



Negotiating when outnumbered: Agenda strategies for bargaining with buying teams

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ABSTRACT

The authors empirically investigate how the choice of agenda strategies may enhance economic gain and promote customer relationships when a single salesperson must bargain with a buying team. The authors develop a framework of multi-issue negotiations for examining two key agenda decisions: selecting simultaneous or sequential negotiations; and, within sequential negotiations, determining in which order of importance multiple issues should be bargained. Using face-to-face bargaining settings, the authors demonstrate that, compared to the benchmark of single-buyer vs. single-seller negotiations, simultaneous bargaining of issues with a buying team raises buyers' perceptions of their power and influences a seller's bargaining style. Contrary to conventional wisdom, however, these effects do not disadvantage the single salesperson when tasked with bargaining with a buying team, as the salesperson is no worse off economically than when he or she engages in single-buyer vs. single-seller negotiations. Directly comparing simultaneous to sequential agenda strategies, the authors show that simultaneous negotiations result in more integrative agreements; increased profit to the seller; while at the same time lead to increased satisfaction to the buyers. In sequential negotiations, the ordering of the relative importance of the issues to the parties affects the seller's pre-negotiation disposition, bargaining styles, and—of critical importance to the seller—the likelihood of reaching an agreement. The authors provide managerial implications and contrast them with general beliefs.

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1. Introduction

Historically, in business markets, negotiations centered on the purchasing agent, an individual tasked with bargaining with salespeople to satisfy the organization's requirements for products or services (Hutt & Speh, 2009). Over the past two decades, however, the buying process among business-to-business customers has been steadily evolving from being primarily the domain of purchasing departments to encompassing the more multi-functional approach of team buying. As Morgan (2001, p. 28) observes, "Cross-functional team buying got its start in the late 1980s when companies began readjusting organizational structures to make them more flexible and competitive." He found that buying teams are highly popular and in wide use; nearly seventy percent of the companies sampled used or were interested in using team buying and sourcing techniques. Two examples illustrate the broad nature of this transition. Ceparano (1995, p. 24) reported that the purchase of packaging machinery had changed dramatically in the past 10 years with the adoption of buying teams being commonplace. Indeed, at a major packaging machinery exposition, a session was entitled "Team Buying: Do it

the Right Way, The profitable Way." During this same time frame, Liebeck (1996, p. 1) observed that "The traditional 'silo' approach to buying merchandise at Kmart is being dismantled, replaced by a team-buying concept that the giant retailer hopes will improve customer service, in-stocks, merchandise assortments and, ultimately, profitability."

Under these circumstances, an individual salesperson is solely responsible for negotiating a number of issues, some or all of which fall under the bargaining authority of separate buying team members. Within this context, the salesperson must not only seek successful economic negotiation outcomes but also must balance this objective within the larger context of fostering long-term customer relationships. Given these challenging bargaining environments and complex negotiation goals, we examine approaches salespeople may use in setting their negotiation agendas, a factor long recognized as critical in determining negotiation outcomes (Schelling, 1956).

Agendas are a means of structuring discussions between individuals and groups and comprise the domain of issues along with their ordering for discussion or negotiation. In business markets, negotiation is recognized as the central mechanism to achieve coordination between parties to an exchange (Balakrishnan & Eliashberg, 1995; Eliashberg, Lilien, & Kim, 1995; Srivastava, Chakravarti, & Rapoport, 2000). These purchases, moreover, account for the majority of the economic activity in industrialized countries (Dwyer & Tanner, 2009). Accordingly, we investigate a number of strategic agenda decisions that are critical for improving a salesperson's negotiating effectiveness regarding both

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short-term gain and long-term relationships with customers (Mantrala et al., 2010; Palmatier, Scheer, Houston, Evans, & Gopalakrishna, 2007).

To better understand which agenda strategies may be most advantageous, we examine the changes that occur in pre-negotiation dispositions and bargaining behaviors when a single seller bargains with a buying team compared to a situation in which a single seller bargains with a single buyer. We find that salespeople should eschew the conventional wisdom that suggests that teams have an advantage (Thompson, 2011). Our research indicates that bargaining with multiple buyers does not necessarily lead to lower profits. Rather, this setting is likely to lead to more integrative agreements, i.e., higher joint profits. Further, we find that bargaining multiple issues simultaneously with all buyers, rather than each issue separately with a single buyer, is likely to increase a salesperson's profits, buyers' satisfaction, and the likelihood of reaching an agreement.

We begin by developing a framework to structure the factors salient to agenda setting for negotiation situations in which a single seller must bargain with multiple members of a buying team. Next, we develop two sets of hypotheses related to selecting an agenda under likely buying team negotiation scenarios. We use single-seller vs. single-buyer negotiations as a benchmark to gauge how the team buying scenarios have altered buyers' and sellers' perceptions, behaviors, and outcomes. We also conduct a replication of two simultaneous negotiation scenarios and undertake a survey of sales professionals to gain their perspectives. Finally, we provide suggestions for structuring agendas when bargaining with buying teams.

2. Research framework and hypotheses

Our framework comprises four progressive stages and describes the linkages between the key agenda strategies and their negotiated

outcomes. Fig. 1 illustrates the framework and depicts the associated hypotheses.

The initial stage, Negotiation Agenda Strategies, depicts two basic strategic agenda decisions regarding multi-issue negotiations. Our research focuses on these two strategic agenda decisions that make up the foundation of a sales agenda. The first strategic decision involves choosing between a simultaneous and a sequential agenda. In a simultaneous agenda, negotiators may bargain all of the issues contemporaneously. In a sequential agenda, negotiators consider the issues singularly and do not reintroduce an issue once they have reached agreement on that issue and have begun to address the next issue (Thompson, Mannix, & Bazerman, 1988). Negotiations under each of these agenda scenarios become more complex when one of the parties is composed of more than a single individual, such as when a single seller bargains not merely with one buyer but with a buying team. In a simultaneous agenda, all members of the buying team and the seller meet together and freely bargain over all issues. In a sequential agenda, a seller meets in succession with each individual buyer to bargain only over those issues that the particular buyer represents.

The second strategic agenda decision arises within sequential negotiations and involves selecting the order in which to discuss multiple issues. While any ordering of the issues is possible in a sequential agenda, two issue orders merit particular attention. As Dobler, Lee, and Burt (1984, p. 223) observe: "most authorities feel that the issues should be discussed in the order of their probable ease of solution" as a means of promoting the overall negotiation process. Therefore, we believe that examining issues in an increasing order of importance may provide insight into factors that promote the negotiation process. Conversely, we believe that examining issues in a decreasing order of importance offers a high probability of uncovering factors that retard the negotiation process.

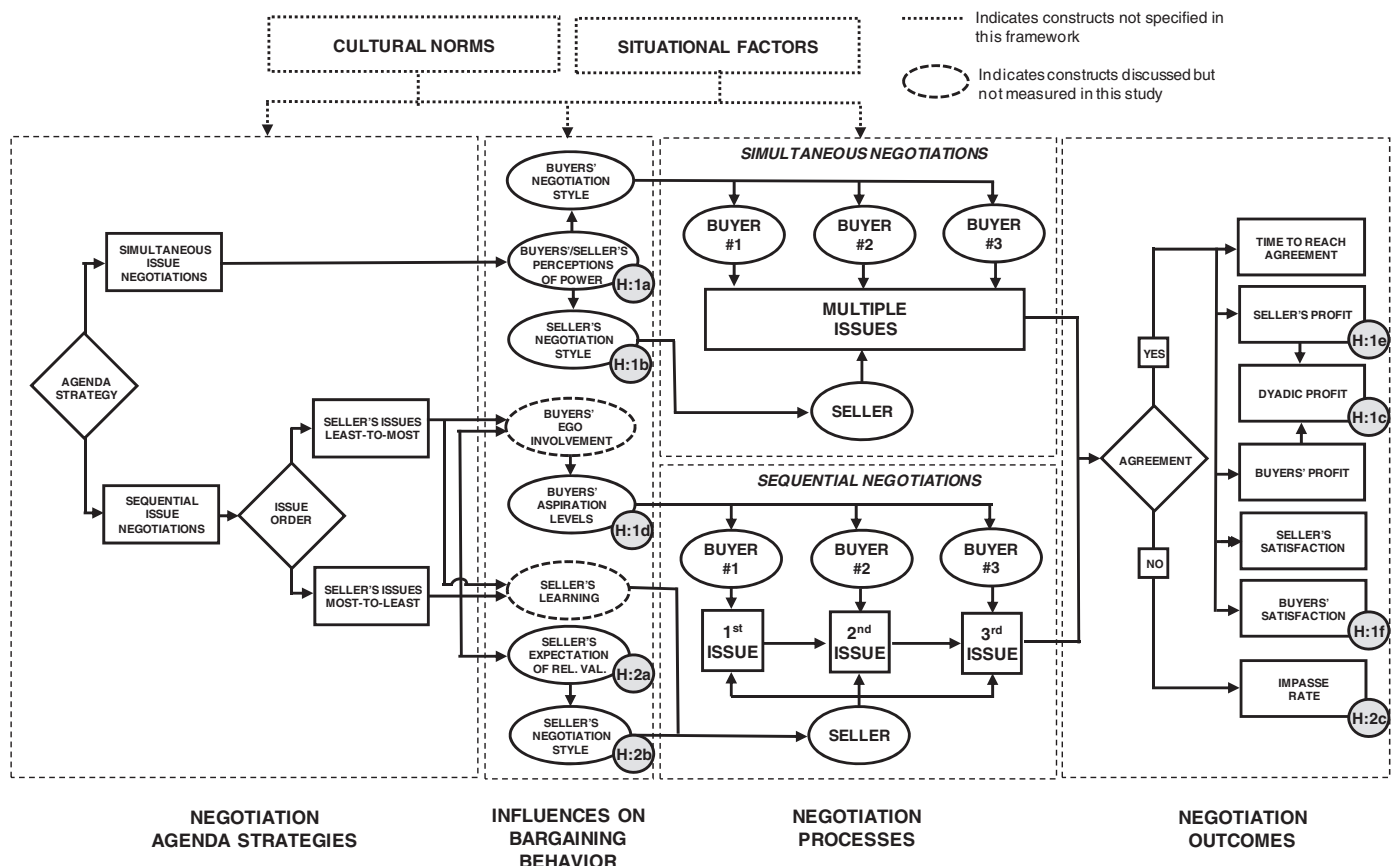


Fig. 1. Single seller, multiple buyers, multi-issue negotiation process.

The second stage in the framework, Influences on Bargaining Behavior, illustrates key expectations, perceptions and behaviors that influence the agenda strategies. We explore aspirations and power because of their recognized importance and pervasiveness in the body of negotiation literature (e.g., White & Neale, 1994; Wolfe & McGinn, 2005). We examine expectations regarding relationship valence, as these expectations likely influence the manner in which negotiators approach and conduct their bargaining (Weitz, 1981). Lastly, we examine negotiation styles because studies show that they potentially play a critical role in negotiation processes and outcomes (e.g., 2000; Shell, 2001).

The third stage, Negotiation Processes, delineates the simultaneous and sequential ordering of the issues. The fourth and last stage of our framework depicts the various objective and subjective negotiation outcomes. The objective outcomes we investigate are the profits attained by each party; the dyadic-level profits, used to assess the ability to achieve integrative outcomes; and, potentially the most important aspect of negotiations, the likelihood of reaching an agreement. We also examine the affective disposition of the buyers in terms of satisfaction, a key relational outcome of negotiations.

2.1. Hypotheses: sequential vs. simultaneous negotiation agendas

Kim, Pinkley, and Frangale (2005) observe that researchers acknowledge relative power as one of the most important factors in determining the outcomes of negotiated agreements. Research shows that bargainers possessing greater relative power earn higher profits than those in weaker positions. Most studies that employ a one-on-one bargaining context hypothesize power as deriving from either a greater number of alternatives or from knowledge of the other party's alternatives (e.g., McAlister, Bazerman, & Fader, 1996).

In the context of simultaneous negotiations involving a single seller and a team of buyers, we posit that power derives directly from the composition of the parties. Both the buyers and the seller are likely to perceive that there is strength in numbers on the part of the buyers, i.e., two heads are better than one (Perkins, 1993). Thus, the presence of several buyers at the bargaining table during simultaneous negotiations is likely to generate raised perceptions of their relative power. In this regard, our conceptualization of power in negotiations is consistent with Wolfe and McGinn (2005) who view power as a perceived and relational construct.

H1a. Buyers who are part of a buying team engaged in simultaneous negotiations with a single seller will have higher perceptions of their power than buyers engaged in single-buyer vs. single-seller negotiations. Conversely, buyers who bargain individually as part of a buying team engaged in sequential issue negotiations with a single seller will have similar perceptions of power as buyers engaged in single-buyer vs. single-seller negotiations.

Empirical research (e.g., Tajfel, 1970) shows that people relating their experiences with groups and with individuals state that their relationships with groups were more competitive (competitive situations are characterized by negative goal interdependence—one person wins, the others lose). Similarly, when people assess how competitive their relationships would be with groups vs. individuals, they assume that groups will be more competitive (Insko & Schopler, 1998; Pemberton, Insko, & Schopler, 1996). Moreover, when individuals encounter groups, this assumption engenders distrust within individuals, which then drives competitive behavior (Insko et al., 1987; McCallum et al., 1985). Thus, faced with bargaining with a group, a seller is likely to counter the perceived greater competitiveness of the buyers by engaging in a competitive style of bargaining.

H1b. A seller engaged in simultaneous negotiations with a buying team will employ more of a competitive negotiation style than a seller engaged in single-buyer vs. single-seller negotiations. Conversely, a seller who bargains issues sequentially with individual

members of a buying team will not employ more of a competitive negotiation style than a seller engaged in single-buyer vs. single-seller negotiations.

Compared to sequential negotiations, simultaneous negotiations naturally allow more opportunity for integrative agreements. Under simultaneous negotiations, however, the raised perceptions of buyers' power and the more competitive nature of the seller's bargaining behavior are factors that likely retard effective bargaining and limit integrative outcomes. Studies show that raised levels of power by one of the parties inhibit conflict resolution (Lawler & Yoon, 1993) and lead to less integrative agreements (Wolfe & McGinn, 2005). As Mannix, Thompson, and Bazerman (1989, p. 510) note, under unequal power situations, negotiators "focus on the norms of distribution rather than on ways in which the joint outcomes might be increased."

The composition of the buying team makes these factors less likely to be dominant under simultaneous negotiations. Studies investigating small group vs. individual problem solving indicate that, on intellectual tasks (where there are demonstrably correct solutions), groups tend not only to outperform the average individual, but perform at a level similar to the best performance of an equivalent number of individuals (Bonner, Baumann, & Dalal, 2002). Further, Laughlin, Bonner, and Miner (2002) found that groups outperformed even the best comparison individuals. This superiority of group performance over individual performance is attributed to groups' superior abilities in information processing (Hinsz, Tindale, & Vollrath, 1997). Thus, under simultaneous negotiations, the trial and error process of bargaining should allow buying teams to generate a heightened perspective of the opportunity for integrative agreements.

H1c. In simultaneous negotiations between a buying team and a single seller, economic outcomes will be more integrative (i.e., result in higher joint profits) than in sequential negotiations between a buying team and a single seller.

Aspiration levels—defined by Pruitt (1981) as a negotiator's drive for achievement and the levels of utility for which the negotiator is striving—are one of the major constructs employed in the negotiation literature. Empirical research (e.g., White & Neale, 1994) demonstrates that higher aspiration levels result in larger profits for the associated bargainers. Under either of the negotiation scenarios, the single seller must negotiate all the issues. Therefore, he or she likely sets aspiration levels in accordance with his or her perception of the issues' relative importance. How strongly the seller strives to succeed regarding these issues during bargaining thus will be roughly proportional to each issue's perceived relative importance. For buyers under simultaneous negotiation, this relationship between aspiration level and issue importance may also exist.

For buyers under sequential negotiations, however, aspirations are unlikely to be proportional to the importance of the issues. Because only one of the buyers bargains each issue during a separate session, each issue is this individual's sole responsibility during negotiations and thus takes on an added salience (O'Connor, 1997). As Thompson et al. (1988, p. 88) observe, "Explicit issue-by-issue agendas shift the focus of negotiation from the perception of group gain to the perception of winners and losers on each issue." That is, the issue takes on a level of ego involvement that Balakrishnan, Patton, and Lewis (1993, p. 647) define as "a bargainer's perception of a close association between certain issues and his or her self-esteem." Accordingly, a buyer tasked with bargaining an issue individually in sequential negotiations will possess higher aspirations and be less inclined to accept lower profits than if he or she were to negotiate that issue in concert with the other buying team members in simultaneous negotiations.

H1d. Buyers who bargain individually as part of a buying team engaged in sequential issue negotiations with a single seller will

have higher aspirations than buyers engaged in single-buyer vs. single-seller negotiations. Conversely, buyers who are part of a buying team engaged in simultaneous negotiations with a single seller will have similar aspirations as buyers engaged in single-buyer vs. single-seller negotiations.

Because higher aspiration levels typically lead to higher utilities (e.g., Zetik & Stuhlmacher, 2002), sellers are likely to be at a disadvantage when bargaining under sequential negotiations compared to simultaneous negotiations.

H1e. A seller engaged in simultaneous negotiations with a buying team will obtain higher profits than a seller engaged in sequential negotiations with a buying team.

Buyers' satisfaction with negotiations is critical; researchers find that the levels of satisfaction with an agreement may affect the desire for continued contact and cooperativeness between the parties (e.g., Heide & Miner, 1992; Thompson, 1993). Under the simultaneous negotiation process, buyers negotiate in a mutually supportive environment that places the buyers in a position of feeling relatively more powerful than the seller (H1a). Coupled with the basic perception that "two heads are better than one" (e.g., Thompson, 2011), buyers are likely to believe that they have thought out a more thorough course of action and achieved a better payoff than the single seller is capable of achieving. Because simultaneous negotiations also promote more integrative agreements (e.g., Pruitt, 1981), buyers' satisfaction should be greater under simultaneous negotiations than under sequential negotiations.

H1f. Buyers who are part of a buying team engaged in simultaneous negotiations with a single seller will have higher satisfaction than buyers who are part of a buying team engaged in sequential issue negotiations with a single seller.

2.2. Hypotheses: issue order within sequential negotiation agendas

Prior to negotiations, buyers and seller are likely to believe that bargaining from least to most important represents the most beneficial ordering of the issues (Fershtman, 1990). Due to the increasing importance of the issues, the parties expect to compensate on the next issue for any shortfalls in the current bargaining. Additionally, bargainers may learn from the bargaining experience, and thus increasing skill can be used to advantage on the more important issues (e.g., Thompson, 1990). In contrast, when issues are bargained in the order of most-to-least important, there is no benefit from being able to learn while bargaining on the issues of lesser importance. Further, compensating on later issues for achieving less profit than desired on previous issues becomes less likely.

Thus, a single seller bargaining issues in the order of most-to-least important is likely to expect greater difficulty in achieving his or her desired outcomes. Under this bargaining condition, a seller is also likely to feel that he or she cannot afford to be as cooperative and that the opposing buyer will also be less cooperative. In this regard, studies find that people who expect others to cooperate are themselves more likely to cooperate, and vice versa (e.g., Messick & Brewer, 1983; Wiener & Doescher, 1994). In turn, research shows that where the parties stand on a "cooperative and friendly" continuum are important determinants of negotiation processes and outcomes (e.g., Halpern, 1994; Pruitt & Carnevale, 1993). Iacobucci and Ostrom (1996) label this aspect of a relationship the "valence" of the relationship.

H2a. A seller engaged in sequential negotiations with a buying team will have less positive expectations of relationship valence when bargaining issues in the order of most-to-least important than a seller bargaining issues in the order of least-to-most important.

Following directly from the arguments for *hypothesis 2a*, the seller's perception of less positive relationship valence and the circumstance of bargaining in the order of most-to-least important are likely to shape the seller's choice of negotiation style (Ganesan, 1993). That is, forcing a seller to bargain the issues in the order of most-to-least important has placed the seller at a perceived disadvantage. This disadvantage should instill in the seller a desire to mitigate the less positive environment to move through the negotiations and bring about an agreement. This desire should engender the use of less aggressive negotiation styles to maximize the opportunity to conclude an agreement.

H2b. A seller engaged in sequential negotiations with a buying team will make greater use of Avoidance and Yielding negotiation styles when bargaining issues in the order of most-to-least important than a seller bargaining issues in the order of least-to-most important.

The two sequential negotiation scenarios also have decidedly different likelihoods of reaching agreement. Buyers are driven by raised aspiration levels in sequential negotiations (H1b). Buyers also may want to make a deal to avoid disappointing others in their party or to preclude the remaining members of the buying team from bargaining. However, sellers answer only to themselves. When a single seller bargains under the scenario in which issues are bargained in order from most-to-least important, the seller enters the negotiations expecting a more difficult environment (H2a), which negatively impacts his/her bargaining stance. During bargaining, the raised aspiration levels of buyers under sequential negotiations are likely to reinforce this expectation. If the seller perceives that bargaining on the initial, important issues will not yield satisfactory outcomes, the seller may have little desire to continue the negotiation process under these conditions, as the remaining issues offer diminishing opportunities to recoup the perceived shortfall.

H2c. A seller engaged in sequential negotiations with a buying team has a greater likelihood of reaching an agreement when bargaining issues in the order of least-to-most important than a seller bargaining issues in the order of most-to-least important.

3. Empirical investigations

3.1. Methodology

Our goal was to design experimental negotiation scenarios that would provide an accurate representation of a seller bargaining with a buying team under simultaneous and sequential agenda strategies. We considered several key design issues: the number of bargainers that should comprise the buying teams; the types and number of issues over which the buyers and sellers should bargain and their associated bargaining roles; and, the nature of the negotiation processes that the experimental negotiation scenarios should represent.

For each of the multiple buyer scenarios, we used three individuals to represent the composition of the buying teams. We chose this number for several reasons. First, and most importantly, three buyers reflect typical buying-center size (McWilliams, Naumann, & Scott, 1992). Second, three individuals enabled us to extend the investigations beyond two-person groups, which have been used in previous limited team negotiation research (e.g., Brodt & Tuchinsky, 2000). Third, three individuals are more commonly used in a number of group research contexts (Morgan & Tindale, 2002). Finally, recent research by Laughlin, Hatch, Silver, and Boh (2006, p. 648) suggests "that 3-person groups are necessary and sufficient to perform better than the best individuals on highly intellectual problems."

Selecting three buyers as the appropriate numerical representation of a buying team also allowed us to determine that three issues should form the basis of the negotiations. That is, each buyer is responsible for a separate issue. We selected issues that we believed were realistic and

would be easily understood by the participants. Namely, we selected three issues to negotiate for a new clothing line: retail margins, advertising support and credit terms. Participants played the role of either the Marketing Manager of a clothing manufacturer or a buying team member (Advertising Manager, Chief Buyer, or Director of Finance) for a large retailing organization.

In the commercial scenario we selected, we chose to express issue importance in terms of greater financial consequence (i.e., monetary profits). We thus avoided non-monetary issues (such as being “environmentally friendly”²) on which parties may not agree because of differing views regarding these issues’ relative “importance.” Two of the issues (retail margin and credit terms) had diametrically opposing importance for the parties. Specifically, retail margin had high profit potential (most importance) to the seller but low profit potential (least importance) to the buyers. On the other hand, credit terms had high profit potential (most importance) to the buyers but provided low profit potential (least importance) to the seller. Thus, these two issues offered the opportunity for trade-offs and the development of integrative bargaining solutions. Consequently, in the experimental design, the critical aspect for sequential negotiations involved the order in which the parties negotiated the issues of credit terms and retail margin. The issue of advertising support was purely distributive in nature, as it was of equal importance to both parties, and we always employed it as the middle issue. Moreover, the use of this distributive issue as a “filler” made the bargaining task a little more complex as it prevented easy discovery of mutually beneficial solutions.

We selected four distinct negotiation scenarios as representative of our agenda strategies (Fig. 2). Treatment A employed a sequential negotiation scenario in which the single seller negotiated individually with each of three buyers over one issue at a time. The negotiations did not progress to the next issue until the parties reached agreement on the current issue. The parties bargained the issues according to the seller’s least-to-moderate-to-most important issue. From the buyers’ perspectives, this arrangement considers issues from most-to-moderate-to-least important. Treatment B used similar methods to Treatment A, but the parties bargained the issues in the reverse order of importance: most-to-moderate-to-least from the seller’s perspective and least-to-moderate-to-most from the buyers’ perspectives. Treatment C employed a simultaneous agenda scenario in which the single seller negotiated with all three buyers at the same time and the parties raised and bargained issues at their discretion. Treatment D was similar to Treatment C with the major exception that only a single buyer was responsible for negotiating all three issues. Treatment D played the important role of acting as a benchmark by which to gauge the changes in buyers’ and sellers’ pre-negotiation expectations and bargaining behaviors when engaged in buying team negotiations.

In the sequential negotiation scenarios (Treatments A and B), we chose the ordering of issue importance to explore the oft-stated advantageous strategy of bargaining issues in the order of least-to-most important. Conversely, we explored the opposite extreme via bargaining issues in the order of most-to-least important to examine which ordering of issues should logically follow as the least advantageous issue order. Both these issue orderings maintained the integrative potential of the bargaining task. Finally, the use of opposite issue orderings enabled an experimental design that allowed us to compare the combined sequential scenarios to the multiple-buyer vs. single-seller simultaneous negotiations and the one-on-one negotiations.

The sample consisted of upper class university students majoring in business administration. We conducted the negotiation experiments over a period of several months. As small groups of participants became available through the recruitment process, we assigned a specific date and time to report to a designated meeting room. Upon participants’

arrival, we randomly grouped them into the required negotiation roles using one of the four negotiation scenarios. We seated sellers and buyers in separate rooms and then gave each participant a specific packet of materials. These materials provided important information: 1) an explanation of the task, the participant’s role, and the nature of the negotiations; 2) instructions regarding how and when to fill out the pre- and post- negotiation questionnaires, which collected necessary information about their perceptions, bargaining styles, and outcomes; and, 3) a payoff table listing the profits (\$ in millions) that would accrue from bargaining over each of the three issues. The payoff table and the task information were private information specific to each role. The negotiation scenarios (see Web Appendix³) and payoff tables (Appendix A) we used represented a variation of those used by Patton and Balakrishnan (2010). Note that the most integrative agreement available was \$104 million. In contrast, a distributive outcome generated only \$80 million of total profits. Thus, it was possible to expand the size of the bargaining pie by as much as thirty percent.

We gave the buyers and sellers time to familiarize themselves with the materials and indicate that they understood the task. We instructed buyers and sellers that all forms of communication between them were permissible as long as they did not physically share their payoff table with the other party and as long as they considered only the options listed. We allowed buying team members time to caucus and set an overall strategy prior to the first stage of negotiations. At this point, buyers and sellers completed their pre-negotiation questionnaire. Under each experimental treatment, we brought relevant bargainers together in a room to commence negotiations. The study imposed no explicit time limits on the negotiation sessions. However, in both of the sequential negotiation scenarios, we allowed only one member of the buying team to be present with the seller during the negotiation. Once negotiations commenced, we did not permit discussion among the buyers. In the simultaneous scenario, all three buyers were present in the negotiation room with the single seller. As each buyer or seller completed his or her part of the negotiation session, we directed that participant to a separate room to complete the post-negotiation questionnaire.

Two successive pretests of the negotiation instruments minimized the possibility of ambiguous wording. Using the revised instrument, we obtained data from 192 bargainers, resulting in 11 agreements in Treatment A, 11 agreements and 5 non-agreements in Treatment B, 12 agreements and 1 non-agreement in Treatment C, and 15 agreements and 1 non-agreement in Treatment D (Tables 1 and 2).

3.2. Measures

Prior to the commencement of negotiations, we measured buyers’ and sellers’ aspiration levels and expectations concerning their bargaining relationships. We used a pre-negotiation form to assess aspirations by asking the participants to indicate their very best, most likely, and worst acceptable expectations of profits. Similarly, we collected each participant’s confidence in these judgments, i.e., the likelihood of attaining each aspiration on a scale of 0 to 100 (Balakrishnan et al., 1993; White & Neale, 1994). We computed aspiration levels as the weighted average of these three expectation judgments and their associated confidence judgments. We assessed expectations concerning relationship valence (Iacobucci & Ostrom, 1996) based on the work of Wish, Deutsch, and Kaplan (1976), which identified four basic dimensions of interpersonal relations. We generated questions mirroring the three items Wish et al. (1976) discovered as having the highest principal component weights for the “positive-negative interpersonal disposition” dimension. That is, we identified the parties’ positions on a “cooperative and friendly” continuum. Each question used a seven point Likert-type scale with the respective anchors ranging from Difficult (1) to Cordial (7), Uncooperative (1) to Cooperative (7), and Antagonistic (1) to Friendly (7). Averaged

² We thank a reviewer for making this observation.

³ <http://faculty.washington.edu/sundar/TechAppendix/Appendix-Agenda-Setting-IJRM.pdf>

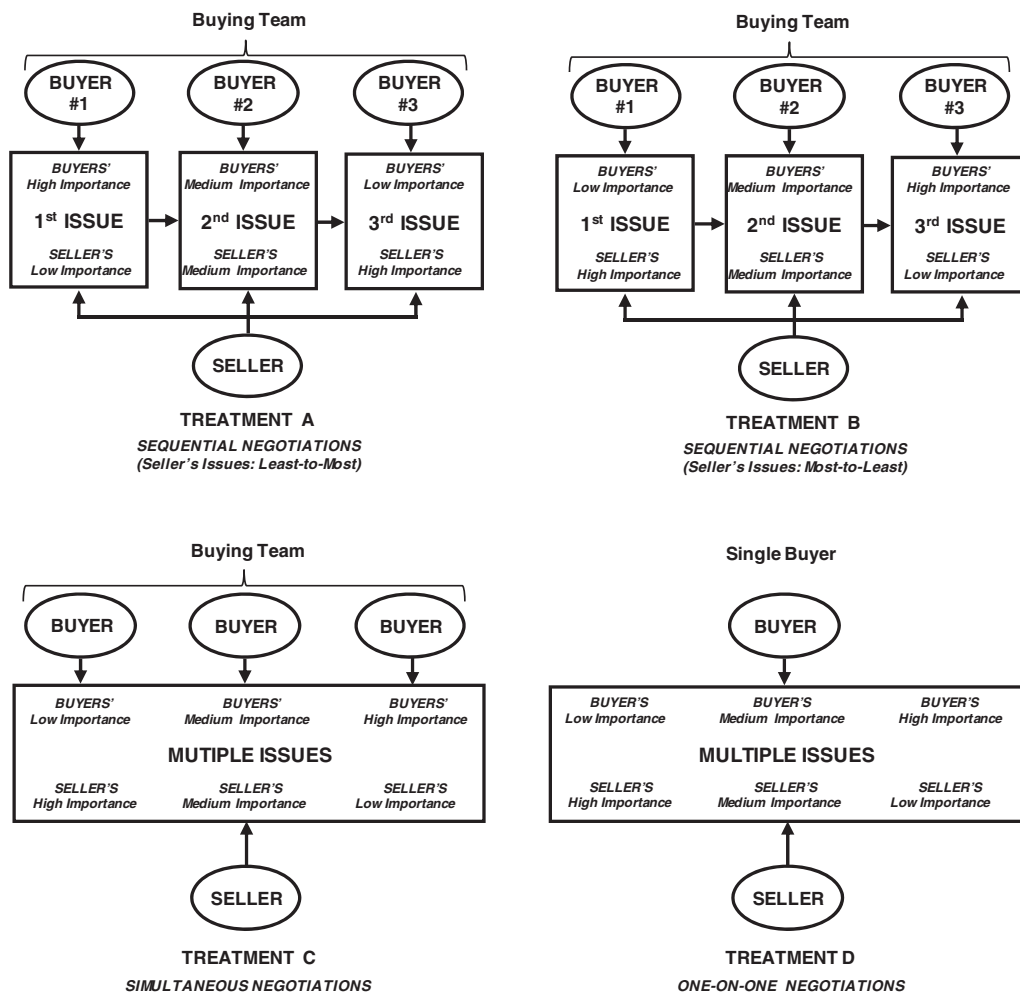


Fig. 2. Negotiation agenda scenarios.

together, these three items formed a single measure of the expected relationship valence. As suggested by [Eliashberg, LaTour, Rangaswamy, and Stern \(1986\)](#), we assessed perceived relative power from the bargainers after they made several offers and counter-offers. Negotiators allotted 100 points between themselves and their bargaining partner(s) in proportion to the perceived power between the parties.

The outcome variables of interest that we examined were: a) sellers' profits, b) dyadic profits, c) buyers' satisfaction, and d) agreements concluded, i.e., the impasse rate. The payoff tables provided the measures of profit in millions of dollars for each of the three negotiation issues. We solicited satisfaction using a seven point Likert-type scale ranging from Extremely Dissatisfied (1) to Extremely Satisfied (7) ([Oliver, Balakrishnan, & Barry, 1994](#)). We derived multiple buyers' satisfaction by averaging the satisfaction scores for the three individuals representing a buying team. Finally, the study presented each of the negotiators with a brief description of the five bargaining styles that are widely employed in negotiation research (e.g., [Shell, 2001](#)) and that characterize the Dual Concerns model ([Pruitt & Carnevale, 1993](#)). These styles include Avoidance, Yielding, Compromise, Competitive, and Problem-solving. Similar to the approach used by [Purdy, Nye, and Balakrishnan \(2000\)](#), our approach asked negotiators to indicate whether they had employed the different bargaining styles.

3.3. Analysis and results

3.3.1. Analyses: sequential vs. simultaneous negotiation agendas

When engaged in multi-buyer simultaneous negotiations (Sim), buyers had significantly raised perceptions of their relative power

compared to buyers engaged in one-on-one (1v1) bargaining (Multi-Buyers Sim. 3v1: 62.8 vs. Single-Buyer 1v1: 51.5, $p = .001$). In contrast, under sequential bargaining (Seq), buyers' perceptions of power did not rise compared to in one-on-one bargaining (Multi-Buyers Seq. 3v1: 53.8 vs. Single-Buyer 1v1: 51.5, $p = .286$). Faced with the perceived greater power of the multiple buyers in simultaneous negotiations, single sellers made far greater use of a Competitive negotiation style than sellers did under one-on-one bargaining (Seller Sim. 1v3: 66.7% vs. Seller 1v1: 13.3%, $p = .008$). Under sequential negotiations, sellers demonstrated no change in the use of a Competitive negotiation style compared to sellers in one-on-one bargaining (Seller Seq. 1v3: 36.4% vs. Seller 1v1: 13.3%, $p = .121$). Thus, the findings supported hypotheses 1a and 1b.

In terms of economic outcomes, the average joint profits for multiple buyers and single sellers engaged in simultaneous negotiations were significantly higher by \$8.5 million than when they were engaged in sequential negotiations (Sim: \$88.0 million vs. Seq: \$79.5 million, $p = .000$). Moreover, the simultaneous average joint profits were also larger than the amount generated in one-on-one bargaining (Sim: \$88.0 million vs. 1on1: \$82.0 million, $p = .036$). The simultaneous agreements also may be considered integrative in nature, as their average joint profits of \$88 million were significantly different from the \$80 million of simple distributive agreements ($p = .001$). Thus, the findings supported [hypothesis 1c](#) (Table 3).

Investigating [hypothesis 1e](#), we found that single sellers' profits under sequential negotiations were significantly different from single sellers' profits under simultaneous negotiations (Seller Seq. 1v3: \$37.7 million vs. Seller Sim. 1v3: \$43.9 million, $p = .045$). The study

Table 1
Negotiation measures.

Treatment descriptions						
Type of negotiation		Sequential			Simultaneous	
Treatment designation		A	B	A & B	C	D
Number of buyers		3	3	3	3	1
Issue order to seller		Least>Most	Most>Least	NA	NA	NA
<i>Study sample</i>						
Number of bargainers	Seller	11	16	27	13	16
	Buyer	33	48	81	39	16
	Total	44	64	108	52	32
Number of dyads		11	16	27	13	16
<i>Influences on bargaining behavior</i>						
Power (0–100 pts)	Seller	53.70	47.27	50.17	49.58	50.33
	Buyer	52.17 _c	55.18 _c	53.75 _c	62.83 _{A,b, A&B, D}	51.47 _{A&B}
Aspirations (\$)						
Least important issue	Seller	10.26	9.54	9.88	9.21	9.37
		15.90	14.28	15.04	14.09	14.18
		25.78	23.33	24.49	23.28	22.74
		51.94	47.16	49.41	46.57	46.29
Least important issue	Buyer	9.97 _D	9.50 _D	9.74 _D	9.04	8.43 _{A, B, A&B}
		14.78 _D	15.28 _D	15.02 _{c, D}	12.41 _{a&b}	12.67 _{A, B, a&b}
		23.44 _d	22.09	22.73 _d	23.51 _d	20.15 _{A, a&b, c}
		48.19 _D	46.87 _D	47.49 _D	44.95	41.25 _{A, B, A&B}
<i>Negotiation style (%)</i>						
Avoidance	Seller	27.27% _B	90.91% _{A, D}	59.09%	33.33%	20.00% _B
		18.18% _B	100.00% _{A, D}	59.09%	58.33%	46.67% _B
		72.73%	54.55%	63.64%	50.00%	53.33%
		36.36%	36.36%	45.45%	66.67% _D	13.33% _C
Problem-solving	Buyer	45.45%	81.82%	63.64%	25.00%	46.67%
		36.36%	39.39%	37.88%	33.33%	26.67%
		36.36%	24.24%	30.30%	41.67%	53.33%
		63.64%	51.52%	57.58%	33.33%	60.00%
Competitive		36.36%	27.27%	31.82%	66.67%	33.33%
		45.45%	54.55%	50.00%	41.67%	60.00%
<i>Rel. valence (1–7)</i>						
	Seller	4.52	4.00 _D	4.26 _D	4.67	5.09 _{B, A&B}
	Buyer	4.69	4.94	4.81	4.93	5.09

a, b, a&b, c, d indicates $p < .05$ (two-sided).

A, B, A&B, C, D indicates $p < .01$ (two-sided).

largely supported the rationale for lower single sellers' profits under sequential compared to simultaneous negotiations (*hypothesis 1d*), namely, the raised aspiration levels of the multiple buyers. The pre-negotiation measures of multiple buyers' aspiration levels were significantly greater than buyers' aspiration levels under one-on-one negotiations. However, for the most important issue under simultaneous negotiations, buyers' aspiration levels were also raised compared to buyers' aspiration levels under one-on-one bargaining (Multiple Buyers Seq. 3v1: \$23.5 million vs. Buyer 1v1: \$20.2 million, $p = .037$). Examining multiple buyers' satisfaction (*hypothesis 1f*), we found greater buyer satisfaction under simultaneous negotiations than under sequential negotiations (Multiple Buyers Sim. 3v1: 5.00 vs. Multiple Buyers Seq. 3v1: 4.41, $p = .025$). Thus, *hypothesis 1f* was supported.

3.3.2. Analyses: issue order within sequential negotiation agendas

Examining the pre-negotiation dispositions of the parties (*hypothesis 2a*), the study found (*Table 4*) that in Treatment B (seller: most-to-least), single sellers expected the relationship valence (Coefficient Alpha = .751) to be less positive compared to single sellers' expectations of relationship valence under one-on-one negotiations (Seller Seq. 1v3 Treat. B: 4.00 vs. Seller 1on1: 5.09, $p = .003$). In contrast, the findings demonstrated no differences in the pre-negotiation expectations between single sellers in Treatment A (Seller: Least-to-Most) and single sellers in one-on-one bargaining (Seller Seq. 1v3 Treat. A: 4.51 vs. Seller 1on1: 5.09, $p = .06$).

Post-negotiation assessments of bargaining styles (*hypothesis 2b*) revealed that single sellers in Treatment B (Seller: Most-to-Least),

compared with sellers bargaining one-on-one, believed that they far more frequently used both an Avoidance style (Seller Seq. 1v3 Treat. B: 90.9% vs. Seller 1on1: 20.0%, $p = .000$) and a Yielding style (Seller Seq. 1v3 Treat. B: 100% vs. Seller 1on1: 46.7%, $p = .000$) in their bargaining. Further, we found no change in the use of the two bargaining styles when single sellers in Treatment A (Seller: Least-to-Most) were compared to sellers engaged in one-on-one bargaining: Avoidance style (Seller Seq. 1v3 Treat. A: 27.3% vs. Seller 1on1: 20.0%, $p = .664$) and Yielding style (Seller Seq. 1v3 Treat. A: 18.2% vs. Seller 1on1: 46.7%, $p = .131$).

Investigating *hypothesis 2c*, we found that 5 of the 16 dyads in Treatment B (Seller: Most-to-Least) failed to reach agreement, while every group negotiating under Treatment A (Seller: Least-to-Most) did arrive at an agreement ($p = .000$). Furthermore, on examining all of the non-agreement responses, we found in each case that bargainers failed to reach agreement on the first of the three issues, i.e., the most important issue to the single seller and the least important to the buyer. Thus, both the likelihood of reaching an agreement under the two sequential negotiation strategies, *hypothesis 2c*, and the rationales for these likelihoods, hypotheses 2a and 2b, were supported.

We also ran Mann-Whitney analyses to examine the findings using a nonparametric technique. We confirmed all hypotheses except for *hypothesis 2a*. We found that a single seller's expectations of relationship valence, bargaining from least-to-most-important issue, now statistically differed from a seller bargaining under one-on-one negotiations (Seller Seq. 1v3 Treat. A: 4.51 vs. Seller 1on1: 5.09, $p = .039$).

Table 2
Negotiation outcomes.

Treatment descriptions		Sequential			Simultaneous	
Type of negotiation						
Treatment designation		A	B	A & B	C	D
Number of buyers		3	3	3	3	1
Issue order to seller		Least > Most	Most > Least	NA	NA	NA
<i>Profits (\$)</i>		<i>Outcomes</i>				
Least important issue	Seller	8.18 _c	7.64 _c	7.91 _c	5.17 _{a, b, A&B}	6.93
Mod. important issue		10.64	11.18	10.91	12.50	11.80
Most important issue		18.64 _c	19.09 _c	18.86 _c	26.25 _{a, b, A&B}	20.67
Total		37.45	37.91	37.68 _c	43.92 _{a&b}	39.40
Least important issue	Buyer	8.55 _c	8.36 _c	8.45 _c	5.50 _{a, b, A&B}	7.73
Mod. important issue		13.36	12.82	13.09	11.50	12.20
Most important issue		19.55 _c	20.91 _c	20.23 _c	27.08 _{a, b, A&B}	24.07
Total		41.45	42.09	41.77	44.08	42.60
	Dyadic total	78.91 _c	80.00 _c	79.45 _c	88.00 _{A, b, A&B, d}	82.00 _c
<i>Satisfaction (1–7)</i>	Seller	4.18	3.45	3.82	4.25	3.80
	Buyer	4.30 _c	4.52	4.41 _c	5.00 _{a, a&b}	4.47
<i>Agreements</i>	Yes	11	11	22	12	15
	No	0	5	5	1	1
<i>Time (min.)</i>		21.09 _D	25.45 _{c, D}	23.27 _{c, D}	16.17 _{b, a&b}	11.73 _{A, B, A&B}

a, b, a&b, c, d indicates $p < .05$ (two-sided).A, B, A&B, C, D indicates $p < .01$ (two-sided).

Because we collected data over several months, we tested for the possibility of cross-talk between study participants. We divided the data from each of the five study treatments (A, B, A&B, C, and D) chronologically into first- and second-half participants. We compared buyers' and sellers' profits and satisfaction levels between the first and second half participants. We found that no second half output was larger than a first half output by a statistically significant amount. Therefore, it is unlikely that initial participants provided later participants information that allowed them to better understand the integrative nature of the bargaining, generate greater profits, or attain higher levels of satisfaction.

3.4. Validation

To provide additional support for the findings, we undertook a replication (Kayande, De Bruyn, Lilien, Rangaswamy, & van Bruggen, 2009) of the two simultaneous negotiation scenarios, namely Treatment C (single seller vs. multiple buyers) and Treatment D (single seller vs. single buyer), using MBA students. The validation sample consisted of 82 students pursuing their MBA degrees while working full-time. Their average age was 31.4 years; 66% were male; and they possessed on average 9.5 years of work experience.

We found that buyers engaged in the multiple-buyer simultaneous negotiation scenario had significantly raised perceptions of their relative power compared to buyers engaged in one-on-one bargaining. (Multiple Buyers Sim. 3v1: 60.5 vs. Buyer 1v1: 50.7, $p = .002$). Single sellers faced with bargaining with multiple buyers met this challenge by making greater use of a Competitive negotiation style than sellers did under one-on-one bargaining (Seller Sim. 1v3: 61.5% vs. Seller 1on1: 20.0%, $p = .015$). Thus, we find further support for hypotheses 1a and 1b. We also found support for hypothesis 1d, as none of the pre-negotiation measures of multiple buyers' aspiration levels significantly differed from buyers' aspiration levels under one-on-one negotiations.

Additionally, we undertook a survey of sales professionals to gain their perspectives on a number of the fundamental expectations and beliefs that form the basis of our research. The sample consisted of 52 field salespeople who were employed by divisions of Fortune 1000 corporations and engaged in business-to-business selling. The

average age of the respondents was 41.3 years; 84% were male; and they possessed on average 21.2 years of work experience.

Two findings in particular further confirm the dramatic changes salespeople expect when facing a buying team rather than a single buyer. First, by a three to one ratio, salespeople would prefer to bargain with a single buyer than with a three-buyer team (Single buyer: 75% vs. Multiple Buyers; 25%, $p = .000$ vs. H_0 : 50%). Second, regarding relative power, salespeople believe there is little difference between themselves and a buyer when bargaining with a single buyer (52.6 points to seller, vs. 47.4 points to buyer, $p = .233$). In contrast, salespeople believe they will be less powerful than buyers when bargaining with a three-buyer team (39.8 points seller vs. 60.2 points to buyers, $p = .000$). Details of the validation findings and survey instruments can be found in the web appendix.

4. Discussion

4.1. Conclusions

Researchers recognize that little is known about how teams negotiate (O'Connor, 1997). Prior team negotiation research, moreover, only examines bargaining from a simultaneous basis in which bargainers prepare a strategy and then engage in a single bargaining session (e.g., Brodt & Tuchinsky, 2000; Thompson et al., 1988; Thompson, Peterson, & Brodt, 1996). In contrast, we examine buying team negotiations from a simultaneous basis, from a sequential basis, from the reference point of single buyer vs. single seller one-on-one bargaining, and from the more realistic and complex perspective of three person teams.

We find that both the seller's and buyers' expectations, dispositions, and behaviors dramatically change when a seller bargains with a buying team rather than in the more common single seller vs. single buyer negotiations. However, we show that these changes depend on whether the buying team members bargain together simultaneously as a group or bargain individually in a sequential fashion. If members bargain simultaneously, buyers raise their perceptions of their own power, while a seller bargains in a more competitive manner. If, however, the

Table 3
Analysis of simultaneous vs. sequential negotiation agendas.

Hypothesis	Mean	S. D.	Prob.	Hypothesis supported
1a: Buyers' perceptions of power – (0–100 pts)				Yes
One-on-one neg. (D) vs.:	51.47	5.62		
Sequential neg. (A and B)	53.75	6.61	.286	
Simultaneous neg. (C)	62.83	12.55	.001	
1b: Single seller's competitive negotiation styles – (yes – no, percent yes)				Yes
One-on-one neg. (D) vs.:	13.33%	8.78%		
Sequential neg. (A and B)	36.36%	10.26%	.121	
Simultaneous neg. (C)	63.60%	13.89%	.008	
1c: Joint profits – (\$ MM)				Yes
Sequential neg. (A and B)	79.45	3.54		
Simultaneous neg. (C)	88.00	9.17	.000	
1d: Multiple buyers' aspiration levels – (\$ MM)				5 of 6 parts
Least important issue				
One-on-one neg. (D) vs.:	8.43	1.05		
Sequential (A and B)	9.74	1.43	.005	
Simultaneous (C)	9.04	2.64	.422	
Moderately important issue				
One-on-One Neg. (D) vs.:	12.67	1.37		
Sequential (A and B)	15.02	2.76	.005	
Simultaneous (C)	12.41	2.63	.761	
Most important issue				
One-on-one neg. (D) vs.:	20.15	2.13		
Sequential (A and B)	22.73	4.32	.041	
Simultaneous (C)	23.51	5.38	.037	
1e: Single seller's profits – (\$ MM)				Yes
Sequential neg. (A and B)	37.68	5.51		
Simultaneous neg. (C)	43.92	12.02	.045	
1f: Multiple buyers' satisfaction – (1 extremely dissatisfied. – 7 extremely satisfied.)				Yes
Sequential neg. (A and B)	4.41	.85		
Simultaneous neg. (C)	5.00	.71	.025	

Treatment A: issue importance – single seller (low-medium-high) – multiple buyers (high-medium-low).

Treatment B: issue importance – single seller (high-medium-low) – multiple buyers (low-medium-high).

Treatment C: simultaneous negotiations – single seller – multiple buyers.

Treatment D: simultaneous negotiations – single seller – single buyer.

buying team members bargain sequentially, neither condition eventuates. Rather, buyers raise their aspiration levels.

Our findings show that buyers' perceived power and a seller's competitive negotiation style do not inhibit a seller from making greater profits and achieving more integrative agreements when bargaining with a buying team under simultaneous compared to sequential negotiations. Indeed, these factors appear to be trumped by the inherent capacity for greater information processing and exchange by the multiple buyers. Moreover, simultaneous negotiations with a buying team are also likely to be more integrative than single-seller vs. single-buyer one-on-one negotiations. Choosing between a simultaneous and a sequential agenda strategy creates major differences in outcomes, though by quite different mechanisms.

Integrative agreements in simultaneous negotiations appear to occur because the superior information processing ability of multiple buyers allows them to better recognize and take advantage of the tradeoffs they can make (Rangaswamy & Shell, 1997). Accordingly, integrative agreements are more likely to directionally raise a seller's profit than one-on-one negotiations are. In contrast, buyers' aspiration levels which are raised in sequential negotiations relative to one-on-one negotiations are more likely to directionally lower a seller's profit in the sequential negotiations. Together, these opposing directional changes create a significant difference in a seller's profits between the two agenda strategies. For buyers, these same mechanisms are likely to raise profits directionally higher under both negotiation scenarios when compared to one-on-one bargaining. Consequently, these arguments suggest that there will be no difference in buyers' profits between sequential and simultaneous negotiations. Lastly, buyers' satisfaction is higher under simultaneous negotiations than under sequential negotiations because buyers are likely to believe that their greater numbers give them the capacity for superior results and because their profits are directionally higher under integrative agreements.

We must also note a finding that is counter to what we expected. Buyers have raised aspiration levels on the most important issue in simultaneous negotiations (H1d). However, a straightforward rationale may exist for this finding. The buyer charged with the most important issue knows that success of the negotiations hinges largely on the profit obtained on this issue. Therefore, the buyer may feel added pressure to succeed and thus raises his or her level of aspirations.

In contrast to simultaneous negotiations, a sequential negotiation of the issues is likely to generate profits that are the same as in simple distributive agreements. Further, the order of importance in which the issues are bargained may severely impact negotiation impasse rates. If a seller bargains the issues in the order from least-to-most important (Treatment A), the likelihood of reaching an agreement is much greater than when bargaining the issues in the reverse order (Treatment B).

Failure to reach agreement appears to arise because a seller, bargaining under the most-to-least important ordering of issues, expects the relationship valence to be less positive than under one-on-one negotiations and is faced with the most difficult negotiation task first. These conditions also appear to manifest in a single seller's greater use of Avoidance and Yielding negotiation styles compared to in one-on-one negotiations. Because the first negotiation issue is likely to be viewed by a seller as a make-or-break issue in terms of the profit to be received, the seller may have a tendency to discontinue negotiations when difficulties arise. Thus, our examination provides insight into the critical problem of why negotiators fail to reach agreement (Bazerman & Carroll, 1987).

Finally, the results appear to indicate that the order of importance of issues to the buying team in sequential negotiations has little impact on the bargaining process. Under either sequential scenario, buyers have the same levels of perceived power, expectations of relationship valence, bargaining styles, and raised aspirations. Buyers also

Table 4
Analysis of sequential negotiation agendas.

Hypothesis	Mean	S. D.	Prob.	Hypothesis supported
2a: Single seller's expectations of relationship valence – (1–7 rating scales) (Three items, coefficient alpha = .751)				Yes*
One-on-one neg. (D) vs.: Seq. neg. treatment (A)	5.09 4.51	0.76 0.69	.060	
Seq. neg. treatment (B)	4.00	1.09	.003	
2b: Single seller's negotiation styles – (yes – no, percent yes)				Yes
Avoidance				
One-on-one neg. (D) vs.: Seq. neg. treatment (A)	20.00% 27.27%	10.33% 13.43%	.664	
Seq. neg. treatment (B)	90.91%	8.67%	.000	
Yielding				
One-on-one neg. (D) vs.: Seq. neg. treatment (A)	46.67% 18.18%	12.88% 11.60%	.131	
Seq. neg. treatment (B)	100.00%	0.00%	.000	
Compromise				
One-on-one neg. (D) vs.: Seq. neg. treatment (A)	53.33% 72.73%	12.88% 13.43%	.315	
Seq. neg. treatment (B)	54.55%	15.01%	.951	
Competitive				
One-on-one neg. (D) vs.: Seq. neg. treatment (A)	13.33% 36.36%	8.78% 14.50%	.169	
Seq. neg. treatment (B)	36.36%	14.50%	.169	
Problem-solving				
One-on-one neg. (D) vs.: Seq. neg. treatment (A)	46.67% 45.45%	12.88% 15.01%	.951	
Seq. neg. treatment (B)	81.82%	11.63%	.069	
2c: Agreements concluded – (proportion)				Yes
Seq. neg. treatment (A)	11/11	.00		
Seq. neg. treatment (B)	11/16			

Treatment A: issue importance – single seller (low-medium-high) – multiple buyers (high-medium-low).

Treatment B: issue importance – single seller (high-medium-low) – multiple buyers (low-medium-high).

Treatment D: simultaneous negotiations – single seller – single buyer.

* Mann–Whitney analysis. Seq. neg. treatment (a): prob. = .039.

maintain the same levels of satisfaction and profit. If a buying team's ordering of issues affects the impasse rate, we would expect to observe this effect when the most important issue to the buying team is bargained first (Treatment A). In contrast, bargainers fail to reach agreement when a buyer bargains the buying team's least important issue first (Treatment B)—the scenario that should be the most conducive to the buyer reaching agreement.

In summary, choosing a simultaneous rather than a sequential agenda for bargaining with a buying team appears to have several results:

- higher profits for single sellers
- more integrative agreements
- greater buyer satisfaction.

Under sequential negotiations, issue order has a varied impact:

- bargaining issues in order of most-to-least rather than least-to-most important demonstrated no differences in buyers' perceptions, behaviors or outcomes
- bargaining issues in order of most-to-least important raises the likelihood that a seller will break off negotiations.

4.2. Managerial implications

Conventional wisdom dictates that a single seller should avoid bargaining against multiple buyers due to the inherent imbalance in power and bargaining resources. However, salespeople need to reject this belief if they want to maximize the return on their bargaining efforts. Bargaining simultaneously with all members of a buying team can generate more integrative agreements than one-on-one bargaining, and a seller is unlikely to receive less profit than when bargaining all issues with a single buyer. Indeed, as long as the issues have the capacity

for tradeoffs, there appears to be no benefit to bargaining one-on-one with a single buyer.

However, when a salesperson bargains with a buying team, the choice of a sequential or a simultaneous agenda is critical. Again, the choice appears to depend on the integrative nature of the issues to be bargained. If buyers and seller have different priorities regarding issues, possible tradeoffs could lead to integrative solutions and greater economic gain for the seller than the seller can achieve in sequential negotiations. In contrast, if buyers and a seller hold the same priorities regarding issues, a simultaneous agenda strategy would merely exacerbate the perceived power imbalance between the parties and place the seller at a disadvantage. In this case, tradeoffs would be difficult to affect and divide-the-pie solutions are likely to ensue (Jap, 1999). This finding does not mean that a salesperson must understand the exact importance of each of the issues to the parties. A salesperson only needs to understand that there are likely to be key differences in the importance of the issues to buyers and seller.

A simultaneous agenda strategy, with its mutually supportive environment and the achievement of greater profits for buyers, also leads to greater buyer satisfaction than a sequential agenda strategy does. Again, this finding is likely contrary to what a salesperson expects. A salesperson is likely to believe that his or her greater personal attention, which is possible during one-on-one interactions, is likely to promote greater satisfaction on the part of buyers. However, the diminished levels of buyer satisfaction found under sequential negotiations are likely to be detrimental to positive customer relationships.

Experiential and academic literature also suggests that there are benefits to bargaining issues in the order of least-to-most important when a sequential agenda is undertaken. A salesperson should understand that the reverse ordering of issues from most-to-least important does not automatically lead to lower profit. Rather, the critical concern is a greater probability that agreement will not be reached. This

possibility also possesses inherent negative implications for long-term customer relationships. When faced with bargaining under this agenda scenario, sales personnel must strive to overcome expectations of a less favorable relationship valence, maintain their normal bargaining style, and pursue negotiations to secure the initial issues. In addition, under sequential negotiations, a seller need not be concerned with the ordering of issue importance to the buyers.

4.3. Limitations and directions for future research

Limitations of the main study include our employment of undergraduates as participants and the lack of explicit performance incentives. However, the subsequent use of MBA students to validate the study and the support provided by the practitioner survey provide credence to the findings. Nevertheless, additional replications and extensions in real world settings are warranted to assure the generalizability of the findings.

Other studies are needed to better explore the communications that take place between the buying team members when bargaining in simultaneous negotiations (Cooper & Kagel, 2005). Understanding these communications may illuminate how buyers within a group setting collaboratively interact to arrive at superior outcomes than buyers bargaining separately under sequential negotiations (Jap, Manolis, & Weitz, 1999). That is, it would be useful to peer into the “black box” of negotiations (Wilken, Cornelissen, Backhaus, & Schmitz, 2010). Within this communication context, a number of key factors could also be explored. Specifically, future studies could examine the manner in which intra-team member relationships affect bargaining processes and outcomes as well as the tenure and strength of relationships between buyers and seller.

Our study also focused on three buyers concerned with three issues. An increase in the number of buyers representing the buying team and in the number of issues to be resolved would significantly increase the complexity of the bargaining task and the permutations involved in structuring the agenda. Accordingly, future research should examine a more diverse range of bargaining contexts by varying buying team size and composition; expanding the handling of each issue from a single buyer to a small group; bargaining a group of issues with multiple buyers and the rest of the issues on a one-on-one basis; or team selling approaches involving multiple sales personnel who interface with multiple buyers.

Determining how bargainers fare when specific negotiation styles are employed might provide valuable feedback. In this regard, gaining a better understanding of how training impacts negotiation processes and outcomes could also be revealing (Krishnamoorthy, Misra, & Prasad, 2005). Aspirations also warrant increased attention as recent research (Balakrishnan, Gomez, & Vohra, 2011) suggests that prior contractual arrangements may temper negotiators' aspirations.

Finally, we are intrigued by the observations of Cateora, Gilly, and Graham (2011). They find that most business people in Western societies divide complex negotiation tasks into a series of smaller, sequential bargaining tasks; while business people in nonwestern societies tend to negotiate multiple issues simultaneously. Given these bargaining differences, further research into agenda strategies could prove highly beneficial in understanding cross-cultural negotiation processes and outcomes.

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Appendix A. Payoff matrices

Seller profit tables (\$ in millions)					
Retailer margin		Advertising support		Credit terms	
Option	Profit	Option	Profit	Option	Profit
A	40	A	24	A	16
B	35	B	21	B	14
C	30	C	18	C	12
D	25	D	15	D	10
E	20	E	12	E	8
F	15	F	9	F	6
G	10	G	6	G	4
H	5	H	3	H	2
I	0	I	0	I	0

Buyer profit tables (\$ in millions)					
Retailer margin		Advertising support		Credit terms	
Option	Profit	Option	Profit	Option	Profit
A	0	A	0	A	0
B	2	B	3	B	5
C	4	C	6	C	10
D	6	D	9	D	15
E	8	E	12	E	20
F	10	F	15	F	25
G	12	G	18	G	30
H	14	H	21	H	35
I	16	I	24	I	40

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