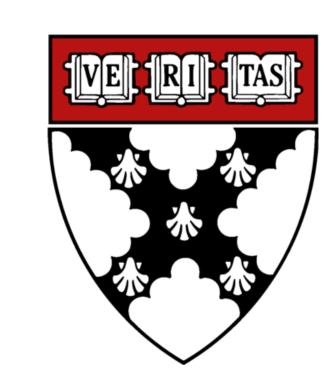


# Communicating with warmth in distributive negotiations is surprisingly counter-productive



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### **Abstract**

When entering into a negotiation, individuals have the choice to enact a variety of communication styles. We test the differential impact of being "warm and friendly" versus "tough and firm" in a distributive negotiation, when first offers are held constant and concession patterns are tracked. We train a natural language processing algorithm to precisely quantify the difference between how people enact warm versus tough communication styles.

Through experimental studies in the lab and field, we find negotiators with a tough communication style achieved better economic outcomes than negotiators with a warm communication style, at no detectable social costs. This was driven by the fact that offers delivered in tough language elicited more favorable counteroffers. Finally, negotiators were inaccurate in predicting these effects.

## Study 1

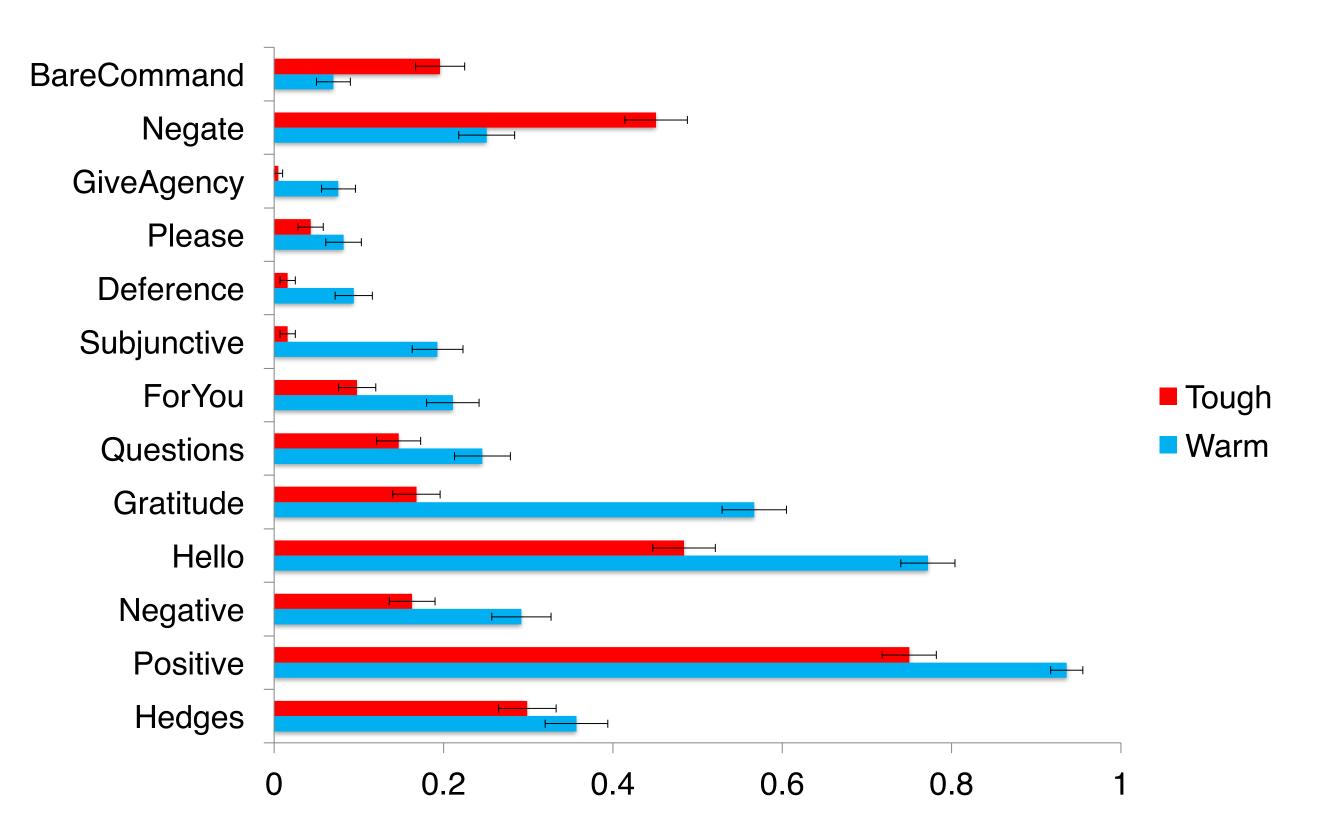
How do negotiators enact "warm" versus "tough" communication styles?

#### Design:

We instructed participants (N=355, 51% male, mean age=34) that either being "warm" or "tough" was the most effective negotiation strategy, and asked them to write a hypothetical offer message to an online seller in the assigned style (while keeping the offer amount constant). The written text of these messages was our primary outcome measure in the study.

#### **Natural Language Processing:**

We tallied a wide set of plausible linguistic markers that might be important for distinguishing warmth and/or toughness in natural language. We wrote software in R to extract these feature counts from every message, borrowing the SpaCy library for dependency parsing and part-of-speech tagging.



#### **Results:**

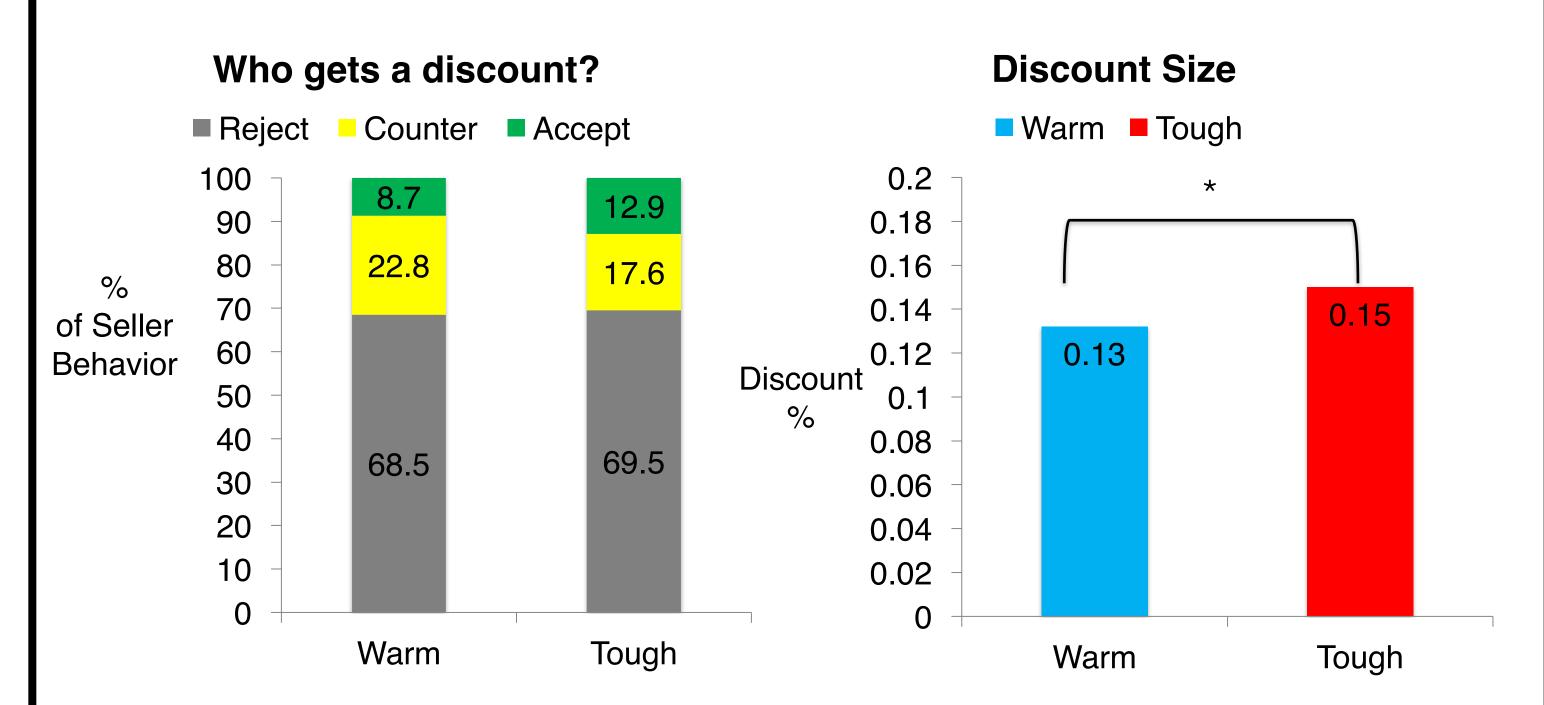
Tough negotiators were more contradictory, and made more bare commands, while warm negotiators were more likely to say "hello", express gratitude, make more indirect requests and statements, and use more qualifying language.

# Study 2

Do offers made in "warm" versus "tough" communication styles result in different counter-offers?

#### Design:

Using an audit study design, we posed as a buyer on Craigslist, sending messages to individuals selling smartphones, while randomly varying the communication style of our initial messages. We responded to 775 sellers who had posted ads for used iPhones (6, 7 and SE models) in 15 cities and asked for a 20% discount.



#### Results:

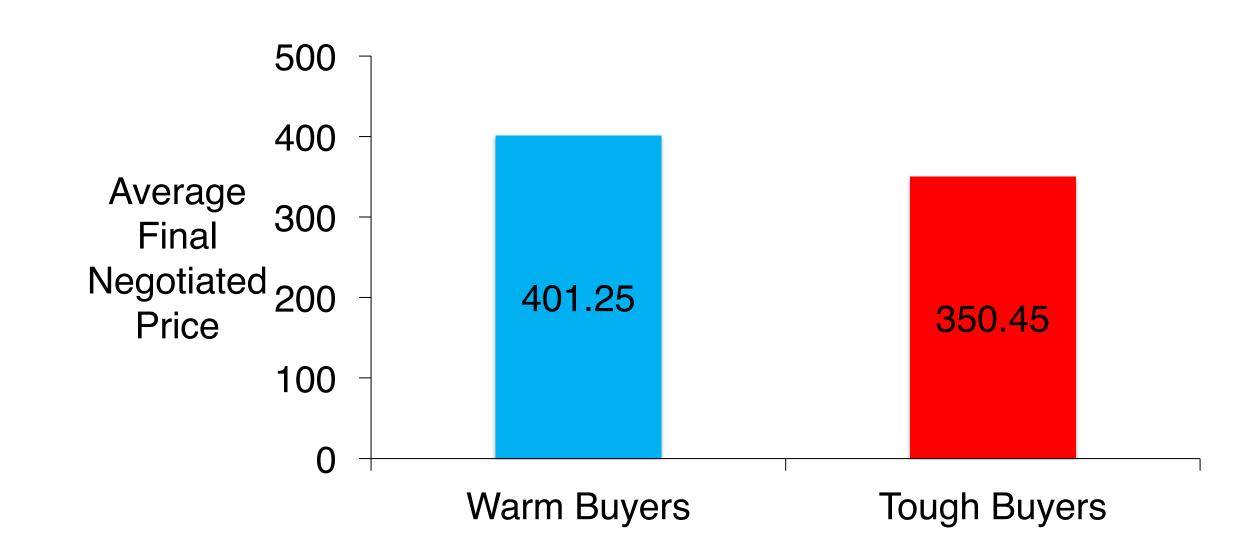
While message style had no effect on the likelihood of a seller willing to enter into a negotiation, we found a "tough" communication style led to larger discounts than a "warm" communication style.

# Study 3

Do "warm" versus "tough" communication styles result in different negotiation outcomes?

#### Design:

We randomly assigned participants (N=196, 48% male, mean age=32) to play the role of a buyer or seller and paired them into dyads to negotiate over the sale of an item. Buyers were further randomly assigned to take on a "warm" or "tough" communication style. Buyers were instructed to give the same opening offer. All participants were incentivized based on their outcome.



#### **Results:**

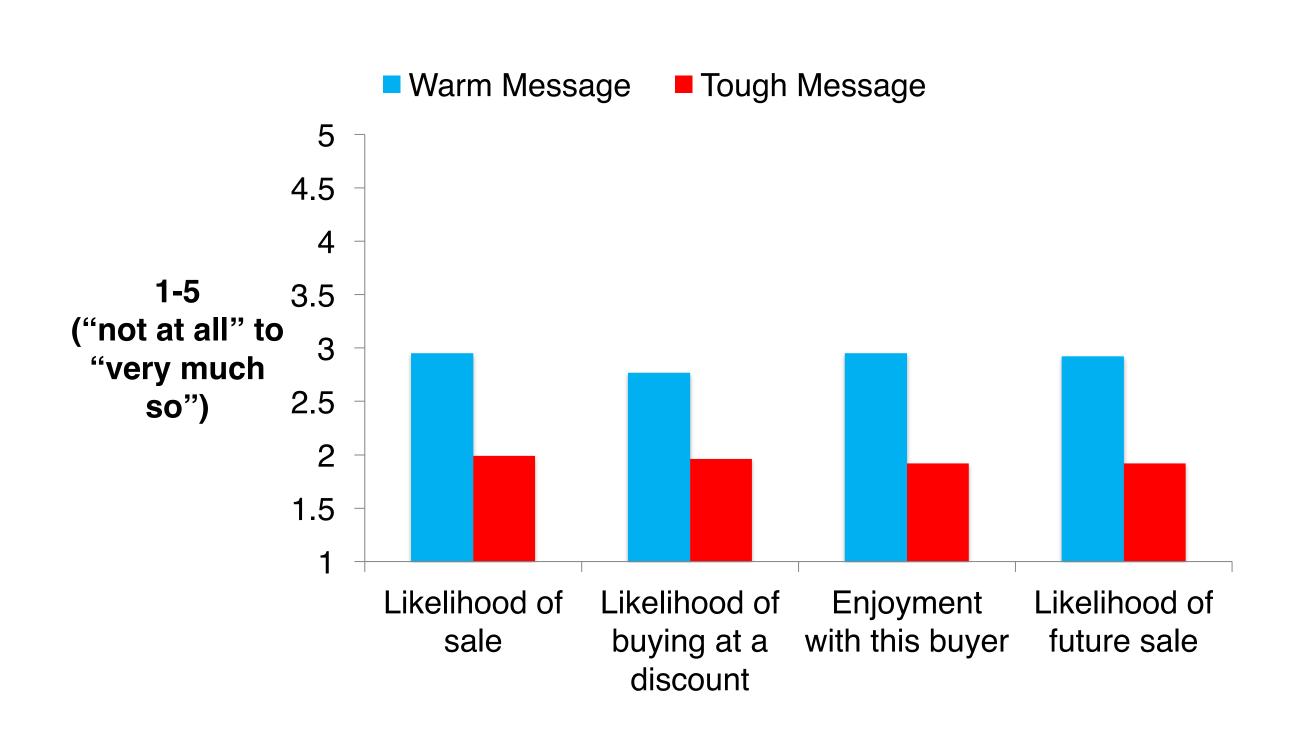
"Warm" negotiators paid 15% more for the same item and earned lower bonus payments, as compared to "tough" negotiators. This was driven by sellers negotiating with "warm" buyers making more aggressive counter-offers and extracting more concessions over time. There was no difference in enjoyment for sellers who interacted with "warm" versus "tough" buyers.

## Study 4

Do negotiators predict these effects?

#### Design:

We instructed participants (N=103, 59% male, mean age=35) to evaluate negotiation offer messages with regard to their economic and interpersonal consequences. Specifically, participants were presented with 3 randomly selected "warm" and 3 randomly selected "tough" messages from Study 3. Participants read messages one at a time and rated the likelihood of a sale, substantial discount, and a future sale, in addition to predicted enjoyment.



#### **Results:**

In contrast to the behavioral results in Studies 2 & 3, participants believed that "warm" negotiators would be more likely to obtain a substantial discount as compared to "tough" negotiators.

## Conclusions

Can strategic communication style affect negotiation outcomes in the face of consistently-executed bargaining behavior? Our results suggest an affirmative answer.

In four studies, we demonstrate that in distributive negotiations where the value of the first offer was fixed, being "tough" took less effort than being "warm" and resulted in better financial outcomes at no apparent social cost – an effect negotiators were inaccurate in predicting.

- S1: Individuals took more effort and enacted vastly different styles of communication when instructed to be "warm" versus "tough" in a negotiation.
- S2: Negotiators sending economically constant offers delivered in "tough" language were more likely to obtain a better discount, than an equivalent offer delivered in "warm" language.
- S3: "Tough" negotiators achieved higher economic gains, at no discernable social costs, as compared to "warm" negotiators.
- S4: Individuals were unaware of the benefits of a "tough" communication style.

Questions & feedback welcome! Contact Martha Jeong at mjeong@hbs.edu