

**Appendices for  
Negotiating when Outnumbered: Agenda Strategies for Bargaining with Buying Teams**

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## Appendix B. Instructions (Seller – Simultaneous Negotiations: Treatment C)

### PREMIER CLOTHING - [SIM] Marketing Manager INSTRUCTIONS

#### **I. Prior to Negotiations**

1. To prepare for the upcoming negotiations, please carefully read these instructions and each of the following case materials:

Background Information  
Profit Table  
Pre-Negotiation Form  
Mid-Negotiation Form  
Contract Form

2. Observe the attached Profit Table. Please note that you will negotiate using the **letters** that correspond to the various options. Any and all forms of communication between yourself and the other party are permitted. The only thing you cannot do is reveal your firm's Confidential Profit Tables to the other party.
3. Please fill out the Pre-Negotiation Form before negotiations begin.
4. Once the other negotiation party is ready, please commence negotiations.

#### **II. Negotiations**

1. In the **middle** of your negotiation session, say, after two offers and counter-offers have been made, please take a couple of minutes to fill out the Mid-Negotiation Form.

#### **III. Post Negotiations**

1. At the **conclusion** of the negotiations, fill out the Contract Form.
2. Please remember that the two of you may be required meeting again to negotiate a follow-up contract.

**PREMIER CLOTHING - [SIM]**  
**Marketing Manager**  
**BACKGROUND INFORMATION**

During the forthcoming negotiation session, you will be the Marketing Manager for Premier Clothing Company, a maker of moderately priced men's apparel. You will be negotiating with members of a buying team for Superior Merchants, a chain of stores located in urban centers.

In previous discussions, Superior has shown interest in offering a new line of Premier jeans in their stores next season. However, a number of key issues remain which require agreement: retailer margins on the jeans, advertising support levels by Premier, and the credit arrangements between the companies. These issues are complex and interrelated, yielding several possible alternatives for each of the issues.

The Profit Table (see below) provides the profits Premier will receive for each contractual agreement of Retail Margin, Advertising Support Level, and Credit Terms. The contract arrangements are listed by letters A through I and identify all possible arrangements. For instance, an A-B-A contract would be worth \$77 million to Superior. The information about the amount of profit accruing to your firm is confidential, i.e., is known only by Premier Clothing Company and must not be shown to the Buyers for Superior Merchants.

Please remember that if you do not reach an agreement with Superior, your company will fall back on its alternative which would net your company a profit of \$20,000,000.

**IMPORTANT:** After the conclusion of this negotiation, you may be required meet again to negotiate a contract for the following season. Therefore, please note the name of your partner in this session so that you may be paired-up with the same person again.



**PREMIER CLOTHING - [SIM]**  
**MID-NEGOTIATION ASSESSMENT FORM**

After two offers and counter-offers have been made, please suspend the negotiations to fill out this form.

Your Name: \_\_\_\_\_

1. This question is used to assess how you perceive your relative negotiating power. Please allocate 100 points between you and the other party in such a manner that it will reflect your feeling regarding the relative bargaining power that each of you has. (Example: if you give your negotiation partner 80 points and yourself 20 points, it indicates that you believe the other negotiation party is four times more powerful than you are).

	Points	
Your Party		_____
Other Party		_____
Total	=	100

2. How do you feel about the time pressure you are experiencing during the negotiations?

None at All	Some	Moderate	High	Very High
1	2	3	4	5

3. Please allocate 100 points between you and the other party in such a manner that it will reflect your feelings regarding the relative "time pressure" on each of you. (Example: if you give your negotiation partner 80 points and yourself 20 points, it indicates that you believe the other negotiation party is under four times more time pressure than you are).

	Points	
Your Party		_____
Other Party		_____
Total	=	100

**PREMIER CLOTHING - [SIM]  
CONTRACT FORM**

Your Name: \_\_\_\_\_

1. Did you manage to reach an agreement with the other party? Yes\_\_\_ No\_\_\_
2. If Yes, please record the time of conclusion of negotiation: \_\_\_\_\_ : \_\_\_\_\_  
hr. min.
3. What is the settlement that you reached with the other party?

	Option	Profit (\$ mil.)
Retail Margin:	_____	_____
Advertising Support:	_____	_____
Credit Terms:	_____	_____
Total Profits:	_____	

4. Please calculate the total time spent in negotiations. (Note: this time must be the same as the total time filled in by the other negotiation party.)

Beginning Time: \_\_\_\_\_ : \_\_\_\_\_  
Ending Time: \_\_\_\_\_ : \_\_\_\_\_  
Total Negotiation Time: \_\_\_\_\_ Minutes

For contract to be valid you must countersign each other's form.

\_\_\_\_\_  
Signature of Other Party

5. Compared to your expectations, was this settlement:

Much WORSE than expected	As Expected			Much BETTER than expected
1	2	3	4	5
				6
				7

6. Compared to your expectations, by what amount was this settlement in terms of total profits different?

\$ \_\_\_\_\_ LOWER or \$ \_\_\_\_\_ HIGHER

7. How satisfied are you with this settlement?

DISSATISFIED			neither	SATISFIED		
Extremely	Very	Somewhat		Somewhat	Very	Extremely
1	2	3	4	5	6	7

8. How much mental effort did you feel these negotiations entailed?

EXTREMELY  
LITTLE EFFORT

EXTREMELY  
GREAT EFFORT

1            2            3            4            5            6            7

9. How stressful did you find the negotiations?

NO STRESS

GREAT STRESS

1            2            3            4            5            6            7

10. I found this negotiation session enjoyable.

STRONGLY  
DISAGREE

STRONGLY  
AGREE

1            2            3            4            5            6            7

11. I found this negotiation session realistic.

STRONGLY  
DISAGREE

STRONGLY  
AGREE

1            2            3            4            5            6            7

12. Which of the following scenarios describes the "negotiation style" you used with the other negotiation party? (Please check all that apply)

- I primarily desired to avoid bad feelings and a confrontation
- I gave in on some issues so that my counterpart would be satisfied
- I compromised with my counterpart by splitting the difference on issues
- I tried to maximize my profit by winning concessions from my counterpart
- I tried to find a solution that would give us both large, but not maximum profits

13. Which of the following scenarios describes the "negotiation style" used by the other negotiation party? (Please check all that apply)

- Primarily desired to avoid bad feelings and a confrontation
- Gave in on some issues so that my counterpart would be satisfied
- Compromised with my counterpart by splitting the difference on issues
- Tried to maximize my profit by winning concessions from my counterpart
- Tried to find a solution that would give us both large, but not maximum profits

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-  
**Important Note:** Please **do NOT discuss** the results of this negotiation session with anyone (especially your own classmates). Remember that you may be meeting to negotiate again with this other person soon. Until that time you are expected to treat all information here with the utmost **confidentiality**.

**Appendix C.** Post-negotiation measures: bargaining styles

Which of the following scenarios describes the "negotiation style" you used with your negotiation partner? (Please check all that apply)

I primarily desired to avoid bad feelings and a confrontation ..... \_\_\_\_\_

I gave in on some issues so that my partner would be satisfied ..... \_\_\_\_\_

I compromised with my partner by splitting the difference on issues ..... \_\_\_\_\_

I tried to maximize my profit by winning concessions from my partner ..... \_\_\_\_\_

I tried to find a solution that would give us both large, but not maximum profits ..... \_\_\_\_\_

## Appendix D. Practitioner questionnaire

### Negotiations Questionnaire

Picture yourself on a typical sales call where you will be meeting with member(s) of the buying firm to negotiate the sale of your products or services. You expect to have on-going future relationships with them. The upcoming negotiation session will involve bargaining over three issues. All three issues must be agreed upon to complete the deal. Please consider the following two bargaining conditions that you may encounter.

Scenario A: The buying firm will be represented by a **single** buyer in charge of all three issues. You will be bargaining all three issues at this session with this single member of the buying firm.

Scenario B: The buying firm will be represented by a **three member** team with each person in charge of one of the three issues. You will be bargaining at this session simultaneously with all three members of the buying firm over the three issues.

1. Which scenario would you prefer (Enter an "X" in one box)?

\_\_\_ Scenario A: Bargaining with a single buyer      or      \_\_\_ Scenario B: Bargaining with three buyers

2. Why did you choose this scenario (Please enter up to two lines of comments)?

3. Comparing Scenarios A and B: Please indicate the profit you expect (Enter an "X" in one box).

Much Higher Profit						Much Higher Profit	
Bargaining with a <i>Single</i> buyer			Same profit			Bargaining with <i>Three</i> buyers	
1	2	3	4	5	6	7	

4. Why do you expect this (Please enter up to two lines of comments)?

5. Comparing Scenarios A and B: Please indicate the competitive behavior you expect from the buyers (Enter an "X" in one box).

<i>Single</i> buyer will exhibit			Same level of			<i>Three</i> buyers will exhibit	
Much More Competitive Behavior			Competitive behavior			Much More Competitive Behavior	
1	2	3	4	5	6	7	

6. In the negotiations, how powerful do you believe you would be compared to the buyer or buyers? Please allocate 100 points between you and the buyer (or buyers) in such a manner that it will reflect your feeling regarding the relative bargaining power that each of you has. (Example: if you give the single buyer 80 points and yourself 20 points, it indicates that you believe the buyer is four times more powerful than you are).

A: BARGAINING WITH A SINGLE BUYER

B: BARGAINING WITH THREE BUYER TEAM

\_\_\_ Points + \_\_\_ Points = 100 Points  
(Yourself)      (Buyer)

\_\_\_ Points + \_\_\_ Points = 100 Points  
(Yourself)      (Buyers)

7. Now consider only Scenario B, bargaining with three buyers. But, instead of bargaining with them as a group, you must negotiate the three issues sequentially (one issue at a time, with only one buyer present representing that issue). Further, one issue has High profit potential to you, one has Moderate profit potential, and one has Low profit potential to you. What would be your most preferred order in which to bargain the three issues (Enter an "X" in one box).

\_\_\_ LOW-then-MODERATE-then-HIGH      or      \_\_\_ HIGH-then-MODERATE-then-LOW

8. Why did you choose this order (Please enter up to two lines of comments)?

Please answer the following questions for each of these two issue orders (Enter an "X" in a box for each ordering):

BARGAINING: LOW-then-MODERATE-then-HIGH

BARGAINING: HIGH-then-MODERATE-then-LOW

9a. I expect the relationship with the three buyers to be:

DIFFICULT                      neither                      CORDIAL  
1   2   3   4   5   6   7

9b. I expect the relationship with the three buyers to be:

DIFFICULT                      neither                      CORDIAL  
1   2   3   4   5   6   7

10a. I expect the three buyers to be:

UNCOOPERATIVE                      neither                      COOPERATIVE  
1   2   3   4   5   6   7

10b. I expect the three buyer team to be:

UNCOOPERATIVE                      neither                      COOPERATIVE  
1   2   3   4   5   6   7

11a. I expect the demeanor of the three buyers to be:

ANTAGONISTIC                      neither                      FRIENDLY  
1   2   3   4   5   6   7

11b. I expect the demeanor of the three buyers to be:

ANTAGONISTIC                      neither                      FRIENDLY  
1   2   3   4   5   6   7

Finally, please tell us a little about yourself. Age: \_\_\_\_\_ yrs    Sex: \_\_\_ male \_\_\_ female    Work Experience: \_\_\_\_\_ yrs

**Thank you** for completing the survey.

Please save, then click on the following link and email your survey as an attachment:

**Table 5**

Validation study: Negotiation measures.

Type of Negotiation Treatment Designation		Treatment Descriptions	
		Simultaneous	
		C	D
Number of Buyers		3	1
Issue Order to Seller		NA	NA
<b>Study Sample</b>			
Number of Bargainers	Seller	13	15
	Buyer	39	15
	<b>Total</b>	<b>52</b>	<b>30</b>
Number of Dyads		13	15
<b>Influences on Behavior</b>			
Power (0-100 pts)	Seller	44.46	53.33
	Buyer	60.51 <sub>d</sub>	50.67 <sub>c</sub>
<b>Aspirations (\$)</b>			
Least Important Issue	Seller	9.71	9.228
	Mod. Important Issue	14.74	13.498
	Most Important Issue	23.70	21.84
	<b>Total</b>	<b>48.15</b>	<b>44.56</b>
Least Important Issue	Buyer	9.64	8.76
	Mod. Important Issue	12.77	12.65
	Most Important Issue	21.87	20.63
	<b>Total</b>	<b>44.28</b>	<b>42.04</b>
<b>Negotiation Style (%)</b>			
Avoidance	Seller	38.46 %	20.00 %
	Yielding	53.85 %	33.33 %
	Compromise	38.46 %	33.33 %
	Competitive	61.54 % <sub>d</sub>	20.00 % <sub>c</sub>
	Problem-Solving	38.46 %	46.67 %
Avoidance	Buyer	21.43 %	33.33 %
	Yielding	38.10 %	40.00 %
	Compromise	30.95 %	46.67 %
	Competitive	28.75 %	33.33 %
	Problem-Solving	47.62 %	40.00 %
Rel. Valence (1-7)	Seller	4.23 <sub>d</sub>	5.24 <sub>c</sub>
	Buyer	4.36	4.87

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

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

**Table 6**

Validation study: Negotiation outcomes.

Type of Negotiation		Treatment Descriptions	
		Simultaneous	
Treatment Designation		C	D
Number of Buyers		3	1
Issue Order to Seller		NA	NA
Profits (\$)		Outcomes	
Least Important Issue	Seller	2.15 <sub>D</sub>	6.67 <sub>C</sub>
	Mod. Important Issue	12.46	12.13
	Most Important Issue	31.54	26.33
	<b>Total</b>	46.15	45.13
Least Important Issue	Buyer	3.38	5.47
	Mod. Important Issue	11.54	12.40
	Most Important Issue	34.62 <sub>D</sub>	24.67 <sub>C</sub>
	<b>Total</b>	49.54	42.53
<b>Dyadic Total</b>		95.69	87.67
Satisfaction (1-7)	Seller	4.85	4.67
	Buyer	5.85 <sub>d</sub>	4.67 <sub>c</sub>
Agreements	Yes	13	15
	No	0	0
Time (min.)		22.31 <sub>D</sub>	12.47 <sub>C</sub>

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

**Table 7**

Validation study: Analysis of simultaneous negotiation agendas.

<b>Hypothesis</b>	<b>Mean</b>	<b>S. D.</b>	<b>Prob.</b>	<b>Hypothesis Supported</b>
<b>1a: Buyers' Perceptions of Power - (0-100 pts)</b>				Yes
One-on-One Neg. (D) versus:	50.67	7.99		
Simultaneous Neg. (C)	60.51	6.71	.002	
<b>1b: Single Seller's Competitive Negotiation Styles - (Yes – No, Percent Yes)</b>				Yes
One-on-One Neg. (D) versus:	20.00%	10.33%		
Simultaneous Neg. (C)	61.50%	14.05%	.027	
<b>1d: Multiple Buyers' Aspiration Levels - (\$ MM)</b>				Yes
Least Important Issue				
One-on-One Neg. (D) versus:	8.76	1.56		
Simultaneous (C)	9.64	1.40	.131	
Moderately Important Issue				
One-on-One Neg. (D) versus:	12.65	1.38		
Simultaneous (C)	12.77	2.52	.871	
Most Important Issue				
One-on-One Neg. (D) versus:	20.63	2.22		
Simultaneous (C)	21.87	2.59	.186	

Treatment C: Simultaneous Negotiations - Single Seller - Multiple Buyers

Treatment D: Simultaneous Negotiations - Single Seller - Single Buyer