Happiness and Concessions in Negotiation

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Preface

After finalizing my HBO Bachelor in Pedagogic and working with a Roma community, I decided to do a Premaster in Intercultural Communication. I really enjoyed this Premaster and found it fascinating. When I proceeded on to the General Master Information & Communication Sciences, I decided not to choose a specialization but instead to choose subjects that I thought were interesting. By doing so, I ended up having sufficient credits to specialize in three areas: Communication and Design; Business Communication and Digital Media; and Intercultural Communication. As I really enjoyed the Negotiation Strategies Course, I decided to focus on negotiation for my thesis. This topic is grouped under business communication and digital media and thus allows me to specialize in Business Communication and Digital Media.

I found writing this thesis to be very challenging and stressful and it required a great deal of time and effort. I felt overwhelmed at times given the enormity of the project. However, looking back, I really enjoyed the process and feel I have learned a lot from this experience. During the writing phase, and especially the statistical analysis for my thesis, I was not always the friendliest person to be around; especially for my boyfriend, family and close friends. At the initial stages of my thesis, there were times when I could not envisage that I would ever be in a position to complete the project. However, there were always people who gave me encouragement along the way and I would like to use this opportunity to thank them. I would like to thank my supervisor, Per van der Wijst for giving me critical feedback and supporting me during the process. I would also like to thank my sister, Roisin White and my friend, Evie Moeskops for cheering me up when I became frustrated and annoyed. I would also like to thank my boyfriend, Brendan Langan, for his patience and support and also being nice to me even if I did not deserve it. Furthermore, I would like to thank my parents and my sister, Emer White for their support during this whole experience. Finally, I would like to thank my friends and relatives for sharing and persuading people to participate in my research.

Eindhoven, 20 June 2014
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Abstract
Previous studies have reported conflicting results in terms of the effect of happiness in negotiations. It is therefore unclear whether happiness has a positive impact on cooperation and negotiation outcomes (Van Kleef, De Dreu, & Manstead, 2004a) or a negative impact since counterpart happiness may lead to suspicion and hence lower cooperation and negative effects on outcomes (Sinaceur & Tiedens, 2006). The aim of present study was to investigate the effect of happiness and concession size in a distributive negotiation setting. In a 2x2 factorial experiment, the effect of happiness in negotiations and the importance of concessions on emotions were examined. The factor of concession size was added since concession size has a strong effect on negotiation outcomes (Lewicki, Saunders, & Barry, 2009). The combination of emotion and concession size is an interesting one as it has a contradictive effect on a negotiation. Since, happy counterparts are expected to make large concessions (Van Kleef, De Dreu, & Manstead, 2004b), which accordingly leads to a lower financial outcome. Additionally, receiving large concessions results in a higher financial outcome but also in happy negotiators (Gillespie, Brett, & Weingart, 2000). This research was carried out through an online simulated negotiation. The size of the concessions had a significant effect on the emotions of the participants. When facing a counterpart making large concessions negotiators were happier than when facing a counterpart making small concessions. When facing a happy counterpart the negotiator displayed more co-operative behavior and therefore the financial outcome for himself was lower than when facing a neutral counterpart. Negotiators did not apply the reciprocity theory. Since, negotiators facing a counterpart making large concessions resulted in a higher financial outcome. Furthermore, when one wants to sell an item one will receive the highest financial outcome when negotiating with a counterpart expressing neutral emotions and making large concessions in contrary to when one is facing a happy counterpart making small concessions as this will lead to the lowest financial outcome. This study has shown that although the emotional state of the counterpart has an effect on the financial outcome of a negotiator, the concession size of the counterpart has an effect on the emotional state and financial outcome of the negotiator.
Introduction

Negotiation is one of the most common and beneficial ways of dealing with a conflict (Van Kleef, De Dreu, & Manstead, 2004a). As emotions often play a large role in conflicts, it follows that emotions are of great importance within a negotiation. Davidson and Greenhalgh (1999) propose that, without an emotional reaction, the occurrence of a negotiation reduces and the conflict could possibly result in a stalemate – even though there may be a difference of opinion. In the absence of an emotional reaction, people may not see the added value of a negotiation.

Prior research has focused on the role of emotions within negotiations. An example of such is the study on the role of happiness and anger in negotiations (Van Kleef et al., 2004a). They showed that participants who were paired with happy counterparts made the smallest concessions in contrast to participants facing angry and non-emotional counterparts. Sinaceur and Tiedens (2006) research yielded similar findings.

The above-mentioned studies reveal that happiness has in fact a negative effect on cooperation within a negotiation. When facing a counterpart who is happy, individuals may assume that this happiness is caused by satisfaction with the distribution of resources in the negotiation. This could lead to a negotiator feeling that his or her own concessions might have been too large and have therefore made the counterpart happy resulting in a reduction or halt in concessions. In contrast, when one is playing against an angry opponent, one will not assume that the other is happy with the distribution of resources and may therefore make larger concessions.

On the contrary, Van Kleef, De Dreu, and Manstead (2004b) believe the opposite occurs when facing a happy counterpart. Negotiators become happy when facing a happy counterpart. When happy, one tends to be less competitive and more co-operative. This may result in placing low demands and making large concessions. This is believed to transpire when emotional contagion occurs during a negotiation. Emotion contagion can occur when facial expressions, body movements and vocal tones of others are copied (Hatfield, Cacioppo, & Rapson, 1993). Thompson and Nadler (2002) have researched this phenomenon, they observed participants during computer-mediated communication and discerned that the participants were unconsciously imitating each other. The participants copied the linguistic construction
of the posts of their counterpart as well as their social-emotional nuances. Since participants copy the linguistic structure and social emotional nuances of their counterparts messages, happy negotiators can also affect the emotions of their counterpart. In this case when one negotiator is happy, the counterpart can copy this and also become happy.

This communication mimicry, or emotional contagion, may influence the negotiation process. The emotional contagion perspective also predicts that when one party expresses anger, the counterpart can also become angry. When angry, one is less likely to be co-operative and may place higher demands and make smaller concessions than when happy (Van Kleef et al., 2004b).

As it is still not completely clear whether positive emotions have a positive or negative effect on the counterpart, more research on this topic is required. Sinaceur and Tiedens (2006) note that when negotiating with a happy counterpart, concessions are smaller than when negotiating with an angry counterpart. Van Kleef et al. (2004b) state the opposite; reasoning from the emotional contagion perspective, that you, yourself, will become happy and more co-operative when negotiating with a happy counterpart.

Research by Van Kleef, De Dreu, Pietroni and Manstead (2006) suggests that the interpersonal effects of happiness on concession behavior are the result of an intentional decision-making procedure when evaluating the emotion-receiving negotiator. Prior research (Van Dijk, van Kleef, Steinel, & Van Beest, 2008) has suggested that negotiators used their counterpart’s emotions in order to understand the limits of the counterpart, and consequently used this information when making an offer. Negotiators faced with a happy counterpart considered the limits of their counterpart to be low, felt no need to compromise to avoid deadlock, and consequently made smaller concessions (Van Kleef et al., 2004a).

Research (Van Kleef et al., 2004b) has focused on emotions and concessions of the negotiator. However, the main focus was on the concessions of the emotion-perceiving negotiator. This study assesses the importance of emotions as well as concessions by manipulating the emotions and concessions the negotiator receives from the counterpart. Thus, this study aims to support the study of Van Kleef et al. (2004b) on the effect that one becomes cooperative, by making large concessions when facing a happy counterpart in a negotiation. However this study has added the
unique aspect of concession size. This is interesting since concession size has a strong effect on negotiation outcomes (Lewicki, Saunders, & Barry, 2009). Including concession size of the counterpart in combination with emotions has a contradictive effect on a negotiation. Since, happy counterparts are expected to make large concessions (Van Kleef, De Dreu, & Manstead, 2004b), which accordingly results in a lower financial outcome. Additionally, receiving large concessions results in a higher financial outcome but also in happy negotiators (Gillespie, Brett & Weingart, 2000). Therefore individuals should be aware of the emotions they display during a negotiation as well as the size of concessions offered, as both of these factors can have an impact on the outcome.

This study investigates the interpersonal effect of happiness and effect of concession size on the outcome of a distributive negotiation. The research question is stated as follows:

“What effect does the happiness of the counterpart and concession size given by that counterpart have on the emotions and financial outcome of a negotiator?”
Theoretical framework

In order to answer the main research question some aspects and background information will be provided on distributive bargaining, emotions, happiness, concession size and financial outcome. This theoretical research will proceed by the introduction of the six hypotheses in place in which together in the proceeding sections of this thesis will lead to answering the main research question stated above.

Distributive bargaining

This study comprehends a distributive bargaining setting. A distributive bargaining situation involves a win-lose situation and is, by definition, competitive (Lewicki, Saunders, & Barry, 2009). In distributive bargaining the goals and aims of one party are in direct and fundamental conflict with the goals and aims of the opposing party. Additionally, both parties aim for as big a share as is possible and resources are limited and fixed. Distributive bargaining can be useful in a single deal when the negotiator wants to maximize the winnings for him or herself, especially when the relationship is non-committal and when at the claiming value stage of negotiation (Lewicki et al., 2009).

This study comprehends a distributive bargaining setting, thus a setting in which negotiators could use information they receive concerning their counterpart in order to maximize their winnings. Emotions of the counterpart can be used as an information source by the negotiator, to comprehend the preferences and priorities of the counterpart (Pietroni, van Kleef, de Dreu, & Pagliaro, 2008a). As emotions are an important aspect of distributive negotiation and of great importance to the specific research question of this thesis, emotions and the effect they have in negotiation will be discussed in more detail below.

Emotions

Many people have defined emotions in different ways across a number of disciplines. The most general view on emotions, stated by Lazurus (1991), tries to interpret the subjective experience, action tendencies and physiological reactions that are caused by emotions. This means that emotions have a relationship with what one experiences, how he or she acts and the psychological reactions that occur. Adler,
Rosen and Silverstein (1998) state that to be able to define emotions you should be able to feel, as emotions cannot be explained with words alone.

A study by Myers and Diener (1995) showed that happiness could be seen as a subjective occurrence that only concerns the person who experiences it. When considering ways to judge one’s emotions, Myers and Diener (1995) propose that self-reflection of the emotions felt is an effective way of determining emotions such as happiness. In this study, emotions of the participants will also be self-reported by the participants as it is generally agreed that people are the best judge of their own emotions.

**Emotions in negotiation**

Emotions have a great influence on behavior in general (Kelley, 1980; Lazarus, 1991; Weiner, 1986, 1992) and specifically on negotiation behavior (Clark & Isen, 1982; Barry & Oliver, 1996). The effects emotions can have in negotiations are complex and still not comprehensively understood (Forgas, 1992).

The conflict resolution process can be influenced by emotions in two ways. Firstly, positive emotions can have an effect on the negotiation behavior and outcome (Baron, 1990; Carnevale & Isen, 1986). Secondly, emotions can have an effect on the process of resolution. Research has shown that emotions are the main predictors of several perceptual, behavioral, cognitive processes and also involve social perceptions (Lerner & Keltner, 2000), choice and judgments (Clore, Schwarz, & Conway, 1994; Forgas, 1995), as well as the processing of information and communication (Clore et al., 1994). It can be concluded that emotions are serious indicators of behavior in negotiation (Neale & Bazerman, 1991) therefore emotions will have meaningful consequences for the process when negotiating.

Previous theoretical research (e.g., Barry & Oliver, 1996; Kumar, 1997) and empirical research (Allred, Mallozi, Matsui, & Raia, 1997; Conlon & Hunt, 2002; Thompson & Kim, 2000; Van Kleef, De Dreu, & Manstead, 2004b) have enhanced the knowledge of the role of emotions in the negotiation context. However, the relationship between the happy emotions of the counterpart and the way in which they correspond with the emotions and financial outcome within a negotiation requires further experimentation in order to be comprehensively understood.
Interpersonal effects of emotions

Emotions within a negotiation not only affect the negotiator, but also the counterpart. During a negotiation, emotions of the counterpart are repeatedly used as a source of information for the negotiator. The role of interpersonal effects of emotions has received more and more attention over the years. Emotions have an essential social role and influence within a negotiation (e.g. Barry, Fulmer, & Van Kleef, 2004a; Morris & Keltner, 2000; Thompson, Nadler, & Kim, 1999). It can be suggested that, from the social function perspective of emotions within a negotiation, negotiators attend to the emotions of their counterpart. They do this because the emotions of their counterpart can provide crucial information about the behavior they can expect from their opponent (Van Dijk, van Kleef, Steinel, & van Beest, 2008). Hence, taking a social function perspective, leads us to suppose that emotions provide informational suggestions that can impact counterpart behavior (Van Dijk et al., 2008).

Emotional contagion perspective

Emotional contagion is of great importance in a negotiation, since negotiators are believed to copy the emotions of their counterpart (Neumann & Strack, 2000). Emotional contagion (Hatfield, Cacioppo, & Rapson, 1993) refers to the tendency for people to automatically and often unconsciously copy the facial expressions, body movements and vocal tones of others. Researchers (Hess & Blairy, 2001; Wild, Erb, & Bartels, 2001) have found evidence of the copying of facial expressions and in vocal expression of emotions (Neumann & Strack, 2000). When speaking of the emotional contagion effect, individuals not only copy the body movements but also often the actual feeling or emotion of their counterpart (Thompson et al., 1999). The emotional contagion perspective refers to the ability to feel the emotions of others. It allows negotiators to understand and share the feelings of their counterpart (Hatfield et al., 1993). The emotional contagion perspective can be understood as an affective state in which the counterpart’s emotions are copied (Hess & Blairy, 2001).

Many researchers who have completed research using the emotional contagion effect have found that negotiators actually do copy the emotions of their counterpart (Friedman & Riggio, 1981; Hess & Blairy, 2001; Keltner & Haidt, 1999; Pietroni, van Kleef, Rubaltelli, & Rumiati, 2008b). They reveal that participants became angry when up against an angry counterpart and participants became happy when up against a happy counterpart. Emotional contagion is a central aspect relevant to understanding
human cognition, emotion and behavior (Hatfield, Rapson, & Le, 2009).

The social comparison theory explains the occurrences of the emotional contagion effect. Sullins (1991) applied this theory to the emotional contagion effect and found that if people are of relevance to each other the emotional contagion perspective is supported. The participants who were not of any relevance to each other, did not copy the emotions of the other. Being of relevance to each other implies negotiators have a particular sort of interaction or joint task.

Emotional contagion is of relevance to this study as emotions of the counterpart may be copied resulting in happier negotiators. Accordingly, happy negotiators are expected to make larger concessions. Conclusively, larger concessions will have an effect on the outcome of the negotiations.

**Happiness**

Happiness is an important positive emotion that is frequently expressed during a negotiation (Lazurus, as cited in Van Kleef et al., 2010; Shapiro, 2002). The happiness of the counterpart is frequently related with negotiators’ state of mind and it allows negotiators to identify opportunities in order to build abiding resources (Frederickson, 2001). Happiness can give an impression of contentment with the way things are and can be seen as an indicator that the counterpart is prepared to socialize, associate and play (Fridlund, as cited in Van Kleef et al., 2010). Smiling is generally used as a communicative act (Fridlund, 1991). A smile is related to positive aims and happiness (Floyd & Burgoon, as cited in Schmidt & Cohn, 2002). A positive attitude toward the counterpart increases concession making (Pruitt & Carnevale, 1993) and the negotiator tends to be more flexible in the negotiations (Druckman & Broome, 1991). Negotiators experiencing positive feelings make larger concessions (Druckman & Olekalns, 2008; Van Kleef et al., 2004b) and use a less aggressive negotiation strategy compared to individuals in a neutral state (Carnevale & Isen, 1986).

Regardless of how the emotion of the counterpart may be used as an informational resource, emotional contagion of happiness is believed to occur in negotiations and is expected in this study. Therefore the following is expected:

**H1:** Negotiators facing a happy counterpart will be happier than negotiators facing a neutral counterpart.


**Concession size**

Concessions are an essential element of negotiations. If a situation occurs where one party does not make a concession, the other party must either yield, or the negotiations will come to a halt (Lewicki, Saunders, & Barry, 2009). Therefore it can be determined that concessions play an important role in a negotiation and need to be reviewed consequently.

As discussed previously, a distributive negotiation implies competition over who is going to gain the largest share of resources in that negotiation (Walton & McKersie, 1965). In such situations there generally is a winner and a loser, and it is fair to assume that each negotiator would generally prefer to be the winner.

Van Kleef et al. (2004b) have also researched the importance of emotions and concessions in a prior study and essentially focused on the concessions of the emotion-perceiving negotiator. Van Kleef et al. (2004b) found that negotiators become happy when negotiating with a happy counterpart. The emotions of the counterpart are not the only important factor in a negotiation. Concession size also influences a negotiation. Large concessions of the counterpart increase the happiness of a negotiator (Gillespie, Brett, & Weingart, 2000). Where a counterpart makes large concessions during a negotiation, the negotiator is gaining resources. It is likely that the perception of winning ground in a negotiation could positively impact the emotions of the negotiator as prior research found that negotiators tend to be more satisfied when they gain larger outcomes (Gillespie, Brett, & Weingart, 2000). Therefore, the following is expected:

**H2:** Negotiators facing a counterpart who makes larger concessions will be happier than those facing a counterpart making small concessions.

As, earning higher outcomes in a negotiation possibly also contributes to the happiness of a negotiator (Gillespie, Brett, & Weingart, 2000). It is therefore expected that, negotiators will probably be happiest when facing a happy counterpart making large concessions. As discussed in earlier sections, it is expected that the happiness of the counterpart will positively impact the happiness of the negotiator and that large concessions will also have a positive effect on the happiness of the negotiator. These assumptions have lead to the formulation of the following hypothesis:
**H3:** An interaction between concession size and emotions of the counterpart is expected whereby happy counterparts making large concessions will lead to the highest happiness ratings for negotiators.

**Financial outcome**

Baron (1990) states that positive emotions have a positive effect on the concession-making process. Positive emotions would increase the preference for cooperation (Baron, Fortin, Frei, Hauver, & Shack, 1990). Negotiations are evaluated as more satisfying by negotiators when happiness and positive emotions are experienced (Van Kleef et al., 2010; Carnevale, 2008). Carnevale and Isen (1986) also state that negotiators are more co-operative when feeling positive in a negotiation. Accordingly, positive emotions would also have a positive effect on co-operative negotiation strategies (Forgas, 1998). When reviewing previous findings and the emotional contagion perspective regarding the interpersonal effects of emotions, it can be expected that participants faced with a happy opponent will also become happy. Since happy negotiators tend to be more co-operative, this could result in a co-operative style of negotiating by placing lower demands and making large concessions (Van Kleef et al., 2004b). In the situation that the counterpart copies the emotions of the opponent and both parties are happy, the concessions of the negotiator are likely to be larger and the following is expected:

**H4:** Negotiators facing a happy counterpart will achieve lower financial outcomes than those facing a neutral counterpart.

The above-mentioned studies have shown consistency in the way negotiators experience positive emotions within a negotiation. Negotiators who are happy seem to be more conciliatory and co-operative. However, as noted earlier, the emotions of the counterpart are not the only significant consideration in a negotiation.

The concession size can also affect the financial outcome of a negotiation. Gouldner (1960) implies the occurrence of a universal norm of reciprocity. The reciprocity hypothesis entails that a negotiator expects his or her concessions to be reciprocated, meaning that if one negotiator makes a large concession, this is also expected of the counterpart. If the negotiator does not reciprocate the counterpart may not react to this universal norm and make less and smaller concessions. Therefore, it
can be expected that when negotiating with a counterpart making large concessions, the negotiator will reciprocate and also make larger concessions resulting in a lower financial outcome than when the reciprocity hypothesis does not apply. The negotiators may apply the reciprocity hypothesis and as a result become happier when receiving large concessions consequently resulting in making larger concessions.

Since, the concessions the negotiators will receive do not alter for the concessions made by the negotiators, the reciprocity hypothesis is not expected to occur. Nevertheless, negotiators may become happy when negotiating with a counterpart making larger concessions. When happy negotiators tend to make larger concessions (Van Kleef et al., 2004b) resulting in a lower financial outcome. However, this study supports the findings of Gillespie, Brett and Weingart (2000) whom state that obtaining large concessions increases the chance of winning more ground during a negotiation (Gillespie, Brett, & Weingart, 2000) consequently, resulting in a higher financial outcome. Therefore the following is expected:

**H5:** Negotiators facing a counterpart who is making large concessions will achieve higher financial outcomes than those making smaller concessions

Facing a happy counterpart is expected to generate a more co-operative negotiation style. When facing a happy counterpart, demands are expected to be lower and concessions larger (Van Kleef et al., 2004b). Financial outcomes could be expected to be higher when facing a neutral counterpart than when facing a happy counterpart, as there is less emotional triggering of co-operative behavior expected. This can result in the following situation:

**H6:** An interaction between concession size and emotions of the counterpart is expected whereby happy counterparts making small concessions will lead to the lowest financial outcome, while neutral opponents making large concessions will lead to the highest financial outcome for negotiators.

After the various theories and the formulation of the six hypotheses have been discussed the next section is the method. In the method the way in which the formulated hypotheses will be tested will be extensively elaborated upon.
Method
In order to answer the six hypotheses and the main research question a simulated negotiation experiment was set up in which participants were asked to perform an online negotiation. The emotion and concession size of the counterpart was manipulated and the effects of emotion and financial outcome of the negotiator was studied.

Design
The experimental design was a 2 (condition: happy emotion vs. neutral emotion) x 2 (concession size: large vs. small) between- subjects factorial design. Participants (N=153) were randomly presented with one of the four experimental conditions: Participants (N=153) were randomly presented with one of the four experimental conditions:

1. Happy-large, in which participants negotiated with a counterpart presenting a happy emotion and making large concessions.
2. Happy-small, in which participants negotiated with a counterpart presenting a happy emotion and making small concessions.
3. Neutral-large, in which participants negotiated with a counterpart presenting a neutral emotion and making large concessions.
4. Neutral-small, in which participants negotiated with a counterpart presenting a neutral emotion and making small concessions.

The dependent variables were the emotions that the participants expressed and the financial outcome that completed the sale.

Participants
The participants were invited to partake in the experiment via the Facebook website (Appendix A). The participants consisted of friends and relatives of the researcher as well as friends of friends and random strangers unknown to the researcher. The condition in which the negotiators would participate was allocated randomly within the start survey. A total of 153 people participated in the study. The happy condition was allocated to 73 of the participants and the neutral condition to 80 of the
participants. There were 40 male (26.1%) and 113 female (73.9%) participants. The average age of the participants was 31.0 (SD=13.08).

**Materials**

The experiment was conducted using the online program ‘Qualtrics’. Participants were asked to engage in a simulated online negotiation. The negotiation task was especially designed for this study. A scenario was described to participants, who were asked to sell a tablet computer to a counterpart through an online negotiation (see Appendix B). The negotiation was about the price that the participant would receive for the tablet that they were selling.

The participant was told he/she was going to act as the seller of a tablet. The participants were instructed to achieve a deal in as few rounds as possible, to get a minimum of €200 for the tablet and to express his/her emotions after making each new offer. Participants were requested to express their emotions by selecting one of three provided emoticons. The emoticons that were provided were happy, neutral and angry (Appendix C). The participant also received either a happy or neutral emoticon in return, expressing the emotions of the counterpart as they made their counter offer. The participant was requested to manually record his/her own offers and the counter offers of the buyer. To encourage the participants to actually keep track of the offers, an extra screen was added to remind them of this. It was important for the participants to keep track of the offers because it would make them more aware of their counterpart’s and their own concessions.

To be able to check whether the manipulation of concession size was apparent to participants, a self-constructed questionnaire was provided. Here, the participant’s perception of the size of their counterpart’s concessions was requested on a 5-point Likert scale ranging from very small to very large (Appendix D). The validity of the emotional and financial outcome was also tested with self-constructed questions. The participants were requested to verify to what extent they were satisfied with the negotiation, their counterpart and the financial outcome of the negotiations. The participants were also requested to answer these questions on a 5-point Likert scale (Appendix D) ranging from very dissatisfied to very satisfied for the questions regarding the negotiation, their counterpart and the financial outcome.
Procedure

The data were collected between May 16th 2014 and June 13th 2014. The 153 participants who were assembled using Facebook received a case (Appendix B) in which they had to sell a second hand tablet for no less than 200 euro and no more than 500 euro. The participants were the sellers of a tablet and the counterpart (computer) was the buyer of the tablet. The choice for a tablet was based on its relatively mutual attractiveness to both male and female participants as well as to both younger and older participants.

The participants were also requested to aim for the best possible scenario, that being by gaining as much money as possible for themselves in a minimum number of rounds. In other words they were supposed to sell the tablet for as much money and as quickly as possible. It is a win-lose situation because if one party receives more money, the other party loses more money. The relationship with the other party was of no significance/importance. There was no expectation of ongoing or future interaction with the counterpart.

The participants were told that the counterpart would make the first bid, which was 100 euro (round 1) in all four groups. Along with the offer, the participant also received an emoticon, either happy or neutral, depending on the condition they were randomly allocated to. The participants were also requested to express their own emotions with each offer they made. The emoticons available were happy, neutral or angry and this requirement continued throughout the whole negotiation. The offers from the computer were increased by a minimum of 10 euro in the large concession condition and 5 euro in the small concession condition (figure 1). ‘Qualtrics’ was programmed that a deal would automatically be made if the offer made by the participant was equal or exceeded the following offer of the computer. The highest price a participant could request was 500 euro. The participants were requested but not clearly obligated to get a minimum of 200 euro for the tablet. Seven participants sold the tablet for 200 euro or less and were therefore excluded from the analysis, as it can be determined that these participants did not pay enough attention to the guidelines and did not take this study as seriously as was required to ensure accurate results. Although there is a chance participants will be aware they are negotiating with a computer, there is a maximum of six rounds to the negotiation as after the six rounds there is an increased chance of the participants realizing that they are not playing with a ‘real’ person (De Dreu & Van Lange, 1995).
To convince participants they were going to be negotiating with a ‘real’ person, the Facebook message stated that this was a joint study with several Universities in the Netherlands. Mentioning that this study was part of a bigger study made it more convincing that there would be many people participating in this study. This helped to explain the fact that there would be ‘participants’ available as counterparts who were online at the same moment they commenced the study. In order to convince participants they were going to negotiate with a ‘real’ person, participants were told that in the case that no counterpart was online they would be linked to Doodle- a program used in order to make appointments online.

Accordingly participants were randomly presented with one of the four separate surveys that were made and differed from emotions and concession size. Participants either faced neutral or happy opponents. The groups facing the neutral opponents were the control group. All participants received the same information concerning the negotiation (Appendix B).

Furthermore, after the negotiations had ended, general questions were asked concerning satisfaction with the negotiation, the perceived size of offers from the counterpart, satisfaction with the buyer, satisfaction of the end result, gender, age and an email address. An email address was requested on a voluntary basis. This was necessary if the participant wanted to have a chance of winning the money prize of 25 euro.
Figure 1

Negotiation experiment, emotion and concession conditions

Happy condition

Group 1.1 (large concessions)
  Round 1: € 100
  Round 2: € 175
  Round 3: € 225
  Round 4: € 250
  Round 5: € 270
  Round 6: € 280

Group 1.2 (small concessions)
  Round 1: € 100
  Round 2: € 150
  Round 3: € 175
  Round 4: € 195
  Round 5: € 205
  Round 6: € 210

Neutral condition

Group 2.1 (large concessions)
  Round 1: € 100
  Round 2: € 175
  Round 3: € 225
  Round 4: € 250
  Round 5: € 270
  Round 6: € 280

Group 2.2 (small concessions)
  Round 1: € 100
  Round 2: € 150
  Round 3: € 175
  Round 4: € 195
  Round 5: € 205
  Round 6: € 210
Results

In Table 1 the mean and standard deviations are presented for each condition. Subsequently, the results of the hypotheses and any other extraordinary effects will be presented.

Table 1

Means and standard deviations of the happiness and financial outcome of the participant by emotion and concession size (N=153)

<table>
<thead>
<tr>
<th></th>
<th>Happy</th>
<th>Neutral</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Large</td>
<td>Small</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Happiness</td>
<td>M=1.08</td>
<td>M=1.49</td>
</tr>
<tr>
<td></td>
<td>(.27)</td>
<td>(.70)</td>
</tr>
<tr>
<td>Financial outcome</td>
<td>235.05</td>
<td>206.80</td>
</tr>
<tr>
<td></td>
<td>(18.52)</td>
<td>(3.47)</td>
</tr>
</tbody>
</table>

Note. M=Mean. Happiness ranges from 1 (Happy), 2 (Neutral) and 3 (Angry).

Manipulation check concession size

A manipulation check was conducted for the experienced largeness of concessions. No strict manipulation check was conducted for emotions, the emotions were checked by analyzing the results from the ANOVA’s conducted for the hypothesis.

Perception of concession size

A paired-samples T-test was conducted for the perception of the participant’s concession size as the dependent factor and concession size as the fixed factor. There was a significant effect t(152)= 29.22, p<.001 for concession size on the perception of concession size. Participants in the large concession condition perceived the concessions of their counterpart as larger (M=3.26, SD=1.57) than the participants in the small concession condition (M=2.26, SD=1.57).
**Happiness**
To test the happiness of participants a two-way ANOVA was conducted. The dependent factor was the emotion of the participant. The fixed factor was the emotion condition. There was no significant main effect of the emotion condition on happiness of the participants $F(1,149)=1.78, p=.185$. Participant’s in the happy condition ($M=1.27, SD=.56$) did not significantly differ in the happiness they expressed from the participants in the neutral condition ($M=1.39, SD=.58$). Therefore, hypothesis 1 of this study is not supported by the results.

To test the effect of concession size on the happiness of participants, a two-way ANOVA was conducted with the happiness of the participant as dependent factor and concession size as the fixed factor. There was a significant main effect found for concession size on happiness of the participant, $F(1,149)=17.61, p<.001$. When comparing the large concession condition to the small concession condition people were happier in the large concession condition ($M=1.16, SD=.37$) than in the small concession condition ($M=1.53, SD=.69$). Participants became significantly happier when negotiating with a counterpart making large concessions compared to participants negotiating with a counterpart making small concessions. Therefore, hypothesis 2 is supported by these results.

In order to check if there was an interaction effect for happiness and concession size on happiness of the participant a two-way ANOVA was conducted. The dependent factor represented the happiness of the participant and emotion and concession size were the fixed factors. There was no significant interaction effect for happiness and concession size on happiness of the participant, $F(1,149)=1.65, p=.685$. Although there was no significant effect, participants in the happy/large condition were the happiest ($M=1.08, SD=.27$) followed by the participants in the neutral/large condition ($M=1.23, SD=.43$) then the happy/small condition ($M=1.49, SD=.70$) and finally the neutral/small condition ($M=1.57, SD=.69$). This final group was the condition in which, generally speaking, participants were least happy. Since, there is no significant interaction effect of happiness and concession size of the counterpart on the happiness of the participant, hypothesis 3 of this study cannot be confirmed by these results.

The above can be interpreted as follows: the emotions of the counterpart did affect the participant. More participants became happy in the happy condition compared to participants in the neutral condition. However, there was no significant
main effect. There was a significant main effect between the happiness of the participants and the concession size of the counterpart. Furthermore, there was no interaction effect found between the concession size and the emotions of the counterpart on the happiness of the participants.

**Financial outcome**

To test the financial outcome of the participants a two-way ANOVA was conducted for the financial outcome of the participant as the dependent factor and emotion as the fixed factor. There was a significant main effect for emotion $F(1,149)=7.59, p<.05$ on the financial outcome of the participants. When comparing the financial outcome – the final price for which the tablet was sold by each participant – participants in the neutral condition generally received a higher price ($M=228.91, SD=25.26$), compared to the happy condition ($M=221.51, SD=19.59$). Thus it can be stated that participants facing a happy counterpart had a significantly lower financial outcome than participants facing a neutral counterpart. Therefore, hypothesis 4 is supported by these results.

To test for the effect of concession size on the financial outcome a two-way ANOVA was conducted. The financial outcome of the participant represented the dependent factor and concession size the fixed factor. There was a significant effect for concession size of the counterpart on the financial outcome of a negotiation $F(1,149)=211.81, p<.001$. Participants in the large concession condition made a deal for a larger amount of money ($M=241.67, SD=20.54$) compared to the participants in the small concession condition ($M=207.06, SD=3.26$). This shows that hypothesis 5 is supported by these results.

Conclusively, a two-way ANOVA was also conducted to check for an interaction for emotion and concession size on the financial outcome of the negotiation. The financial outcome of the participant represented the dependent factor and emotion and concession size the fixed factors. There was a significant interaction effect $F(1,149)=6.47, p<.05$ for emotion and concession size on the financial outcome of the negotiation. Participants in the neutral large condition ($M=247.51, SD=20.65$) had a higher financial outcome than participants in the happy large condition ($M=235.05, SD=18.52$). Also when reviewing the financial outcome of the participants in the neutral small condition ($M=207.30, SD=3.07$) this was higher than
the financial outcome of the happy small condition \((M=206.80, SD=3.47)\). Therefore hypothesis 6 is also supported by these results.

It can be stated that participants in the happy concession condition made a deal for less money than participants in the neutral condition. Furthermore, participants in the large concession condition had a larger financial outcome compared to participants in the small concession condition. Participants in the happy large condition had a lower financial outcome than participants in the neutral large condition. Also when comparing the happy/small condition group to the neutral/small condition group participants in the happy/small condition had a lower financial outcome.

**Additional analysis satisfaction negotiations**

An additional analysis has been conducted concerning the satisfaction of the participants with the negotiations, counterpart and financial outcome. This was conducted in order to check for abnormal results with regards to the satisfaction of the negotiators, in relation to the results of the hypothesis. However, this was not the case; the results of the hypothesis were in line with the results of the satisfaction of the participants.

**Satisfaction with negotiations**

A two-way ANOVA was conducted for the satisfaction of the participant with the negotiations as the dependent factor and emotion and concession size as the fixed factors. There was a significant main effect for emotion on the satisfaction of the participants with the negotiations \(F(1,149)=6.92, p<.05\). Participants in the happy condition \((M=4.78, SD=1.26)\) revealed to be more satisfied with the negotiations than the participants in the neutral condition \((M=4.24, SD=1.45)\). There was a significant main effect of concession size on the satisfaction of the negotiations \(F(1,149)=18.36, p<.001\). Participants in the large concession condition \((M=4.91, SD=1.27)\) were also more satisfied with the negotiations compared to participants in the small concession condition \((M=4.03, SD=1.27)\). There was no interaction effect \(F(1,149)=.255, p=.614\) of emotions and concession size on the satisfaction of participants with the negotiations.
Satisfaction counterpart
A two-way ANOVA was conducted for the satisfaction of the participant with the counterpart as the dependent factor and emotion and concession size as the fixed factors. There was a significant main effect of emotion for the satisfaction with the buyer $F(1,149)=4.64, p<.05$. Participants in the happy condition ($M=3.85$, $SD=.98$) were more satisfied with the counterpart compared to the participants in the neutral condition ($M=3.56$, $SD=.84$). Additionally, there was a significant main effect of concession size for the satisfaction with the buyer $F(1,149)=35.02, p<.001$. Participants in the large concession condition ($M=4.06$, $SD=.75$) were more satisfied with the counterpart compared to participants in the small concession condition ($M=3.29$, $SD=.93$). There was no interaction effect ($F(1,149)=3.32, p=.070$) for emotions and concession size on the satisfaction of the counterpart.

Financial outcome
A two-way ANOVA was conducted for the satisfaction of the participant with the financial outcome as the dependent factor and emotion and concession size as the fixed factors. There was no significant main effect for emotion on the satisfaction of the financial outcome of the negotiations ($F(1,149)=2.17, p=.143$). Participants in the happy condition were not more satisfied with the financial outcome ($M=4.93$, $SD=1.05$) than participants in the neutral condition ($M=4.73$, $SD=.93$). However, there was a significant main effect of concession size on the satisfaction of the financial outcome $F(1,149)=25.15, p<.001$. Participants in the large concession condition ($M=5.17$, $SD=.80$) were more satisfied with the financial outcome compared to participants who were in the small concession condition ($M=4.43$, $SD=1.03$). There was no interaction effect ($F(1,149)=.00, p=.997$) for emotions and concession size on the satisfaction of the financial outcome of the negotiation.

Results summarized
The first hypothesis predicted that when facing a happy counterpart the participants would be happier than when facing a neutral counterpart. The outcome revealed that the happiness of the counterpart had no significant effect on the happiness of the participants. Thus, hypothesis 1 did not receive confirmation. The second hypothesis can be confirmed since participants facing a counterpart making large concessions were happier than those facing a counterpart making small concessions. Accordingly,
the third hypothesis predicted that there would be an interaction effect between the concession size and emotions displayed by the counterpart on the happiness of the participants. Results showed these factors had no significant interaction effect on the happiness of the participants. Therefore, hypothesis 3 did not receive confirmation.

The fourth hypothesis predicted that participants facing a happy counterpart would have a lower financial outcome than participants facing a counterpart expressing a neutral emotion. The outcome revealed a significant main effect of concession size on emotion. Therefore, hypothesis 4 can be confirmed. The fifth hypothesis can also be confirmed as large concessions of the counterpart resulted in a higher financial outcome. Conclusively, hypothesis 6 can also be confirmed, as there was an interaction effect for emotions and concession size on the financial outcome of the negotiations. Participants in the happy condition receiving small concessions concluded the negotiations for the lowest financial outcome. Participants in the neutral condition receiving large concessions received the highest financial outcome.
Table 2

*Confirmation of hypothesis*

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Negotiators facing a happy counterpart will be happier than negotiators facing a neutral counterpart.</td>
<td>No ($p=0.185$)</td>
</tr>
<tr>
<td>H2: Negotiators facing a counterpart who makes larger concessions will be happier than those facing a counterpart making small concessions.</td>
<td>Yes ($p&lt;0.001$)</td>
</tr>
<tr>
<td>H3: An interaction between concession size and emotions of the counterpart is expected whereby happy counterparts making large concessions will lead to the highest happiness ratings for negotiators.</td>
<td>No ($p=0.685$)</td>
</tr>
<tr>
<td>H4: Negotiators facing a happy counterpart will achieve lower financial outcomes than those facing a neutral counterpart.</td>
<td>Yes ($p&lt;0.05$)</td>
</tr>
<tr>
<td>H5: Negotiators facing a counterpart who is making large concessions will achieve higher financial outcomes than those making smaller concessions</td>
<td>Yes ($p&lt;0.001$)</td>
</tr>
<tr>
<td>H6: As for the outcome is concerned an interaction between concession size and emotions of the counterpart is expected whereby happy counterparts making small concessions will lead to the lowest financial outcome, while neutral opponents making large concessions will lead to the highest financial outcome for negotiators.</td>
<td>Yes ($p&lt;0.05$)</td>
</tr>
</tbody>
</table>
Discussion

General discussion
This study contributes to the existing research on the role and effect of emotions in negotiations. The results of this research support the findings of previous studies, including that of Van Kleef et al. (2004b) who stated that concessions tend to be larger when facing a happy counterpart. While previous studies have generally looked at the role of emotions in negotiations this study has added a further dimension by manipulating concession size. One of the most important findings of this study is that negotiators received the highest financial outcome when negotiating with a counterpart expressing neutral emotions and making large concessions. This is in line with what was expected. Previous research found that negotiators copy the emotions of their counterpart (e.g. Friedman & Riggio, 1981; Hess & Blairy, 2001; Keltner & Haidt, 1999; Pietroni et al., 2008b). When viewing the results of this study the first hypothesis referring to the copying of emotions was not confirmed. Participants facing a happy counterpart did not express themselves as significantly happier than participants in the neutral condition. Furthermore, the second hypothesis was confirmed. The financial outcome of the participants in the happy condition was significantly lower. This could be an indication that participants in the happy condition did operate in a way that would have been expected. Happy negotiators tend to make larger concessions (Van Kleef et al., 2004b) and larger concessions can result in a lower financial outcome for the negotiator. Therefore, the emotion and feeling, of the counterpart might have been experienced (Thompson et al., 1999) but not expressed by using an emoticon during the online negotiation. An explanation why participants did not express themselves as significantly happier when facing a happy counterpart could be for tactical reasons. The participants might not have wanted to let the counterpart know they were happy. As when expressing happiness one could assume the counterpart is happy with the distribution of resources (Sinaceur & Tiedens, 2006).

When receiving large concessions from the counterpart, negotiators generally tend to be more satisfied as the chance of receiving a higher financial outcome is increased. Prior research found that negotiators tend to be more satisfied when gaining larger outcomes (Gillespie, Brett, & Weingart, 2000). The results of this study
show that participants expressed themselves as significantly happier when receiving large concessions.

It was expected that participants would show the highest ratings of happiness when negotiating with a happy counterpart making large concessions. However, hypothesis three cannot be supported. There was no interaction effect between the emotion of the counterpart and the concession size on the happiness of the participant: a happy counterpart making large concessions did not increase the happiness of the participant. As stated above, a reason for this could be that participants did not express happiness for tactical reasons. It is also possible that an emoticon may not be a strong enough cue to trigger the emotional contagion effect. Although the participants in the happy condition did not express themselves as happier than the participants in the neutral condition, they were more satisfied with the negotiation and with the counterpart.

Negotiators facing a happy counterpart were generally more co-operative as they made larger concessions and smaller demands and, therefore, came to a deal for a lower financial outcome. The findings of this study contradict Van Kleef, De Dreu and Manstead (2004a) who stated that negotiators facing happy counterparts made smaller concessions compared to negotiators facing non-emotional counterparts. However, Baron (1990) found corresponding results with this study. Baron (1990) stated that positive emotions have a positive effect on the concession making process and increases the preference for cooperating (Baron, Fortin, Frei, Hauver, & Shack, 1990). As current study has evidently shown that negotiators facing a happy counterpart had a significantly lower outcome than negotiators facing a neutral counterpart. This finding underlines the statement by Van Kleef et al. (2004b) that a happy counterpart makes for a co-operative negotiation. Therefore, hypothesis four can be confirmed.

Lewicki et al. (2009) found that the size of concessions can have a strong effect on negotiation outcomes. Receiving large concessions could increase the chance of winning more ground during a negotiation and could result in higher financial outcomes. However there was also a probability that the negotiators would apply the reciprocity hypothesis. By applying the reciprocity theory negotiators would reciprocate the largeness of concessions they received from their counterpart and the financial outcome would be lower as both parties gain a mutual amount of resources. This however was not the case and has been confirmed as the financial outcome of the
large concession condition was significantly higher than the financial outcome of the small concession condition. Accordingly, hypothesis five can be confirmed. Conclusively, hypothesis six can also be confirmed as the financial outcome aligned with the expectations with participants in the happy-small concession condition achieving significantly lower financial outcomes compared to participants in the neutral-large concession condition.

**Limitations**
There are limitations to this study that need to be taken into account when interpreting the results. The choice of only three emoticons is a limitation as the participants might not have been able to express exactly how they were feeling. Emoticons might also not have been strong enough indicators of the emotions of the counterpart that could explain why the emotional contagion perspective was not supported.

There was no control question for the participant at the end of this online negotiation task to check to what extent the participants believed they were actually negotiating with a real participant. A live negotiation could have been more credible and the results therefore more reliable. Additionally, a control question to check the perceived happiness of the counterpart would have also improved the validity of the received emoticons.

Conclusively, the distribution of male and female was not balanced with 40 male (26.1%) and 113 female (73.9%). Gender is of influence since; women express themselves as more competitive than men in an online setting (Stuhlmacher, Citera, & Willis, 2007). This uneven distribution of gender could possibly also have an effect on the applicability of this study to the wider population.

**Implications**
Prior research on emotions within negotiations uncovered effects of emotions on negotiation outcomes, but they did not investigate the impact of differing concession sizes within one emotional state. This study has clearly illustrated that although the emotional state of the counterpart has an effect on the negotiator, the concession size of the counterpart has a stronger effect on the emotional state of the negotiator. This study contributes to theoretical understanding of emotions in negotiation through exploring the effect of emotions and concession size within a negotiation. It can be concluded that happy emotions of the counterpart have an effect on the financial
outcome in a negotiation, although, the concession size of the counterpart has an
effect on the emotions and financial outcome of a negotiator. It would be interesting
to research the influence of concession size and emotional state of the counterpart in a
negotiation to a further extent by analyzing the emotions and concessions during
every stage of the negotiation instead of only analyzing the final outcome.

**Further research**
The resistance point, the negotiators bottom line- that was initiated for the participants
was a minimum amount of money that the negotiator had to receive in order to make
a deal. It would be interesting to see how the results may differ if this instruction had
not been provided. In that case participants in the happy condition might have been
even more co-operative compared to participants in the neutral condition. The
concern of credibility with regards to the use of the emoticons may perhaps be
prevented through the use of professional actors performing a similar face-to-face
negotiation. As professional actors are possibly better at conveying happiness in
comparison to an emoticon. Additionally, conducting this research with professional
actors would also be interesting to analyze since women appear to be more
competitive in online negotiations than in a face-to-face negotiation (Stuhlmacher,
Citera, & Willis, 2007). Conclusively, further study could also consider an additional
self-report questionnaire on emotions. This, to analyze to what extend participants are
capable of expressing their emotions accurately. It would be interesting to know if the
results of such a study would significantly differ to the results of this study.
Conclusion

The effect of emotions and concession size in a negotiation is an area of research worthy of further attention. This research provides some understanding of the effects of emotions and concession size of a counterpart on the emotions and financial outcome of a negotiator. Nevertheless, further research is essential to gain a more thorough understanding of the interaction between emotions and concession size.

It can be concluded that based on the results of this study negotiators will be happier when receiving large concessions from their counterpart. When in a negotiation, one should be aware of the emotions of the counterpart since the financial outcome tends to be lower when negotiators face a happy counterpart. Large concessions of the counterpart result in a higher financial outcome. Additionally, a negotiator will receive the lowest financial outcome when facing a happy counterpart making small concessions and the negotiator will receive the highest financial outcome when facing a neutral counterpart making large concessions.

The answer to the research question: “What effect does the happiness of the counterpart and concession size given by that counterpart have on the emotions and financial outcome of a negotiator? can be formulated as follows: facing a happy counterpart does not significantly influence the happiness of the negotiator, however it results in a significantly lower financial outcome. Concession size appeared to influence the negotiator’s emotions, with large concessions resulting in happier negotiators and large concessions also resulted in a higher financial outcome.

This study adds weight to the view that happiness contributes to the cooperativeness of a negotiation, which can lead to lower individual financial outcomes. This study also assessed the impact of concession size on negotiation outcomes and interaction with emotions. The results suggest that individuals should be aware of the emotions they display during a negotiation as well as the size of concessions offered, as both of these factors have been shown to impact outcomes. It appears that expressing happiness, while offering small concessions will result in a better financial outcome for a buyer, while remaining aware of the potential influence of emotions may assist sellers in obtaining a higher price.
References


Facebook message
Please help me graduate!
As most of you probably know I would love to graduate this summer. To be able to do so, I need your help!
I am collaborating in a joint study with several Universities in the Netherlands on the subject of negotiation behaviour. Therefore, I would like to ask you to participate in an online negotiation. Because this study is set out on a large scale you could be negotiating with anyone from anywhere in any age category. Besides the fact that it is fun to do, you can also win a money prize! So don't waste anymore of your time on Facebook but do something good for Science :) And if you really want to show the best of yourself LIKE and SHARE.
After selecting the link you will be automatically transferred to the negotiation system. If another negotiator is online, you will be able to start right away. If not you will be automatically transferred to a Doodle in which you can indicate your availability.
Thanks in advance for helping me out!!

Please select the link below:

https://tilburghumanities.qualtrics.com/SE/?SID=SV_1KSO8n9aBeYlj9z

Help mij alsjeblieft afstuderen!
De meeste van jullie weten waarschijnlijk al dat ik deze zomer super graag zou willen afstuderen. Om dit te kunnen heb ik echter jullie hulp hard nodig. Mijn onderzoek maakt deel uit van een gezamenlijke studie van verschillende universiteiten in Nederland. Dit onderzoek gaat over gedrag van mensen in een onderhandelingssituatie. Daarvoor zijn natuurlijk participanten nodig. Graag wil ik je vragen om mee te doen aan een online onderhandeling. Omdat dit een studie is die groots wordt uitgezet kan het zijn dat je onderhandelt met mensen van een andere nationaliteit of leeftijdscategorie. Naast het feit dat het leuk is om te doen kun je ook een geldprijs winnen! Dus verspil je tijd niet langer op Facebook maar doe iets goeds voor de wetenschap :) En als je jezelf helemaal wilt overtreffen, LIKE en DEEL dan dit bericht.

Nadat je de link naar het onderzoek geselecteerd hebt wordt je automatisch doorgestuurd naar het onderhandelingssysteem. Als er op het moment dat je meedoet een andere onderhandelaar ook online is, kun je direct beginnen. Is er niemand online, dan zul je worden door gelinkt naar een doodle om een afspraak te maken op een moment dat het jou uitkomt.

Je kunt meedoen door op onderstaande link te klikken: Alvast super bedankt!

https://tilburghumanities.qualtrics.com/SE/?SID=SV_1KSO8n9aBeYlj9z

Alvast super bedankt!
Appendix B

Experimental design

Dear participant,

Today, you are asked to participate in a simulated negotiation. The situation is as follows: You received two computer tablets for your birthday and because you only need one you have decided to sell the other one. You will soon enter a negotiation game in which you will be the seller of this tablet. You have to try to sell the tablet to the counterpart you are randomly linked to. He or she will be the buyer of your tablet. Your job is to sell the tablet for as much money as possible. You should sell the tablet for at least 200 euro. So do not go lower than this price. But be cautious: there are a limited amount of rounds to this game.

Negotiations will fail:

1. Whenever you exceed the limited amount of rounds.
2. When you reject the final offer of the buyer.

In this game only the buyer can make a final offer. Whenever the buyer decides to make his or her final offer this will be clearly indicated on your screen.

During the game you and your counterpart will both be asked to indicate how you feel. You can indicate this by selecting the emoticon which expresses your feelings best at that particular moment. With each offer you receive, you see the emoticon that has been selected by your counterpart and your counterpart will see the emoticon you selected.

So what do you have to do?
The buyer, your counterpart, will make the first offer. The first screen you will see is the first offer of the buyer. When you have seen the offer and emotion of the buyer you may click next. After you have clicked next, you will have to decide whether you accept or reject this offer. If you accept the offer you have a deal and the negotiation is over. You will then be asked to answer some final questions. If you reject the offer you will be asked to make a counteroffer and indicate your emotion for that moment.

This sequence will continue until one of you accepts the other's offer or until the final offer of your counterpart, after which the negotiation will come to an end.

During the negotiation, the offers and emotions of the buyer will be shown in a grey screen. Your own offers and emotions will be presented in a blue screen.

Summing up

- Make a deal in as few rounds as possible!
- Do not sell your tablet for less than 200 euro!
- The negotiation will come to an end when you have reached the limited amount of rounds, have a deal or when you reject the final offer of the buyer.
- Be aware! By rejecting the final offer of the buyer, there will be no deal and the negotiation will have failed.
**Attention:** you must keep track of the buyer's offer and your own offers on a sheet of paper.

**Remember:**
After the negotiation you will be asked to answer several questions. Please do so in a serious way as this is very important for the evaluation of the negotiation game and for this study.

Also remember that the participants who achieve the best individual outcomes (for sellers the highest sale price, for buyers, the lowest sale price), in as few rounds as possible will be entered into a draw to win a money prize of 25 euro. So please try your hardest to achieve the best outcome!

We wish you good luck with the negotiation!
Appendix C

Emoticon: ‘Happy’

Emoticon: ‘Neutral’

Emoticon: ‘Angry’
Appendix D

How satisfied are you with the process of the negotiations?

<table>
<thead>
<tr>
<th>Very dissatisfied</th>
<th>Dissatisfied</th>
<th>Neither dissatisfied nor satisfied</th>
<th>Satisfied</th>
<th>Very satisfied</th>
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<td>○</td>
</tr>
</tbody>
</table>

How *large* did you consider the concessions of your *counterpart (buyer)*?

<table>
<thead>
<tr>
<th>Very small</th>
<th>Small</th>
<th>Neither small nor large</th>
<th>Large</th>
<th>Very large</th>
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<tbody>
<tr>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

How *satisfied* were you with *your counterpart* (the buyer)?

<table>
<thead>
<tr>
<th>Very dissatisfied</th>
<th>Dissatisfied</th>
<th>Neither dissatisfied nor satisfied</th>
<th>Satisfied</th>
<th>Very satisfied</th>
</tr>
</thead>
<tbody>
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<td>○</td>
<td>○</td>
<td>○</td>
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</tr>
</tbody>
</table>

How *satisfied* are you with *the result* of the negotiation?

<table>
<thead>
<tr>
<th>Very dissatisfied</th>
<th>Dissatisfied</th>
<th>Neither dissatisfied nor satisfied</th>
<th>Satisfied</th>
<th>Very satisfied</th>
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