

THE PSYCHOLOGY OF

NEGOTIATION



A Checklist of Tactics to
Optimize Your Deal.

Nick Kolenda

The Psychology of Negotiation: A Checklist of Tactics to Optimize Your Deal.

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Before a Negotiation



Gather Benchmark Data Before Negotiating

Determine the type of deal that you should be receiving.

Without benchmark data, you risk accepting a bad offer.

- » **Negotiating a Job?** Get data on salaries (e.g., PayScale, LinkedIn, recruiters).
- » **Buying a Car?** Research your car's make, model, and year (e.g., Kelly Blue Book)
- » **Hiring a Vendor?** Talk to other businesses in your industry.

Plus, you'll get these benefits:

- » **Credibility.** Your counterpart won't feed you false information if they believe that you've done your homework.
- » **Avoid Bias.** Managers are unaware of their biases — race, gender, personal, or even if they're having a bad day. Objective data can hold them accountable.
- » **Stronger Position.** If you convey that you know your worth, counterparts will be less likely to take advantage of you.



YOU'VE APPLIED TO...



APPLE

Marketing Manager



GOOGLE

Senior Marketing Manager



AMAZON

Digital Marketing Manager

Enhance Your BATNAs Before a Negotiation

Job seekers should interview at multiple companies to reduce reliance on a single company.

In any negotiation, you can boost your power in two ways:

1. **Importance.** Which party *needs* the agreement?
2. **Alternatives.** How many alternatives does each party have?

The second factor is called a BATNA: **Best Alternative to a Negotiated Agreement** (Fisher, Ury, & Patton, 2011).

You can boost your power by raising the (a) quantity, (b) quality, and (c) plausibility of your BATNAs (Kim, Pinkley, & Fragale, 2005).

Fisher, R., Ury, W. L., & Patton, B. (2011). *Getting to yes: Negotiating agreement without giving in*. Penguin.

Kim, P. H., Pinkley, R. L., & Fragale, A. R. (2005). Power dynamics in negotiation. *Academy of Management Review*, 30(4), 799-822.





Negotiate on Days With Nice Weather

You feel happier in good weather, so you're more likely to help people.

Weather has a powerful effect on behavior.

- » **Good Weather Triggers Positive Behavior.** People give larger tips and gratuity (Cunningham, 1979).
- » **Bad Weather Triggers Negative Behavior.** People leave more negative reviews (Brandes & Dover, 2022).

Therefore, schedule your negotiation for a day that has nice weather.

If you *need* to negotiate during bad weather, discuss the weather beforehand. This discussion eliminates the negative effect because it orients people toward the reason behind their dampened mood (see Schwartz & Clore, 1983).

Cunningham, M. R. (1979). Weather, mood, and helping behavior: Quasi experiments with the sunshine samaritan. *Journal of personality and social psychology*, 37(11), 1947.

Schwarz, N., & Clore, G. L. (1983). Mood, misattribution, and judgments of well-being: informative and directive functions of affective states. *Journal of personality and social psychology*, 45(3), 513.

Brandes, L., & Dover, Y. (2022). Offline Context Affects Online Reviews: The Effect of Post-Consumption Weather. *Journal of Consumer Research*, 49(4), 595-615.



| | |
|------|-------------|
| 8AM | |
| 9AM | NEGOTIATION |
| 10AM | |
| 11AM | |
| 12PM | |

Negotiate in the Mornings

Suggest an early time, perhaps 8:00 to 10:00am.

Early-morning negotiations are useful.

First, you'll have ample time to negotiate.

Second, if you can extract a longer investment of time, your counterpart will be more invested in finalizing an agreement (Malhotra & Bazerman, 2008).

Third, you trigger a *primacy effect*: Information early in a sequence will become entrenched in long-term memory (Murdock, 1962).

Strive to be the first candidate in any sequence of interviews. While managers choose the best candidate, your interview will pop into their mind more easily – and they will misattribute this ease with a desire to hire you (see Whittlesea, 1993).

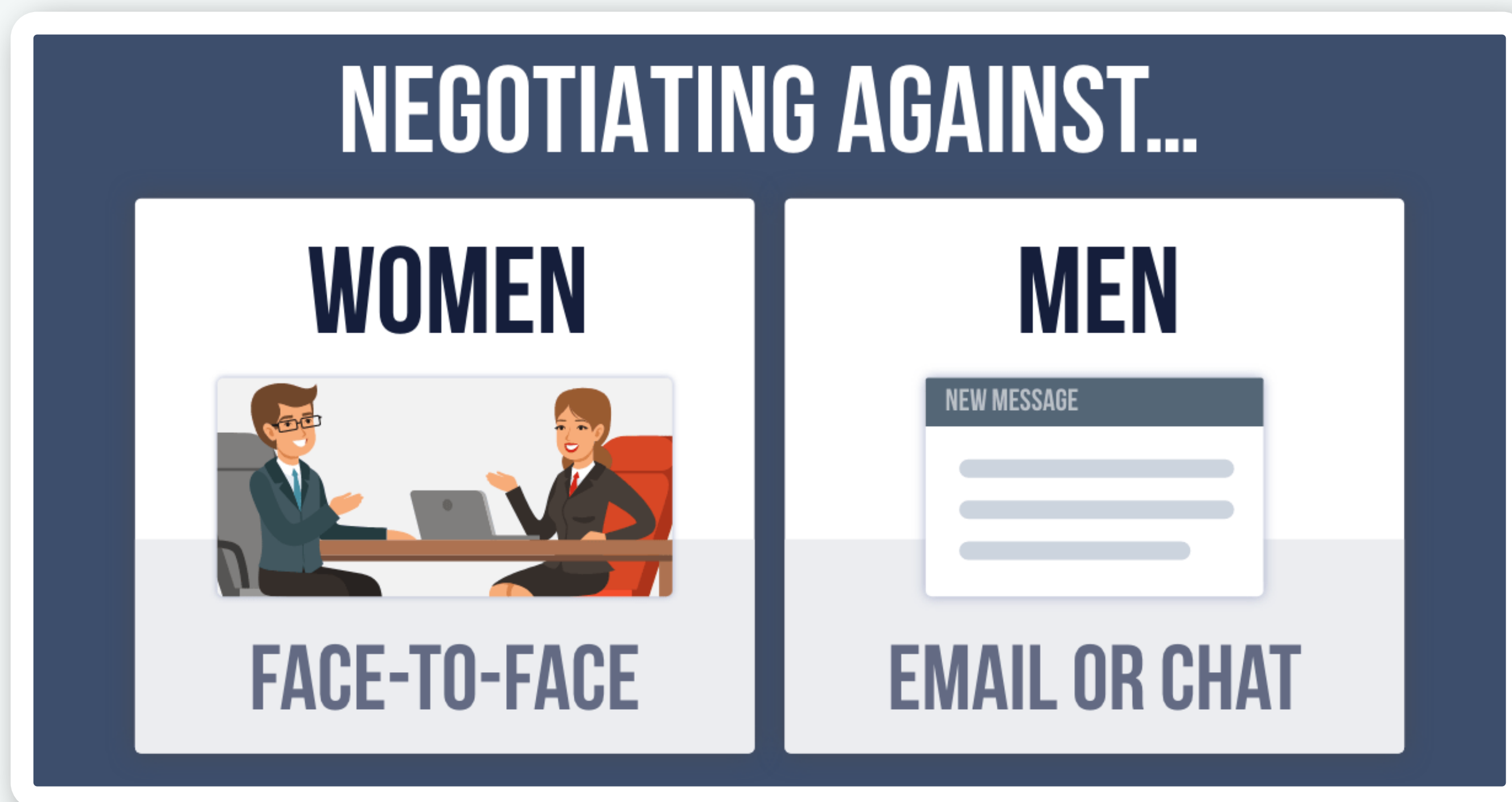
If an early time isn't possible, choose a later time (perhaps 4:00 to 5:00pm). If you can't be the first interview, strive to be the last interview to trigger a *recency effect*.

Malhotra, D., & Bazerman, M. H. (2008). Psychological influence in negotiation: An introduction long overdue. *Journal of Management*, 34(3), 509-531.

Murdock Jr, B. B. (1962). The serial position effect of free recall. *Journal of experimental psychology*, 64(5), 482.

Whittlesea, B. W. (1993). Illusions of familiarity. *Journal of Experimental Psychology: Learning, Memory, and Cognition*, 19(6), 1235.





Negotiate With Men Via Email (and Women Face-to-Face)

Face-to-face has more tension, so people resort to their instinctive gender roles: Women are caring. Men are aggressive.

Should you negotiate via face-to-face or email?

Face-to-face builds more rapport, and it promotes more clarity because of the nonverbal cues (Drolet & Morris, 1999; DePaulo & Friedman 1998). Some studies argue that it's more effective than email negotiations (Valley, Moag, & Bazerman, 1998).

However, other studies found the opposite: Email was better. Negotiators can leave an email thread more easily, so the parties are more motivated to reach an agreement (Hatta, Ohbuchi, & Fukuno 2007; Croson, 1999).

So, which is better?

Surprisingly, it depends on gender (Swab & Swab, 2008). Face-to-face has more tension and arousal, so people resort to their instinctive gender roles:

- » Women are caring and communicative.
- » Men are dominant and aggressive.

Negotiating with men? Reduce their urge to show dominance by removing nonverbal cues from the conversation — negotiate via email or phone. At the very least, minimize eye contact in person.

Do the opposite for females: Increase nonverbal cues.



- Croson, R. T. (1999). Look at me when you say that: An electronic negotiation simulation. *Simulation & Gaming*, 30(1), 23-37.
- Depaulo, B. M., & Friedman, H. S. (1998). Nonverbal communication. In D. T. Gilbert, S. T. Fiske, & G. Lindzey (Eds.), *The handbook of social psychology* (pp. 3-40). McGraw-Hill.
- Drolet, A. L., & Morris, M. W. (2000). Rapport in conflict resolution: Accounting for how face-to-face contact fosters mutual cooperation in mixed-motive conflicts. *Journal of Experimental Social Psychology*, 36(1), 26-50.
- Hatta, T., Ohbuchi, K. I., & Fukuno, M. (2007). An experimental study on the effects of exitability and correctability on electronic negotiation. *Negotiation Journal*, 23(3), 283- 305.
- Swaab, R. I., & Swaab, D. F. (2009). Sex differences in the effects of visual contact and eye contact in negotiations. *Journal of Experimental Social Psychology*, 45(1), 129-136.
- Valley, K. L., Moag, J., & Bazerman, M. H. (1998). A matter of trust': Effects of communication on the efficiency and distribution of outcomes. *Journal of Economic Behavior & Organization*, 34(2), 211-238.





Avoid Negotiation Terminology

Even simple words like “accepting” and “rejecting” increase aggressive tendencies.

Negotiation has a bad reputation in Western cultures. It seems combative — only one winner can emerge.

This philosophy influenced negotiation styles. Rather than look for mutual gains, people fixate on defending and reinforcing their position — which weakens the final deal for both parties (Fisher, Ury, & Patton, 2011).

To earn the best deal, you need a cooperative mindset. How? Choose your words carefully.

Avoid words that frame the discussion as a negotiation. Even simple words like “accepting” and “rejecting” increase aggressive tendencies (Larrick & Blount, 1997).

Use cooperative words (e.g., collaborate, brainstorm, work together). Even 1st person pronouns (e.g., us, we, our) boost cooperation (Perdue, Dovidio, Gurtman, & Tyler, 1990).

Larrick, R. P., & Blount, S. (1997). The claiming effect: Why players are more generous in social dilemmas than in ultimatum games. *Journal of Personality and Social Psychology*, 72(4), 810.

Perdue, C. W., Dovidio, J. F., Gurtman, M. B., & Tyler, R. B. (1990). Us and them: Social categorization and the process of intergroup bias. *Journal of personality and social psychology*, 59(3), 475.

Fisher, R., Ury, W. L., & Patton, B. (2011). *Getting to yes: Negotiating agreement without giving in*. Penguin.





Schedule a Future Interaction Before a Negotiation

Your counterpart will negotiate less aggressively if you schedule a future time to meet.

People feel obligated to act favorably if they will be interacting with somebody again:

When social dilemmas involve repeated interaction over a period of time, people often develop a readiness for mutual cooperation... [This] implies that the only way to succeed is to get the other(s) to cooperate. (Pruitt, 1998, p. 474)

Even if you only meet once to negotiate, remind them of a future interaction:

- » **Finalize Agreement.** You'll reconnect to review the contract (Murnighan & Roth, 1983).
- » **Conferences.** You'll be seeing each other at industry events.
- » **Future Projects.** You'll work with each other on new projects later.

Murnighan, J. K., & Roth, A. E. (1983). Expecting continued play in prisoner's dilemma games: A test of several models. *Journal of conflict resolution*, 27(2), 279-300.

Pruitt, D. G. (1998). *Social conflict*.



| | |
|------|---|
| 8AM | |
| 9AM | NICK<>DAVE DISCUSS PARTNERSHIP |
| 10AM | |
| 11AM | |
| 12PM | |

Pair Names in a Calendar Invite

Positive feelings from their name will transfer to your name.

When scheduling a meeting that requires negotiation, send a calendar with your name in close visual proximity with your counterpart's name.

In my work, I've argued that “gestalt grouping” is the mechanism behind empathy. We desire to help other people because our brain groups our identity with them — it feels like we are helping ourselves (see my video on [The Origin of Human Empathy](#)).

Grouping your names will trigger this effect.

If your counterpart sees your name next to their name, positive feelings from their name will transfer to your name.

It's similar to classical conditioning. Pavlov conditioned his dogs by pairing an emotional stimulus (food) with a neutral stimulus (bell). Their name is the emotional stimulus. Your name is the neutral stimulus. Positive emotions from their name will transfer to your name (see Chapter 4 of my book [The Tangled Mind](#) for other examples).



During a Negotiation



Schmooze Over Personal Details Before Negotiating

People receive better deals when they schmooze beforehand.

Don't underestimate schmoozing:

...schmoozing greases the wheels of sociality and commerce, allowing relationships and deals to develop despite the friction involved in negotiations. (Morris, Nadler, Kurtzberg, & Thompson, 2002, p. 99)

Personal information (e.g., what's happening in your life) is particularly effective (Worthy, Albert, & Gay, 1969).

Morris, M., Nadler, J., Kurtzberg, T., & Thompson, L. (2002). Schmooze or lose: Social friction and lubrication in e-mail negotiations. *Group Dynamics: Theory, Research, and Practice*, 6(1), 89.

Worthy, M., Gary, A. L., & Kahn, G. M. (1969). Self-disclosure as an exchange process. *Journal of personality and social psychology*, 13(1), 59.





Bring Pastries and Coffee to a Negotiation

This tactic seems cute — but it's devious.

Bringing pastries and coffee will do four things:

- » **Mimics Their Behavior.** Both of you will be eating — and this mimicry builds rapport (see Chartrand & Bargh, 1999). Research confirms that eating improves negotiations (Maddux, Mullen, & Galinsky, 2008; Balachandra, 2013).
- » **Provides an Unsolicited Favor.** Even if your counterpart hates pastries and coffee, this unsolicited favor will trigger an urge to reciprocate (Cialdini, 2006).
- » **Increases Their Glucose.** People behave aggressively if their glucose is low (Donohoe & Benton, 1999). Conversely, increasing glucose can boost cooperation (Denson, von Hippel, Kemp, & Teo, 2010). Pastries and coffee increase glucose levels, so they should reduce aggression (Lane, 2011).
- » **Activates Physical Warmth.** Our brain confuses physical warmth with personal warmth. Holding a warm beverage (e.g., coffee) boosts our interpersonal warmth and cooperative behavior (Williams & Bargh, 2008).

Balachandra, L. (2013). Should you eat while you negotiate. Harvard Business Review.

Chartrand, T. L., & Bargh, J. A. (1999). The chameleon effect: the perception-behavior link and social interaction. *Journal of personality and social psychology*, 76(6), 893.

Cialdini, R. B. (2006). *Influence: the psychology of persuasion*, revised



edition. New York: William Morrow.

Denson, T. F., von Hippel, W., Kemp, R. I., & Teo, L. S. (2010). Glucose consumption decreases impulsive aggression in response to provocation in aggressive individuals. *Journal of Experimental Social Psychology*, 46(6), 1023-1028.

Donohoe, R. T., & Benton, D. (1999). Blood glucose control and aggressiveness in females. *Personality and Individual Differences*, 26(5), 905-911.

Lane, J. D. (2011). Caffeine, glucose metabolism, and type 2 diabetes. *Journal of caffeine research*, 1(1), 23-28.

Maddux, W. W., Mullen, E., & Galinsky, A. D. (2008). Chameleons bake bigger pies and take bigger pieces: Strategic behavioral mimicry facilitates negotiation outcomes. *Journal of Experimental Social Psychology*, 44(2), 461-468.

Williams, L. E., & Bargh, J. A. (2008). Experiencing physical warmth promotes interpersonal warmth. *Science*, 322(5901), 606-607.





Frame Sales Information as Training Information

Your deck shouldn't be a “sales” presentation meant to persuade.

Humans experience *psychological reactance*.

If they believe that someone is trying to influence their behavior, they resist (Brehm, 1966).

Be careful with any slideshow or formal presentation. Once they see your slides, your counterparts will think: *Hmm, okay. These slides are meant to persuade me.*

Whoops — they will now resist anything you say (DeCarlo, 2005).

How can you prevent this harmful mindset? Simply reframe your slides by saying: *Yeah, I'll show you. We have a slide deck for new employees. It has information about our company.*

It's the same presentation, yet this subtle framing bypasses reactance because it's no longer a "sales" presentation. These slides were designed for new employees.

Brehm, J. W. (1966). A theory of psychological reactance.

DeCarlo, T. E. (2005). The effects of sales message and suspicion of ulterior motives on salesperson evaluation. *Journal of Consumer Psychology*, 15(3), 238-249.





Give Your Negotiation Counterpart a Low Soft Chair

Change the body language of your counterpart to reduce their power.

Why should you give a low, soft chair to your counterpart?

- » **Upward Angle.** Your counterpart will look up at you. Research confirms that even white rice seems more powerful with an upward perspective (Van Rompay, De Vries, Bontekoe, & Tanja-Dijkstra, 2012). If you're negotiating through video chat, perhaps you could achieve the same effect by tilting your camera upward.
- » **Contracted Posture.** Ideally, give them an awkward chair — small enough so that they need to cram into it. This posture triggers a biological response that weakens their power (Carney, Cuddy, & Yap, 2010).
- » **Flexible Negotiation.** Why a soft chair? Because a rigid chair will extract rigid behavior. In one study, people who sat in hard chairs were more rigid while negotiating — their counteroffers were less flexible (Ackerman, Nocera, & Bargh, 2010). It seems weird, but refer to my book [The Tangled Mind](#) for the reasons behind this sensory confusion.

Ackerman, J. M., Nocera, C. C., & Bargh, J. A. (2010). Incidental haptic sensations influence social judgments and decisions. *Science*, 328(5986), 1712-1715.

Carney, D. R., Cuddy, A. J., & Yap, A. J. (2010). Power posing: Brief nonverbal displays affect neuroendocrine levels and risk tolerance. *Psychological science*, 21(10), 1363-1368.

Van Rompay, T. J., De Vries, P. W., Bontekoe, F., & Tanja-Dijkstra, K.



(2012). Embodied product perception: Effects of verticality cues in advertising and packaging design on consumer impressions... Psychology & Marketing, 29(12), 919-928.





Mention Your BATNAs During a Negotiation

Your counterpart will negotiate less aggressively when they hear your alternative options.

Be honest with your BATNAs (DeRue, Conlon, Moon, & Willaby, 2009).

Negotiators who are perceived to have many (rather than few) alternatives (1) will be considered more attractive negotiation partners, (2) will be less likely to have others negotiate aggressively with them, (3) will more easily reach an agreement, and (4) will capture a higher percentage of the value in negotiations. (Malhotra & Bazerman, 2008)

Plus, this disclosure gets your counterpart to be honest as well (Collins & Miller, 1994). You'll hear a more accurate portrayal of their needs — which can lead to better outcomes for you *and* them.

Collins, N. L., & Miller, L. C. (1994). Self-disclosure and liking: a meta-analytic review. *Psychological bulletin*, 116(3), 457.

DeRue, D. S., Conlon, D. E., Moon, H., & Willaby, H. W. (2009). When is straightforwardness a liability in negotiations? The role of integrative potential and structural power. *Journal of Applied Psychology*, 94(4), 1032.

Malhotra, D., & Bazerman, M. H. (2008). Psychological influence in negotiation: An introduction long overdue. *Journal of Management*, 34(3), 509-531.





Avoid Weak Language While Negotiating

You receive better deals with firm and confident language.

Sometimes you will negotiate with a “powerful” counterpart, such as your boss. In these scenarios, you might feel pressured to use disclaimers:

- » “I know this might sound like a lot, but _____.”
- » “I hate to ask for this, but _____.”
- » “Would you possibly consider _____?”

Eliminate these words. Your counterparts will negotiate more aggressively, giving you a worse deal. (Van Kleef, De Dreu, & Manstead, 2006). You receive better deals when you are firm and confident (Tiedens & Fragale 2003).

Tiedens, L. Z., & Fragale, A. R. (2003). Power moves: complementarity in dominant and submissive nonverbal behavior. *Journal of personality and social psychology*, 84(3), 558.

Van Kleef, G. A., De Dreu, C. K., & Manstead, A. S. (2006). Supplication and appeasement in conflict and negotiation: The interpersonal effects of disappointment, worry, guilt, and regret. *Journal of personality and social psychology*, 91(1), 124.





Show Anger and Disappointment During a Negotiation

Anger and disappointment get larger concessions.

In later stages of negotiations, show anger and disappointment — within reason (Van Kleef, De Dreu, & Manstead, 2006, Van Kleef, De Dreu, & Manstead, 2004; Steinel, Van Kleef, Harnick, 2008).

There's an additional benefit of disappointment.

Most people guess that the most important outcome of a negotiation is the economic value of a deal (i.e., money). But there's a bigger factor: Perceived performance.

MBA graduates were more satisfied with their job (and stayed longer) if they believed they performed well in their job negotiation. Their actual salaries had no effect (Curhan, Elfenbein, & Kilduff, 2009).

Therefore, your counterpart will feel better about their deal if you show signs of disappointment (Thompson, Valley, & Kramer, 1995).

Caveat: Your counterpart might also develop a negative perception of you (Kopelman, Rosette, & Thompson, 2006). Consider using this tactic only for short-term relationships. And always direct your anger toward the offer – *never* at the person.

Curhan, J. R., Elfenbein, H. A., & Kilduff, G. J. (2009). Getting off on the right foot: Subjective value versus economic value in predicting longitudinal job outcomes from job offer negotiations. *Journal of*



Applied Psychology, 94(2), 524.

Kopelman, S., Rosette, A. S., & Thompson, L. (2006). The three faces of Eve: Strategic displays of positive, negative, and neutral emotions in negotiations. *Organizational Behavior and Human Decision Processes*, 99(1), 81-101.

Steinel, W., Van Kleef, G. A., & Harinck, F. (2008). Are you talking to me?! Separating the people from the problem when expressing emotions in negotiation. *Journal of Experimental Social Psychology*, 44(2), 362-369.

Thompson, L., Valley, K. L., & Kramer, R. M. (1995). The bittersweet feeling of success: An examination of social perception in negotiation. *Journal of Experimental Social Psychology*, 31(6), 467-492.

Van Kleef, G. A., De Dreu, C. K., & Manstead, A. S. (2004). The interpersonal effects of anger and happiness in negotiations. *Journal of personality and social psychology*, 86(1), 57.

Van Kleef, G. A., De Dreu, C. K., & Manstead, A. S. (2006). Supplication and appeasement in conflict and negotiation: The interpersonal effects of disappointment, worry, guilt, and regret. *Journal of personality and social psychology*, 91(1), 124.



JOB OFFER



SALARY



COMMISSIONS



BENEFITS



VACATION

Address All Relevant Terms During a Negotiation

Job negotiations involve more than just salary. Addressing all terms will help both parties find the best possible deal.

In negotiations, your biggest enemy is a fixed pie mentality.

Consider a job negotiation. The employer offers \$110,000. But you want \$130,000. With a fixed pie, at least one party needs to concede. Typically, both parties concede to the middle — in this case \$120,000.

But this final agreement is worse for both parties. With the right approach, your deals can be favorable to both parties.

How? Avoid fixating on a single metric (e.g., salary).

Instead, you need to address all terms. For job negotiations, address the terms beyond salary:

- » Benefits
- » Vacation days
- » Commissions
- » Working from home
- » Scheduled raises
- » Other perks

By listing all terms, your negotiation becomes more flexible. You might accept the \$110,000 salary if you can work from home for two days each week.





Rank Order the Terms of a Negotiation

You might value commissions, while your employer can be flexible with commissions.

Rank order all of the terms by importance:

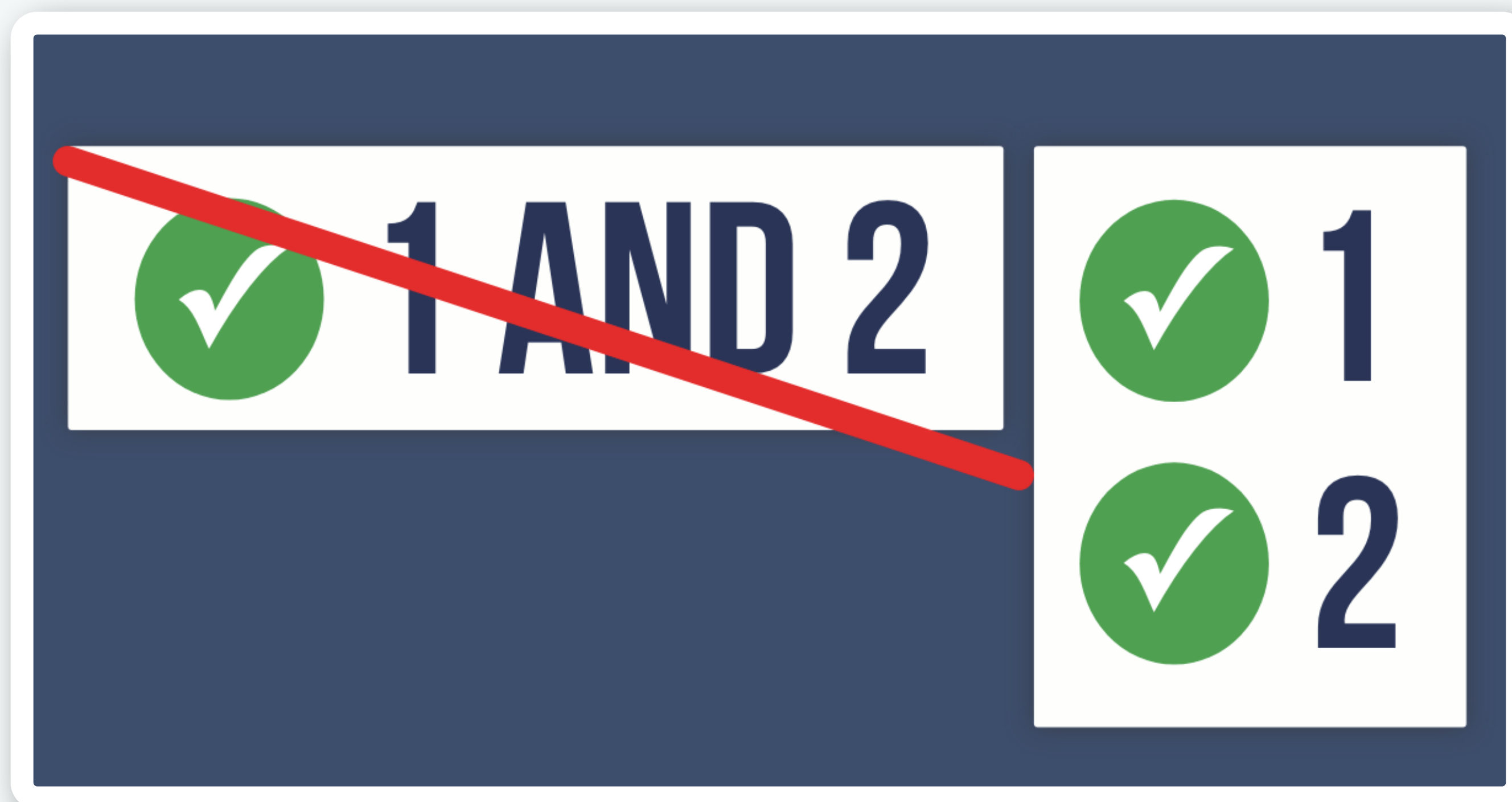
...information about positions and preferences is more distributive in that it highlights differences, whereas information about priorities is more integrative in that it identifies potential trade-offs. (Weingart & Olekalns, 2004, p. 146)

Ranked lists will help you see the areas of flexibility: You might value commissions, while your employer can be flexible with commissions.

However, never address terms sequentially. Don't resolve salary. THEN commissions. THEN vacation days. Lump everything to maintain your bargaining power. You can concede in less important areas to receive value in more important areas.

Weingart, L. R., & Olekalns, M. (2004). Communication processes in negotiation: Frequencies, sequences, and phases. *The handbook of negotiation and culture*, 143-157.





Separate Their Gains Into Individual Components

Separate gains when possible so that they feel more impactful.

Which option is better:

- » You find a \$20 bill
- » You find a \$10 bill. Then another \$10 bill

Both outcomes are the same, yet the second outcome feels better (Kahneman & Tversky, 1979).

Follow that guideline in negotiations. Consider this benefit:

- » The project will be completed under budget by May 3

You could separate that benefit into smaller pieces:

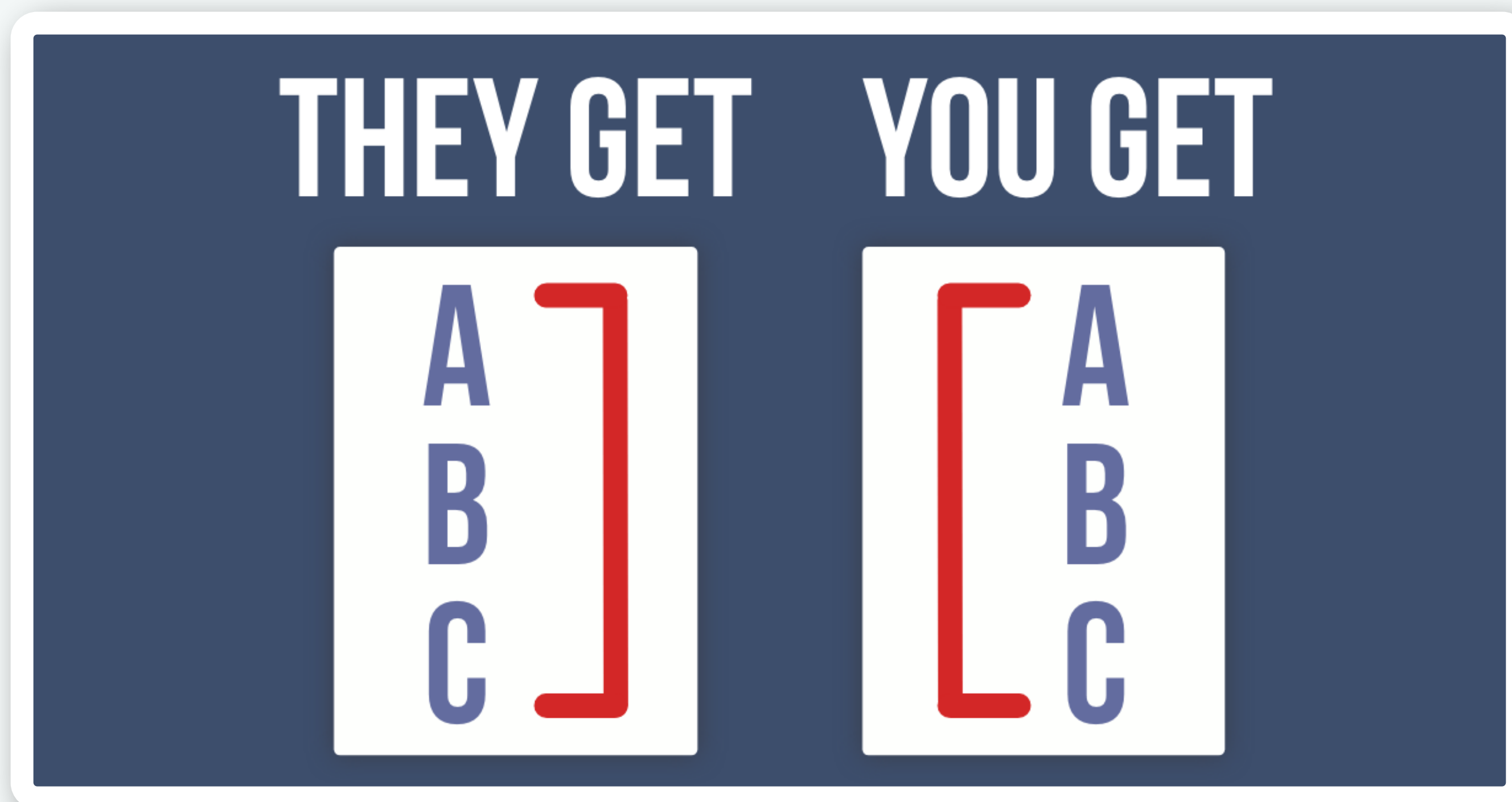
- » The project will meet all quality requirements
- » The project will be completed under budget
- » The project will be completed by May 3

Voila. You turned one benefit into three. Your counterpart will perceive more value in the deal (Malhotra & Bazerman, 2008).

Malhotra, D., & Bazerman, M. H. (2008). Psychological influence in negotiation: An introduction long overdue. *Journal of Management*, 34(3), 509-531.

Kahneman, D., & Tversky, A. (1979). Prospect Theory: An Analysis of Decision under Risk. *Econometrica*, 47(2), 263-292.





Depict Visual Balance With Negotiation Counterpart

Your list of perks should never seem visually longer.

People care about relative value. How much do they receive compared to you?

In one study, researchers asked people to participate in an experiment:

- » One group was offered \$7.
- » Another group was offered \$8 (but they were told that other participants were paid \$10).

The second group was less likely to participate, even though they were offered more money (Blount & Bazerman, 1996).

In negotiations, you need a sense of equality. Your list of benefits should never seem visually longer (Petty & Cacioppo, 1984).

Blount, S., & Bazerman, M. H. (1996). The inconsistent evaluation of absolute versus comparative payoffs in labor supply and bargaining. *Journal of Economic Behavior & Organization*, 30(2), 227-240.

Petty, R. E., & Cacioppo, J. T. (1984). Source factors and the elaboration likelihood model of persuasion. *ACR North American Advances*.





HOW'S...

I'D LIKE \$90K.

Make the First Offer During a Negotiation

Request a high anchor so that your counterpart searches for the best qualities that would justify this cost.

Always make the first offer:

When I poll executives, more than three quarters believe that it's usually best not to make the first offer...There's only one problem with this assumption: it's wrong. One thorough analysis of negotiation experiments showed that every dollar higher in the first offer translates into about 50 cents more in the final agreement. (Grant, 2013).

Why?

First, your counterpart will focus on the best qualities about your offer.

...a high list price directed real estate agents' attention to the house's positive features (such as spacious rooms or a new roof) while pushing negative features (such as a small yard or an old furnace) to the back recesses of their minds. (Galinsky, 2004)

Negotiating a job offer? Request a high salary to orient this employer to look for your best qualities that justify this cost.

Second, you trigger an *anchoring effect* (see Epley & Gilovich, 2006).



Most employers are considering a range of salaries, such as \$70k - \$95k. Your requested salary (\$100k) will pull them to the higher end of their range (\$95k).

Without an anchor, your salary would settle near the midpoint of their range — in this case \$82.5k (which is \$12.5k less than you would have received).

Epley, N., & Gilovich, T. (2006). The anchoring-and-adjustment heuristic: Why the adjustments are insufficient. *Psychological science*, 17(4), 311-318.

Galinsky, A. D. (2004). When to make the first offer in negotiations. *Harvard Business School Working Knowledge*.





Ask for a High Precise Range

Requesting a precise range (e.g., \$81k to \$84k) gets the best deals from a negotiation.

While negotiating, you should ask for a *range* of prices. Researchers compared different requests for an \$80k salary:

- » **Backdown Range:** \$70k - \$80k (target at top)
- » **Bracketing Range:** \$75 - \$85k (target in middle)
- » **Bolstering Range:** \$80k - \$90k (target at bottom)
- » **Bump Up Point:** \$90k (single high point)

A *bolstering range* produced the highest salary (Ames & Mason, 2015).

You should also request a *precise* range (e.g., \$81k to \$84k).

Precise numbers activate a precise mental ruler. One interval in this scale is less distance than one interval in a “zoomed out” scale.

...the resolution of this scale might also influence the amount of adjustment. X units of adjustment along a fine-resolution scale will cover less objective distance than the same number of units of adjustment along a coarse-resolution scale. (Janiszewski & Uy, 2008, p. 121)

Your counterpart will be less likely to move away from a precise range because this movement feels larger.



Ames, D. R., & Mason, M. F. (2015). Tandem anchoring: Informational and politeness effects of range offers in social exchange. *Journal of personality and social psychology*, 108(2), 254.

Janiszewski, C., & Uy, D. (2008). Precision of the anchor influences the amount of adjustment. *Psychological Science*, 19(2), 121-127.





Add a Simple Contingency to Offers

Contingencies make it seem like you are sacrificing, so buyers want to reciprocate by accepting.

Paradoxically, you can enhance your offer by asking for *more* value.

Research confirms that contingencies are persuasive: *Hmm, I could sell the product for \$64 if you agree to post a review afterward* (Blanchard & Carlson, 2016).

Contingencies make it seem like you are sacrificing. Thus, buyers want to reciprocate by accepting.

This strategy can bypass the tug-of-war in salary negotiation: You request \$95k...they counter with \$85k... you meet at \$90k.

Instead, a contingency can distract them from this instinctive compromise: *I could do \$95k if there's a good benefits package.*

Perhaps you already know they offer good benefits. It doesn't matter — this mere request will frame your offer as a sacrifice. Your counterpart will perceive less room to negotiate.

Blanchard, S. J., Carlson, K. A., & Hyodo, J. D. (2016). The favor request effect: requesting a favor from consumers to seal the deal. *Journal of Consumer Research*, 42(6), 985-1001.





Prime a Counterpart's Ability to Execute the Deal

Help your counterpart see the feasibility of finalizing the deal.

Decisions are made via simulation.

If you ask for a salary of \$95k, your counterpart will imagine giving you \$95k to gauge how it feels (see my book [Imagine Reading This Book](#)).

Subtle words can influence this mechanism. Compare these two questions:

- » How much is monthly revenue?
- » How much is yearly revenue?

Both questions ascertain the amount of revenue. Yet the second framing — yearly revenue — is better.

This question orients their focus toward a larger version of revenue. While simulating your offer, they will imagine withdrawing \$95k from this larger number, which feels easier and less painful.





HOW ABOUT \$85K?

...

WE COULD GO TO \$90K?

Pause After Your Counterpart Makes an Offer

Your counterpart might interpret your silence as indecision, prompting them to interject and raise the offer.

Your counterpart made a generous offer that you don't want to counter. At this moment, pause for a few seconds before accepting.

Your silence will make them uncomfortable — and they might preemptively enhance their offer before you answer:

- » **Them:** *How is \$85,000 for the salary?*
- » **You:** *[pause for 5 seconds]*
- » **Them:** *We could go up to \$90,000.*

If they interject, then great. If not, then accept or counter. Either way, your silence was simply a moment to ponder the offer.

If anything, immediate concessions can be harmful. Counterparts feel regretful, as if they are overvaluing your offer:

...concessions, especially immediate ones, will be interpreted as signaling a defective or overpriced object that the other party is trying to unload rather than a conciliatory move designed to aid the focal negotiator. (Kwon & Weingart, 2005, p. 4).



Kwon, S., & Weingart, L. R. (2008). Social motive expectations and the concession timing effect. In IACM 21st Annual Conference Paper.



HOW'S \$85K?

**SURE, IF YOU ADJUST
THE BENEFITS.**

Always Counter the First Offer

Countering is good for both parties.

Counterparts feel regret if you accept their first offer because it signals they could have received more.

Don't be greedy — but counter their first offer.

Countering is good for you *and* the counterpart. Why? Because they will be happier with the deal (Galinsky, Seiden, Kim, & Medvec, 2002).

If you accept their first offer, they feel regretful — as if they received a suboptimal deal. Countering will make them happier with the final deal. Now, should you counter a counteroffer?

Never counter for the sake of countering. Compare this counteroffer to your benchmark data. What deal were you hoping to secure? If this offer is generous — and it matches your intended deal — then accept.

Galinsky, A. D., Seiden, V. L., Kim, P. H., & Medvec, V. H. (2002). The dissatisfaction of having your first offer accepted: The role of counterfactual thinking in negotiations. *Personality and Social Psychology Bulletin*, 28(2), 271-283.





WE CAN'T DO \$95K.

BUDGET ISSUE?

Diagnose Unspoken Reasons During a Negotiation

Diagnosing the reason helps you find a solution.

Your boss tells you that a raise isn't doable. No reason. No explanation. Just...no.

Always diagnose the reason: What's the issue? Budget? Timing? Performance?

Once you get these answers, find a solution. When will the budget open up? When will the timing be better? What will it take to earn that raise?





Show Your Background While Video Chatting

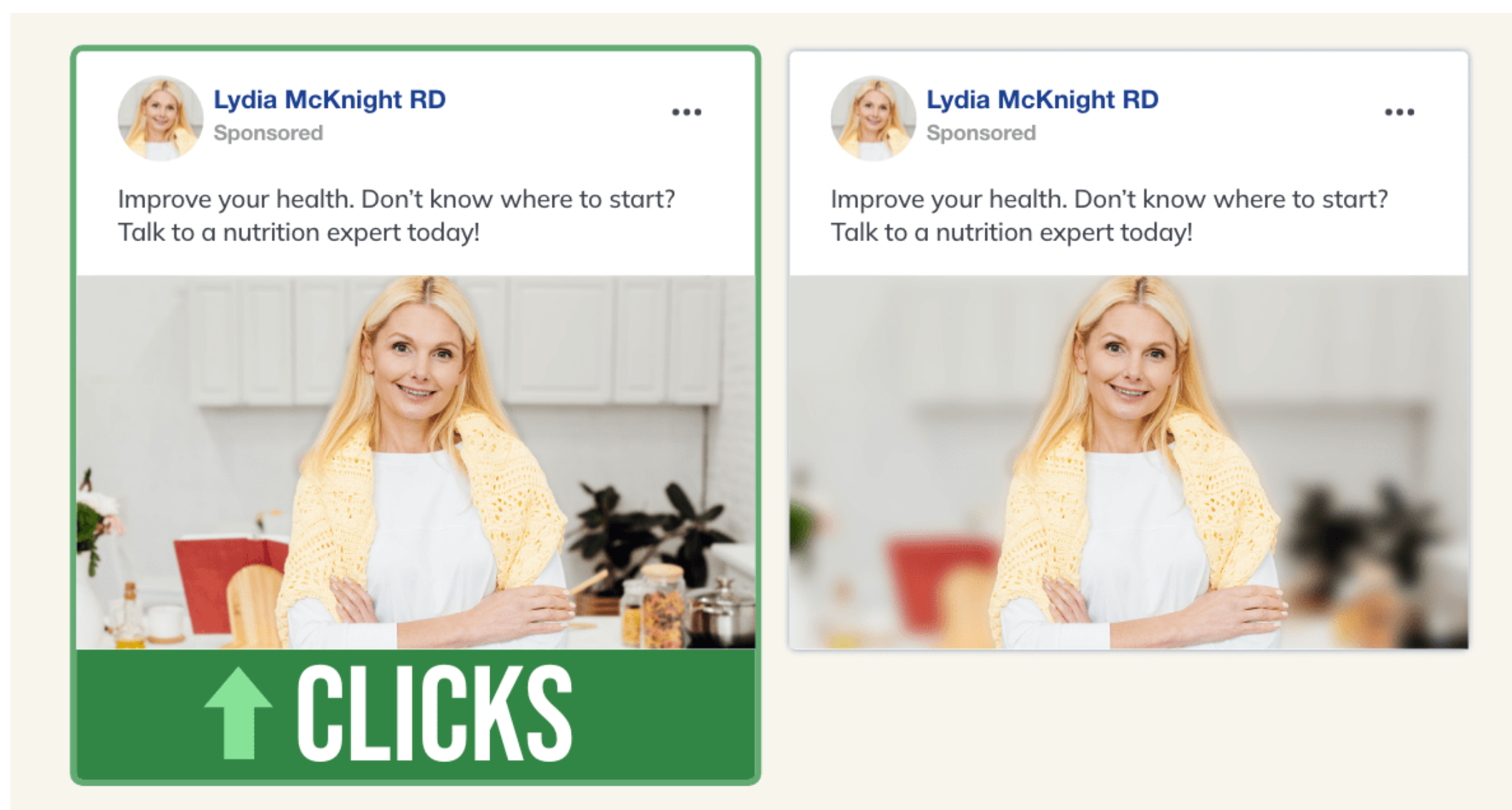
Salespeople prefer to hide their backgrounds while video chatting, but customers are more persuaded when they see real backgrounds.

Researchers analyzed the optimal backgrounds for video chats.

Turns out, you shouldn't blur the background. Customers are more persuaded when they see a real background (Karabulut, Moore, & Messinger, 2023).

These speakers seem friendlier, especially when the background conveys information about their hobbies or family.

Showing the background also helped with a Facebook ad that promoted a consultation:



Obstructions Feel Untrustworthy

There's another explanation called misattribution.

Often, you feel a vague sensation: *Hmm, I feel like this person*



is hiding something.

If you don't recognize the source of this feeling, (e.g., hiding their background), you search for another culprit to rationalize this feeling: *They must be hiding something about the product.*

This effect applies beyond video backgrounds.

- » **Show Full Names of Support Reps.** You often see abbreviated names (e.g., Nick K.) for support specialists. But if you're hiding parts of these names, customers might feel like these reps are hiding information about the product.

See my book [The Tangled Mind](#) for more examples.

Karabulut, F., Moore, S. G., & Messinger, P. R. (2023). Choosing Backgrounds for Success: The Role of Videoconference Backgrounds in Self-Presentation. *Journal of the Association for Consumer Research*, 8(2), 153-164.



After a Negotiation



Be the First to Draft the Contract

Not only will you finalize the agreement faster, but you can also control the terms.

You should generally take the initiative to draft the agreement so that you possess more control over the terms:

...the party who introduces its boilerplate contract will have a significant advantage in the negotiation: even strategically placed defaults on important contractual elements (such as contract length, penalties, and termination clauses) are likely to be stickier when they are pre-written into the contract. (Malhotra & Bazerman, 2008, p. 18)





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