the recipient cognitively perceives it as an investment that requires a compensatory action - at the very least, in the form of openness to further cooperation [8].

Gifts within the framework of the reciprocity principle serve as a trigger for social obligation – even a small or symbolic gift creates in the recipient a psychological tendency to reciprocate. In a business context, this may manifest as returning to the company, providing positive feedback, brand loyalty, or recommending the company to others. The very act of giving is perceived not only as a gesture of care or generosity, but also as the initiation of a social contract, albeit an informal one [10].

The principle of reciprocity in business practice, particularly in the international B2B environment, plays a dual role: on the one hand, it fosters the development of stable

partnership relations, while on the other - it can undermine the foundations of fair price competition. A deal based on reciprocity implies that one company agrees to purchase products or services from a partner in exchange for reciprocal commercial actions. However, when such reciprocity becomes coercive, it effectively limits the ability to compare market alternatives and leads to a situation in which price, quality, and service are no longer the main criteria for selecting a supplier.

From the perspective of a competitive environment, coercive or formalized reciprocity creates artificial barriers to entry for new market players, particularly for less diversified or smaller companies. It reduces the efficiency of procurement decisions, as managers are forced to consider not market indicators, but the history of reciprocal purchases. Such practices may be anti-competitive in nature and can be deemed illegal if proven to aim at excluding competitors or leveraging purchasing power for forced sales. Thus, the use of the reciprocity principle without proper ethical and legal oversight can transform it from a tool of partnership into an instrument of market monopolization [9].

In international B2B practice, the principle of reciprocity is used as a strategic negotiation tool at various stages of the negotiation cycle:

Providing value in advance: for example, offering a detailed market analysis or a presentation with personalized recommendations even before formal cooperation begins. Such actions create an impression of non-commercial generosity, which lowers the barriers to concluding an agreement.

Demonstrating openness through pilot projects or free demo solutions: similar to the practice of free trials in digital marketing (Shankar et al., 2003), this may involve offering a test integration or limited product supply during the negotiation process, which lays the foundation for emotional loyalty.

Personalized approach as a form of mutual attentiveness: a company's ability to adapt its offerings to the specifics of the partner's market or culture is perceived as a sign of respect, which triggers a response of reciprocal goodwill and the perception of a "partnership" rather than a transactional relationship.

According to empirical data, companies that consistently apply the principle of reciprocity demonstrate a higher rate of successful deals and better long-term loyalty indicators from international partners [2].

Reciprocity, authority, and social proof are not merely theoretical constructs but effective tools for managing perception and behavior in the cross-cultural B2B negotiation process. The conscious application of these cognitive biases not only enhances the effectiveness of communication but also creates the conditions for building long-term partnerships based on trust, expertise, and social legitimacy [3].

However, the effectiveness of psychological triggers directly depends on the appropriateness, moderation, and ethicality of their application. Excessive emphasis on the emotional component or aggressive exploitation of cognitive biases can lead to a loss of trust, especially in cross-cultural interactions, where there is heightened sensitivity to manipulation. Successful use of triggers in B2B marketing is not about manipulation, but about delivering relevant value that aligns with the expectations and needs of partners, and contributes to building long-term, mutually beneficial relationships [5, 7].

Conclusions. Cognitive biases are a key factor influencing decision-making in international B2B negotiations, as they shape the perception of information, interpretation of risks, and interaction strategies. These systematic distortions in thinking - such as confirmation bias, blind spot bias, or the availability heuristic - operate at an unconscious level, altering the evaluation of counterparties, reinforcing cross-cultural barriers, and reducing the effectiveness of the negotiation process. Understanding and recognizing the mechanisms of such biases not

only improves the quality of decisions but also enhances the ability to predict partner behavior in a complex global environment.

In negotiation practice, three cognitive principles - authority, social proof, and reciprocity - play a particularly important role. Authority builds trust through appeals to expertise, while social proof reduces perceived risk by demonstrating approval from others. However, the most significant in establishing stable partnership relations is the principle of reciprocity, which activates a willingness to cooperate based on the moral obligation to return a received benefit. In the international B2B context, offering free advice or showing generosity through symbolic gifts proves especially effective, as it creates cognitive pressure on the partner while simultaneously serving as a tool for building trust.

Thus, the use of cognitive biases in international B2B negotiations is a double-edged tool. On the one hand, understanding them enables more effective negotiation strategy development, greater influence on the partner, and the shaping of a desired perception of value. On the other hand, falling uncontrollably under the influence of one's own or others' biases can significantly reduce the quality of decisions, distort risk assessment, and undermine trust.

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