
Research Report

Buyer and Seller Differences in Business-to-Business Negotiations

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The purpose of this article is twofold: first, to examine the differences between buyers' and sellers' use of negotiation tactics in face-to-face business-to-business (B2B) negotiations and second, to explore how negotiators' professed negotiation styles influence buyers' and sellers' use of tactics. The methodology is a multiple case study analysis of eighteen negotiators representing twelve companies in six real-life buyer–seller negotiations in B2B settings analyzed using qualitative research methods, including both comparative analysis and frequency analysis. We found some difference between buyers' and sellers' use of negotiation tactics, which suggests this question deserves further empirical study. Buyers' and sellers' use of specific tactics differs according to which overall strategy the negotiators chose, and sellers generally use a greater number of negotiation tactics than buyers. The findings challenge previous findings that suggest that B2B negotiations are collaborative and that negotiators communicate in a collaborative manner. The findings also increase our understanding of buyers' and

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sellers' variable use of tactics in the course of everyday practice as well as the interplay between negotiation tactics and strategies.

Key words: negotiation, negotiation tactics, business-to-business, buyer–seller negotiation, face-to-face negotiation, qualitative analysis, Thomas–Kilmann Conflict Mode Instrument.

Introduction

Roger Fisher, William Ury, and Bruce Patton (1991: 20) defined negotiation as “a process of communicating back and forth for the purpose of reaching a joint decision.” Negotiations are an important sales cycles activity (Ford and Håkansson 2006) and are typically an essential component of business success (Herbst and Schwarz 2011). Business executives can spend a significant portion of their working day in negotiation: managers report spending up to 20 percent of their day negotiating (Hendon, Henson, and Herbig 1999), and buyers have reported spending up to 50 percent of their work day negotiating (Kumar, Rai, and Pati 2009). These high percentages speak to the importance of negotiation in business practice and suggest the need for more research on how practitioners behave in business-to-business (B2B) settings (Agndal, Age, and Frick 2017).

Negotiation outcomes determine the purchasing performance of buyers and sellers in increasingly competitive markets (Hageen, Kedia, and Oubre 2003; S. P. Thomas et al. 2013). Profit is an objective result of buyer–seller commerce (Mintu-Wimsatt and Graham 2004), so choosing the correct negotiation strategy and identifying the best combinations of suitable negotiation tactics is an important way to maximize a company’s profitability. Business-to-business negotiations are one of the key activities in industrial markets (Ford and Håkansson 2006).

These negotiations typically comprise various issues to be negotiated, including price, delivery time, and method of payment (Fang 2006). Research has shown that negotiators’ overall approaches (Krause, Terpend, and Petersen 2006) and tactics (Weingart, Hyder, and Prietula 1996) affect the outcome of those negotiations. Despite their demonstrable importance, however, the difference between buyers and sellers in their selection of negotiation tactics has received little attention in the B2B literature.

For purposes of this article, we define negotiation tactics as specific behaviors used overtly or covertly by negotiators to move negotiations toward their desired result (Weingart et al. 1990; Narsimhan and Ungarala 2016). We use the terms style, strategy, and approach interchangeably to refer to types of interaction “used by parties in conflict to achieve resolution” (Ganesan 1993: 184).

Studies of B2B negotiation that collect data from practicing managers are rare. One study found that only 5 percent of all published studies involved practicing managers or private sector employees (Buelens et al. 2008: 332). Another study (Mestdagh and Buelens 2003: 24) reported that approximately 80 percent of published negotiation studies involve student populations. Because students negotiate differently from professionals (Fraser and Zarkada-Fraser 2002), critics have challenged the validity of those studies.

Lack of access apparently accounts for the dearth of studies involving actual practitioners: firms consider information exchanged during buyer–seller negotiations to be highly sensitive, and the reliance on student subjects reflects a lack of accessibility to real-life data (Herbst, Knöpfle, and Borchardt 2015). Because of this scarcity, the relationship between managers’ choice of negotiation tactics and negotiation strategies in buyer–seller B2B settings, as well as what influences that relationship, is not well understood.

Buyer–seller negotiations affect resource efficiency, overall firm performance, and relationship quality. Obviously, relationships between buyers and sellers affect how B2B negotiations unfold, and satisfaction with the negotiated agreement is a decisive factor in the development of future business transactions. Differences between buyers’ and sellers’ strategic negotiation approaches and tactical behaviors and how these behaviors influence long-term business relationships are thus worthy of attention. In this study, we sought to help redress the lack of research on the behavior of actual practitioners by observing negotiators who negotiate on behalf of firms on a daily basis as they engaged in real bargaining situations. Our findings enhance our understanding of the negotiation behavior of both buyers and sellers in B2B negotiations and how their chosen strategies affect their use of tactics.

Literature Review

Business-to-Business Negotiations

Research on B2B negotiations comprises an array of studies that explore negotiation behavior by sectors (e.g., Al-Khatib, Vollmers, and Liu 2007; Fleck, Volkema, and Pereira 2016; Sigurdardottir, Ujwary-Gil, and Candi 2018), by performance (e.g., Mintu-Wimsatt and Calantone 1996; Pullins

et al. 2000; Tellefsen 2006), within organizational teams (e.g., Smith and Barclay 1993; Tellefsen 2006); and with regard to organizational factors that influence the process (e.g., Michaels, Dubinsky, and Rich 1995; Katrichis 1998), power architecture (e.g., Balakrishnan, Patton, and Lewis 1993; Iyer and Villas-Boas 2003; Dukes, Gal-Or, and Srinivasan 2006), conflict or cooperation (e.g., Schurr and Ozanne, 1985; Strutton, Pelton, and Lumpkin 1993), cultural differences (e.g., Campbell et al. 1988; Mintu-Wimsatt and Calantone 2000; Fang 2006), negotiation strategies (e.g., Graham et al 1988; Perdue and Summers 1991; Ganesan 1993), negotiation tactics (e.g., Alexander, Schul, and Babakus 1991; Volkema and Fleury 2002; Reid, Pullins, and Plank 2002; Sigurdardottir, Ujwary-Gil, and Candi 2018), and ethics, morals, and trust (e.g., Elahee and Brooks 2004; Al-Khatib, Vollmers, and Liu 2007).

In B2B negotiations, negotiators typically seek to develop long-term relationships that satisfy all parties, which can fuel a successful business relationship (Sigurdardottir, Ujwary-Gil, and Candi 2018). Research suggests that negotiators' emotional intelligence correlates with the parties' trust levels, and that higher levels of trust can promote long-term relationships (Kim, Cundiff, and Choi 2014). Negotiators in consumer markets are more likely to be negotiating on their own behalf (i.e., automobile buyers) than are B2B negotiators, who negotiate on behalf of their firms and are referred to as either agents (agent to agent) or representatives (representative to representative). Stefanos Mouzas (2016) suggested that businesses should look beyond the scope of their current negotiations to consider the impact of their behaviors on their networks and future business relationships. Negotiations are rarely made in isolation, and strong relationships can be a vital component of a firm's overall performance (Miguel et al. 2014).

Face-to-Face Communications

Research suggests that factors that enhance negotiation outcomes in buyer–seller contexts include face-to-face communication (Boles, Croson, and Murnighan 2000; Harwood 2008) and flexibility and responsiveness (Lapierre 2000). Jill Purdy, Pete Nye, and P. V. Balakrishnan (2000) examined different types of communication between businesses and found that face-to-face communication was associated with greater time efficiency, outcome efficiency, and overall party satisfaction. Face-to-face communication also fosters long-term business relationships and is more likely to result in collaborative relationships (Purdy, Nye, and Balakrishnan 2000). Ability to conduct face-to-face negotiations is considered a core competence for sustaining long-term business relationships (Harwood 2008). Consequently, we believe it is important to understand the behavioral factors, such as negotiation tactics

and negotiation strategy, that drive decision making in face-to-face negotiations.

Buyer–Seller Relations

To date, studies of B2B negotiations have primarily focused on negotiation behavior in buyer–seller settings, but few have focused on the behavioral differences between buyers and sellers, and results have been contradictory. In one study, buyers primarily favored collaborative negotiation approaches, followed by competitive strategies, using accommodative and avoidant strategies the least (Perdue, Day, and Michaels 1986). But in another study, buyers used aggressive negotiation tactics including time pressure tactics to gain concessions from potential sellers (Perdue 1992). Another study found that buyers display cooperative behavior more often when they perceive the seller as trustworthy and loyal (Wu, Chen, and Chen 2016).

Sellers, on the other hand, have been found to be more successful when they exhibit demographic and personality characteristics similar to their buyers (Mathews, Wilson, and Monoky 1972). Sellers, regardless of sector, have frequently been found to use traditional competitive bargaining tactics (Sigurdardottir, Ujwary-Gil, and Candi 2018).

Finally, research has identified a significant difference between the orientations of buyers and sellers: sellers in B2B negotiations are loss-averse (more inclined to prevent loss than seek gain) and the opposite is the case for buyers (Kahneman, Knetsch, and Thaler 1990; Huang, Shi, and Wang 2008).

We have not, however, identified any studies of buyers and sellers that directly compared the behaviors of buyers versus sellers during the course of the same negotiation. Hence, our first research question is: which tactics are applied most frequently by buyers and sellers in B2B negotiations?

Negotiation Style

Researchers have identified five different broad, overall negotiation approaches (K. W. Thomas 1976; Blake and Mouton 1978; Rahim 1983): *competing*, *collaborating*, *compromising*, *avoiding*, and *accommodating*. Kenneth Thomas and Ralph Kilmann (1974) developed the Thomas–Kilmann Conflict Mode Instrument (TKI), a questionnaire used to indicate individuals' conflict behaviors (Shell 2001). The *competing* style is comparatively more power-oriented, assertive, and generally uncooperative. An example of a competing negotiator's statement from the TKI is, "I am firm in pursuing my goals." *Collaborating*, on the other hand, is both assertive and cooperative. Collaborative negotiators generally attempt to find an integrative solution that satisfies both

parties. An example of a collaborating negotiator's statement from the TKI is, "I am very often concerned with satisfying all our wishes."

The *compromising* style incorporates elements from both *competitive* and *collaborative* styles and has both dominating and integrating elements. A compromising negotiator's statement from the TKI is, "I try to find a fair combination of gains and losses for both of us." The *avoiding* style is both unassertive and uncooperative, in many ways the opposite of collaborating. Negotiators using this style sidestep issues and typically refuse to address the conflict (K. W. Thomas and Kilmann 1974; K. W. Thomas 1976), thereby satisfying none of the concerns. An example of an avoiding negotiator's statement from the TKI is "I feel that differences are not always worth worrying about." The *accommodating* style is unassertive and cooperative and can be seen as the opposite of competing. Negotiators using this style tend to neglect their own positions to satisfy the other party (K. W. Thomas and Kilmann 1974; Thomas 1976) and may even employ selfless generosity or charity. An example of an accommodating negotiator's statement from the TKI is, "I sometimes sacrifice my own wishes for the wishes of the other person."

Research in B2B negotiations (At-Twajiri 1992) has indicated that 97 percent of purchasing managers surveyed use only three styles (collaborating, compromising, and competing) when dealing with sellers. Hageen, Shahid Siddiqi, and Ahmad Tootoonchi (2007) found that sellers primarily use the collaborative style and the competitive style secondarily. Hageen, Sushilia Kedia, and Diana Oubre (2003) found that the most commonly used style among purchasing managers in Western countries is collaborative, followed by competitive. On the other hand, Lawrence Chonko (1982) studied individual negotiation style with respect to buyers and sellers and found that a competing style, also known as Machiavellianism, is a common personality characteristic among sellers. Researchers have conducted numerous studies on the negotiation behavior of purchasing managers, but few of these have compared buyers and sellers, or focused on the seller's tactical behavior. The gap in the research gave rise to our second research question: are negotiators' tactical choices within the actual B2B negotiation consistent with their expressed style preferences? Because so much research has relied on self-reported surveys of practitioners' preferred styles, we chose to analyze whether negotiators' actual behavior is consistent with their self-reported preferences.

Negotiation Tactics

As noted above, negotiation is a key B2B function (Geiger 2017), with negotiators employing varied behaviors (referred to here as tactics) throughout the negotiation process to achieve their desired outcome.

One study has shown that B2B negotiators increase the likelihood of closing a deal by displaying positive emotions (Kopelman, Rosette, and Thompson 2006), while another study found that verbally or physically disruptive behavior can be effective (Fassina and Whyte 2014). Other research has found that humor increases trust, leaving negotiators more satisfied and increasing the overall value of the negotiated agreement (Kurtzberg, Naquin, and Belkin 2009).

Our survey of the literature identified eighteen categories of tactics, which we used to inform our data gathering and analysis, to develop survey questions, and to generate the coding scheme. The categories of tactics are: *traditional competitive bargaining*, *attacking opponent's network*, *false promise making*, *misrepresentation*, *inappropriate information gathering*, *tacit bargaining*, *procedure focus*, *issue focus*, *aggression*, *assertion*, *reserve*, *progress seeking*, *option generating*, *positional information*, *restructuring*, *priority information*, *concession*, and *rejection*. For the sake of brevity, we only address in detail here those categories we actually observed in the negotiations studied.

Two categories from a taxonomy of ethical and unethical bargaining tactics compiled by Robert Robinson, Roy Lewicki, and Eileen Donahue (2000) were applicable to this study: *traditional competitive bargaining* and *attacking the opponent's network*. Traditional competitive bargaining includes such tactics as hiding the bottom line from counterparts or exaggerating demands. Research suggests that this tactic, generally considered to be ethical (Volkema 1999) is effective for extracting concessions (Elahee and Brooks 2004).

The second category from the Robinson, Lewicki, and Donahue (2000) taxonomy, *attacking the opponent's network*, comprises tactics such as trying to influence counterparts to side with one or the other negotiator, or putting a counterpart in a difficult position in relation to his or her superiors, and is generally considered unethical.

Other classifications of bargaining tactics focus on communication styles rather than ethics. These include: *tacit bargaining*, *defensive tactics*, *procedure-focused tactics*, *reserve tactics*, *progress seeking*, and *option generating*. Tacit bargaining (Schelling 1960) includes all covert communications, includes non-explicit vocalizations (i.e., dropping hints) and nonverbal expressions (i.e., gestures, facial expressions) and is often used when there is little trust between the negotiators.

Sai On Cheung, Pui Ting Chow, and Tak Wing Yiu (2009) identified tactics in the literature and ranked them according to usefulness. They found, for example, that negotiators use *procedure-focused* tactics (Rahim 2001) such as making counter-offers and offering trade-offs across issues. These common tactics help lower the counterparts' expectations.

Issue-focused tactics aim to rebuild trust through information sharing and commitment (Wong and Cheung 2005). When *aggression* or aggressive tactics are used, negotiators tend to be firm in their position and attempt to gather personally useful information about the other party.

Progress seeking tactics seek to break stalemates by, for example, focusing on time pressures by emphasizing deadlines (De Dreu and Van Kleef 2004). The last category in Cheung, Chow, and Yu's (2009) taxonomy, *option generating*, comprises tactics that help the parties identify mutually beneficial options (Walton and McKersie 1965). Mara Olekalns, Philip Smith, and Therese Walsh (1996) proposed a taxonomy of six groups of tactics they categorized broadly as either cuing or responding, including *restructuring*, *priority information*, *making concessions*, *positional information*, and *rejection*.

Research suggests that buyers and sellers in B2B settings make different tactical choices. In a study of purchasing managers, Barbara Perdue (1992) found that buyers tend to view purchasing negotiations as a competition and thus use competitive and aggressive tactics, particularly time pressure and threatening to walk away from the table. It remains unclear, however, whether the choice of negotiation tactics differs as a result of negotiation position, that is, buyer or seller, or whether it is a function of the personality of the individual manager. This unknown leads to our third research question: do buyers and sellers use different tactics?

Methodology

Because drawing results from multiple cases enhances reliability (Miles and Huberman 1994), for this study we used a multiple-case study design (Eisenhardt and Graebner 2010; Yin 2008). We observed six successful, real-life, dyadic (two-party) B2B negotiations. Participants include eight buyers and ten sellers representing twelve different companies as negotiating teams – in other words, although each negotiation comprised just two parties, the parties were sometimes represented by more than one agent.

Our qualitative research methods include both comparative analysis and frequency analysis. The firms involved were German, Danish, and Polish and represented different commercial sectors, that is, the creative sector, food retail sector, production sector, manufacturing sector, and the construction sector, as shown in Table One.

We collected the data over fourteen months. The managers represent diverse backgrounds, with several coming from a nation other than that in which they worked. Among the participants were managers from the Netherlands, Poland, Russia, Pakistan, Denmark, and Germany. The

Table One
Distribution of Participants among Industry, Experience, Position, and Negotiation Issue

Industry Sector Groups	Years of Experience in B2B Negotiations	Position	Content of the Negotiations	Number of Negotiations	Proportion of Sample (%)
Technical testing and control	26	Sellers	Technical infrastructure and creation for long-term projects	1	33
Production sector	15	Buyers			13
Manufacturing sector	7	Buyers	New machineries and spare part negotiations	3	10
Construction sector	9	Sellers			10
Creative sector	8	Sellers	Event management and creation of materials for the event	1	5
Creative sector	10	Buyers			5
Food retail sector	10	Buyers	Extension of existing supply contract for next year	1	12
Food retail sector	3	Sellers			12

negotiations were conducted in the national language of the country where both negotiators worked. The researchers observed the negotiations, which were also audio-recorded. Researchers transcribed the audio sessions, which were first translated into English by professional translators and then translated back into their original language by a bilingual research assistant to assure that no errors were made and that no content had been lost or misunderstood. We used a comparative method analysis (Ragin 2014) and in each case analyzed either the buyer(s) or the seller(s) or both.

We gathered the following information for each negotiator. 1) *Pre-negotiation survey data*. We collected this data thirty minutes to one hour before negotiations. It included personal background and organizational information, as well as a 30-item questionnaire measuring negotiation styles drawn from the TKI (see Appendix A). 2) *Researcher observation notes*. We observed every negotiation session in person. We took notes documenting the negotiation tactics actually used during the course of negotiations. 3) *Post-negotiation survey data*. We surveyed participants immediately following the negotiation regarding their use of negotiation tactics during the negotiation (see Appendix B2), as well as their attitudes toward the just-concluded negotiation (see Appendix B1). We explicitly asked negotiators to consider only the specific negotiation that they had just concluded. We analyzed the pre- and post-negotiation questionnaires using a frequency analysis by counting the frequency of the use of particular tactics, compared them, and cross-analyzed the data.

We used the TKI (Kilman and Thomas 1977) pre-survey to categorize participants into one of the five categories of conflict approaches: *competing*, *collaborating*, *compromising*, *avoiding*, and *accommodating* (Appendix A). To ensure interrater reliability, two researchers coded each transcript by the tactic and style used. Researchers also listened to the audio-recordings and made and compared their observation notes. Finally, we analyzed the pre-survey answers and compared them with the post-survey results and observation data.

Case Study and Findings

Buyers' and Sellers' Negotiation Styles

Our pre-test survey revealed that buyers' and sellers' general negotiation styles do not significantly differ, as shown in Table Two. The competing style was the most favored, followed by collaborating, but the sample size was too small to reveal any significant differences. Interestingly, none of our participants fell into the avoiding category, perhaps because people inclined to avoid negotiation do not pursue the kinds of careers that require negotiating.

Table Two
Negotiation Strategies Used by Buyers and Sellers

Pre-Tested Strategy	Buyer	Seller	Sum
Competing	4	4	8
Collaborating	3	2	5
Compromising	1	2	3
Accommodating	1	1	2
Avoiding	0	0	–

We coded the observations blindly – for example, the coders did not know which styles the negotiators had revealed in their pre-negotiation survey – to yield a more reliable result. Our observations of the actual negotiations confirmed that most participants’ behavior reflected the negotiating style she or he revealed in the pre-negotiation survey. Negotiators whose pre-negotiation survey answers indicated that they favored a compromising approach made statements congruent with this style, such as “We could perhaps consider meeting halfway between forming a partnership and simply selling our product”; “Here, unfortunately, we have to compromise. You need to set the price ceiling and then together we could see which proposals fit under it”; and “OK, let’s try it the middle way: the price won’t include maintenance.”

Many negotiators were willing to work together and to make *concessions* to find mutually beneficial solutions at later stages of the negotiations. All of the negotiators were firm in their positions and most used *aggressive* tactics at some point during the negotiation. We found, however, that to achieve a favorable outcome for both parties each eventually adopted a more *compromising* style in later phases of the negotiations. Competitive negotiators expressed their style using direct questions, firm statements, and ultimatums, including: “I don’t think I would agree to a 25 percent lower price because I am taking the responsibility for transport. So, are you going to pay the transport?”

Buyers’ and Sellers’ Use of Tactics

In this study, we saw evidence of use of thirteen of the eighteen tactical behaviors identified in the literature. The most common tactic used by both buyers and sellers was *positional information*, in which they made arguments to support their own positions and even used threats and/or promises in an effort to shift their counterparts’ positions. Out of the eighteen negotiators observed, sellers used this tactic twelve times

to direct the negotiations in their favor while buyers used it four times. Negotiators said, for example: “Yes, you have to consider that the price is 200,000€, and I will also pay for maintenance and transport” (see Appendix C for additional examples). This was the most commonly used tactic and a comparison of tactics used by buyers and sellers indicates that sellers used it much more frequently than did buyers.

Negotiators used the tactic *priority information* in which parties communicate “the information necessary for recognizing differing priorities” (Olekalns, Smith, and Walsh 1996: 76) six times during the course of the six negotiations; it was used with equal frequency by buyers and sellers. Sellers used *tacit bargaining* (silence and expressions of surprise) more often (five times) than buyers (once, silence only).

We noted that both sellers and buyers used *aggressive* tactics on eight occasions and at least one of these appeared during the course of each negotiation. Negotiators frequently aggressively interrupted their counterparts and pointed fingers at them while speaking: “We are giving you another chance to make amends,” for example.

Buyers engaged in aggressive tactics more frequently than sellers. Some buyers used reputational threats: “Yes, I am really looking forward to doing business with you in the future, but this has to be a bit, you know, it should not be one-sided; if you are an honorable business man, then I am sure you don’t want to be talked about in a negative way.” We found this surprising because of how much damage such a threat could cause for potential long-term partnerships.

Sellers made *concessions* more often toward the end of the negotiation than buyers did, often to break a stalemate. Buyers said, for example: “So I would give you ... let’s compromise, 25 percent was your suggestion; I would say 15 percent”; “You can pay me this price, and I will take care of the transport [fitting].” But we also observed that the concessions sellers made were at times less strategic and some even seemed unnecessary. For example, one seller seemed to have forgotten his previous offer, and proposed a 50 percent decrease from the price he had previously asked for.

Sellers used *rejection* four times and buyers used it three. Most commonly, negotiators claimed that their power was limited or that their “hands were tied.” For example, “But I think the budget is from the development council on this, so we have to ask them”; “Hmm you know, I need to talk about it with the guys, it’s not up to me”; “As I’ve said before, it’s not down to us anymore.” Other forms of rejection – apart from the general “No, thank you” – included cordial admissions of budget limitations: “Thank you very much; it is a nice solution, but due to some restrictions, I don’t have enough money to pay for this.” (In this last case, the offer was rejected.) Finally, we found that buyers made

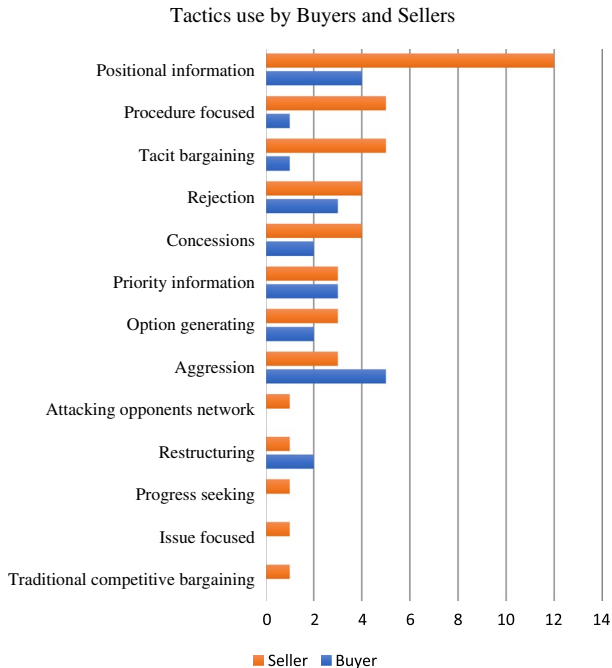
more frequent use of *aggression* and *restructuring tactics* than did sellers. Overall sellers used a much wider range of tactics. *Tacit bargaining* and *procedure-focused* behaviors were used five times by sellers but only one time by buyers (Figure One).

The Impact of Negotiation Style on Negotiation Tactics

We grouped the negotiators according to their negotiation styles as indicated by their responses to the TKI pre-negotiation questionnaire. The negotiation styles that we observed matched the negotiators’ assessments of their negotiating styles 79 percent of the time.

Among the tactics we observed (see Table Two), the tactic known as *positional information* was used most often, significantly more often than any other tactic. *Aggressive tactics* were used frequently; these included frequent interruptions, direct confrontations, or statements indicating that the negotiator had reached the limit of his or her willingness to continue negotiating. For example, “So why won’t you lower the price?”; “No, I told you that you will take care of that yourself. I cannot

Figure One
Tactics Used by Buyers and Sellers



offer you that plus the discount: the transport and maintenance must be your responsibility.” Negotiators also employed aggressive tones of voice, leading researchers to label as aggressive phrases that might otherwise seem neutral, for example: “You have to understand that I would also like to know what to expect in order to be able to offer you a good deal.”

Our observations revealed that *compromising* negotiators were more likely to use *tacit bargaining* and *procedure-focused* tactics. Negotiators with a *competing* style, on the other hand, were more likely to use *option generating*, *concessions*, and *rejection*. *Option generating* and *concession* tactics are associated with integrative approaches, so we found this result surprising.

Overall, we found no significant correlation between the styles that participants indicated they preferred in the pre-negotiation survey and the actual tactics they used. In fact, we note that, irrespective of the negotiators’ stated strategy, for example, all used *positional information* or *priority information* tactics. The tactics we observed are summarized in Table Three.

Finally, we asked participants during the pre-negotiation survey to indicate the percentage of time in their daily work routine that they spend negotiating. Participants indicated that the average amount of time they spent negotiating was 25 percent, which is consistent with the literature (Hendon, Henson, and Herbig 1999; Kumar, Rai, and Pati 2009).

Discussion and Theoretical Implications

Our first research question was: Which tactics do buyers and sellers use in B2B negotiations? Notably, we found that positioning, rejection, and aggressive tactics were used more frequently, which challenges the idea that B2B negotiations favor tactics that promote long-term relationships. The frequent use of positional information suggests buyers and sellers perceive their B2B negotiations as distributive exchanges rather than opportunities for integrative bargaining and value creation. Indeed, price negotiations are mostly distributive in their nature and finding integrative solutions can be a challenge. The use of these tactics is consistent with our finding that many of the participants expressed a preference for either the competitive or compromising style, both of which require assertiveness.

We also asked whether negotiators’ expressed style preferences were consistent with their tactical behaviors within the actual B2B negotiation. Overall, we found only limited differences in the tactics employed by those who expressed a preference for the competing and

Table Three
Observed Tactics and Negotiation Styles

Found in the Observation	Accommo- dating	Collabo- rating	Compe- ting	Compromising	Sum	Usage
Positional information	2	4	4	4	14	Broadly used
Aggression	2	0	3	2	7	Broadly used
Tacit bargaining	0	1	1	3	5	Mainly used by compromising
Rejection	1	1	2	1	5	Mainly used by competing
Procedure-focused	0	0	1	4	5	Mainly used by compromising
Option generating	0	1	3	1	5	Mainly used by competing
Concessions	1	0	3	1	5	Mainly used by competing
Priority information	2	1	1	1	5	Broadly used
Restructuring	0	1	1	1	3	Broadly used
Issue-focused	0	0	0	1	1	Little used
Progress seeking	0	0	0	1	1	Little used
Attacking opponents' network	0	0	1	0	1	Little used
Traditional competitive bargaining	0	0	0	0	0	Not used
Total	8	9	20	20	57	

Note: Because no participants fell into the avoiding category, we do not include it in Table Three.

the compromising styles. A possible explanation is that participants are not aware of the full range of tactics available to them and the impacts of using them, reflecting perhaps insufficient negotiation training. Alternatively, the similarity between tactics used by negotiators who professed a preference for competing styles and those who prefer compromising styles may be due to the differences between buy–sell negotiations – which are typically inherently distributive – and other types of negotiations that offer more opportunities for trade-offs. Determining this, however, would require research that differentiated negotiation types, for example via producing a morphology of negotiation types and their associated strategies and tactics.

We found a limited correlation between the styles that participants claimed to prefer in the pre-negotiation surveys and the actual tactics they used during the course of negotiations. This may indicate that they lacked sufficient skill to fully implement the tactics that embodied their preferred strategies. It is also possible that buyer–seller negotiations are characterized by particular routines and underlying rules that require participants to adapt their overall strategy during the course of negotiation.

Finally, our third question was: how do buyers' and sellers' tactics differ? We generally observed that sellers use a greater variety of tactics. In particular, they used positional information, tacit bargaining, and procedure-focused tactics significantly more often than buyers, perhaps because such negotiation concepts as framing and anchoring are better known among sellers. Buyers used aggression and priority information tactics more often, which suggests that they may take a stronger distributive view of the overall situation.

We did not examine, however, the impact of differing levels of negotiation power on the use of tactics. The use of rejection tactics may reflect greater power – a seller or buyer who perceives that she has better alternatives may be more inclined to reject knowing that she can more easily walk away. We also did not consider or control for other relevant sources of negotiation power, such as information, time, status, or outside threatening potential (Eichstädt, Hotait, and Dahlen 2017; Galinsky, Schaerer, and Magee 2017).

Our findings suggest that assertive negotiation tactics and competitive negotiation styles play a pivotal role in B2B negotiations, which supports some existing research (Saorin-Iborra and Cubillo 2018). The overall weak correlation between negotiators' preferred styles and the tactics they actually used suggest that negotiators are not always fully aware of how to implement their own preferred strategies, which suggests they have received insufficient negotiation skills training. In a recent study, Uta Herbst and Markus Voeth highlighted a lack of systematic

negotiation training in Germany (2018). They reported that 70 percent of all respondents had received no negotiation training. In addition, 62 percent of the surveyed executives stated that they had not been prepared by their employer for upcoming negotiation proceedings (Herbst and Voeth 2018). Insofar as companies and managers have preferences for specific negotiating approaches, they should make their buyer and seller negotiators aware of these priorities.

Limitations and Future Research

This study is unusual in that it gathered qualitative data from real-life B2B negotiations. The small sample size does represent a significant limitation, however; it would require repeating the study on a larger scale to conduct a statistically significant quantitative data analysis.

This study has shown that competitive negotiation strategies and assertive tactics occur frequently in real-life B2B negotiations. In addition, the results suggest that sellers and buyers may prefer different tactics, although we don't know whether these differences have any significance because of the small sample size. Additional research could not only confirm the differences between buyers' and sellers' tactics but could also further differentiate between behaviors according to specific negotiation situations and be used to develop a corresponding morphology that could reveal correlations between particular negotiation situations and strategies. In addition, the relationship between different levels of negotiation power and negotiation tactics deserves greater attention. Negotiators' deviations from their stated preferred negotiation approaches could reflect that they found themselves in a less or more powerful situation than they initially anticipated.

Although many negotiators professed to favor a compromising style and tactics, we found that many of them in fact employed competitive strategies and tactics – despite the fact that the use of competitive tactics may jeopardize long-term business relationships, which are highly valued in B2B settings. Our qualitative findings suggest that additional research into competitive behavior in B2B settings could be enlightening, particularly research that identifies which tactics are most effective when negotiators favor a given negotiation approach. Additional research that investigates the extent to which demographic factors such as age and experience affect negotiators' selection of tactics could also be instructive.

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Appendix A. Pre-Questionnaire

Thank you for agreeing to participate in this research. Please answer all the questions to the best of your knowledge and keep in mind that there are no right or wrong answers. Please circle your answers or write where appropriate. Completing the survey should take about ten minutes.

Please answer the following background questions:

Please answer the following background questions:

1. Gender?

a. Male b. Female

2. Age? _____

3. Migration background (e.g. mother/father or grandparents from different country)

a. No b. Yes

i) (Please elaborate): _____

4. Have you lived abroad?

a. Yes b. No

i. If yes, how many years in total _____

ii. In how many countries _____

5. Highest degree of education? _____

6. How many siblings do you have? _____

The following questions are related to you and the company you work for:

1. In what year was the company founded? _____

2. Did the company operate at a profit or a loss in 2014? _____

3. What was the company's turnover in 2014? _____

4. What is your position in the company? _____

5. For how many years have you been in this position? _____

6. For how many years have you worked for the company you currently work for?

7. How many years of working experience have you in working in the same sector as the company you currently work for? _____

8. What are the main activities within the company you work for? (E.g. banking, marketing, technology, retail etc.) _____

9. How many employees work for the company? _____

10. How many of them are your subordinates?

a. _____ b. None

Consider situations in which you find your wishes differing from those of another person.

How do you usually respond to such situations?

On the following pages are several pairs of statements describing possible behavioral responses. For each pair, please circle the "A" or

“B” statement, which is most characteristic of your own behavior. In many cases, neither the “A” nor the “B” statement may be very typical of your behavior, but please select the response which you would be more likely to use.

- 1 A. There are times when I let others take responsibility for solving the problem.
 B. Rather than negotiate the things on which we disagree, I try to stress those things upon which we both agree.
- 2 A. I try to find a compromise solution.
 B. I attempt to deal with all of another’s and my concerns.
- 3 A. I am usually firm in pursuing my goals.
 B. I might try to soothe the other’s feelings and preserve our relationship.
- 4 A. I try to find a compromise solution.
 B. I sometimes sacrifice my own wishes for the wishes of the other person.
- 5 A. I consistently seek the other’s help in working out a solution.
 B. I try to do what is necessary to avoid useless tensions.
- 6 A. I try to avoid creating unpleasantness for myself.
 B. I try to win my position.
- 7 A. I try to postpone the issue until I have had some time to think about it.
 B. I give up some points in exchange for others.
- 8 A. I am usually firm in pursuing my goals.
 B. I attempt to get all concerns and issues immediately out in the open.
- 9 A. I feel that differences are not always worrying about.
 B. I make some effort to get my way.
- 10 A. I am firm in pursuing my goals.
 B. I try to find a compromise solution.
- 11 A. I attempt to get all concerns and issues immediately out in the open.
 B. I might try to soothe the other’s feelings and preserve our relationship.

-
- 12 A. I sometimes avoid taking positions, which would create controversy.
B. I will let another have some of their positions if they let me have some of mine.
- 13 A. I propose middle ground.
B. I press to get my points made.
- 14 A. I tell another my ideas and ask them for theirs.
B. I try to show him the logic and benefits of my position.
- 15 A. I might try to soothe the other's feelings and preserve our relationship.
B. I try to do what is necessary to avoid tension.
- 16 A. I try not to hurt the other's feelings.
B. I try to convince the other person of the merits of my position.
- 17 A. I am usually firm in pursuing my goals.
B. I try to do what is necessary to avoid useless tensions.
- 18 A. If it makes the other person happy, I might let them maintain their views.
B. I will let the other person have some of their positions if they let me have some of mine.
- 19 A. I try to get all concerns and issues immediately out in the open.
B. I try to postpone the issue until I have had some time to think it over.
- 20 A. I attempt to immediately work through our differences.
B. I try to find a fair combination of gains and losses for both of us.
- 21 A. In approaching negotiations, I try to be considerate of the other person's feelings.
B. I always lean toward a direct discussion of the problem.
- 22 A. I try to find a position that is intermediate between mine and another person's.
B. I assert my wishes.
- 23 A. I am often concerned with satisfying all my wishes.
B. There are times when I let others take responsibility for solving problems.

-
- 24 A. If the other's position seems important to them, I would try to meet their wishes.
B. I try to get the other person to settle for a compromise.
- 25 A. I try to show the other person the logic and benefits of my position.
B. In approaching negotiations, I try to be considerate of the other person's wishes.
- 26 A. I propose a middle ground.
B. I am nearly always concerned with satisfying all my wishes.
- 27 A. I sometimes avoid taking positions that would create controversy.
B. If it makes the other person happy, I might let them maintain their views.
- 28 A. I am usually firm in pursuing my goals.
B. I feel that differences are not always worth worrying about.
- 29 A. I propose middle ground.
B. I feel that differences are not always worth worrying about.
- 30 A. I try not to hurt the other person's feelings.
B. I always share the problem with the other person so that we can work it out.

Appendix B1. Post-Questionnaire on Participants' Attitude

You are asked to assign a rating to each question evaluating how appropriate you considered it to use these tactics based on the just concluded business negotiations. Based on the following scale:

- | | | | | | | |
|------------------------|---|----------------------|---|---|------------------|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| not at all appropriate | | somewhat appropriate | | | very appropriate | |

Question**Rating**

1. Promise that good things will happen to your opponent if s/he gives you what you want, even if you know that you can't (or won't) deliver these things when the other's cooperation is obtained.
2. Intentionally misrepresent information to your opponent in order to strengthen your negotiating arguments or position.
3. Attempt to get your opponent fired from his/her position so that a new person will take his/her place.
4. Intentionally misrepresent the nature of negotiations to your constituency in order to protect delicate discussions that have occurred.
5. Gain information about an opponent's negotiating position by paying your friends, associates, and contacts to get this information for you.
6. Make an opening demand that is far greater than what you really hope to settle for.
7. Convey a false impression that you are in absolutely no hurry to come to a negotiated agreement, thereby trying to put time pressure on your opponent to concede quickly.
8. In return for concessions from your opponent now, offer to make future concessions that you know you will not follow through on.
9. Threaten to make your opponent look weak or foolish in front of a boss or others to whom s/he is accountable, even if you know that you won't actually carry out the threat.
10. Deny the validity of information which your opponent has that weakens your negotiating position, even though that information is true and valid.
11. Intentionally misrepresent the progress of negotiations to your constituency in order to make your own position appear stronger.
12. Talk directly to the people who your opponent reports to, or is accountable to, and tell them things that will undermine their confidence in your opponent as a negotiator.
13. Gain information about an opponent's negotiating position by cultivating his/her friendship through expensive gifts, entertaining, or "personal favors."
14. Make an opening demand so high/low that it seriously undermines your opponent's confidence in his/her ability to negotiate a satisfactory settlement.

Question**Rating**

15. Guarantee that your constituency will uphold the settlement reached, although you know that they will likely violate the agreement later.
 16. Gain information about an opponent's negotiating position by trying to recruit or hire one of your opponent's teammates on the condition that the teammate bring confidential information with him/her.
-

Appendix B2. Post-Questionnaire on Participants' Use of Tactics

Please rate each statement on how you handled the negotiation you just finished. Please indicate to what extent you agree or disagree with the following statement according to the scale below. Based on the following scale:

- | | | | | | | |
|----------|---|---------|---|---|---|----------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| disagree | | neutral | | | | strongly agree |
-

Question**Rating**

1. In the negotiation, I try to be considerate of the other person's wishes.
2. There are times when I let others take responsibility for solving the problem.
3. I attempt to get all concerns and issues immediately out in the open.
4. I try to win my/our position.
5. I try to get the other person to settle for a compromise.
6. I make some effort to get my way.
7. I try to find a position that is intermediate between his/her and mine/ours.
8. In the negotiation I always share the problem with the other person so that we can work it out.
9. I try to postpone the issue until I have had some time to think it over.
10. I might try to soothe the other's feelings and preserve our relationship.
11. I feel that the differences in the negotiation were not always worth worrying about.

Question**Rating**

12. If it makes other people happy, I might let them maintain their views.

13. I always lean toward a direct discussion of the problem.

14. I am firm in pursuing my/our goals.

15. I propose a middle ground.

How satisfied are you with the negotiation and the results? Based on the following scale:

1 2 3 4 5 6 7
very dissatisfied somewhat satisfied very satisfied

1. How satisfied are you with this negotiation?

2. How satisfied are you with the results of this negotiation?

Appendix C

Classified Tactics	Quotations from Representatives	Case Number
Traditional competitive bargaining	“First offer: a split between three parties to finance the project where X and Y get ownership but no money. Second offer: as X and Y did not agree and wanted 750 000 PLN payment and ownership, which was agreed.”	3
Attacking opponent’s network	S: “Yes, I am really looking forward to do business with you in the future, but this has to be a bit, you know, it should not be one-sided, if you are an honorable business man, and I am sure you don’t want to be between the teeth of people.”	14

Classified Tactics	Quotations from Representatives	Case Number
Tacit bargaining	<i>Facial expressions; use of silence</i>	1, 2, 3, 15, 16
Procedure-focused	<p data-bbox="388 314 824 401">“I understand you, but if you want to include the maintenance, then we need to cut off the discount.”</p> <p data-bbox="388 427 808 574">“Here, unfortunately, we have to compromise - you need to set the price ceiling and then we could together see what ideas fit under it.”</p> <p data-bbox="388 600 831 748">“Well, we’ve been doing the maths, and we’ve been thinking about your offer (40,000€). Should no problems arise, including the service fee, we offer 37,500€.”</p> <p data-bbox="388 774 833 982">“I won’t overlook the fact that, from a business point of view, it would probably be easier for us just to create and sell the content by ourselves, but this is not crossing the partnership option out of the picture.”</p> <p data-bbox="388 1008 799 1121">“Just to summarize, this includes the whole solution. The second option would be a monthly fee, right?”</p> <p data-bbox="388 1147 821 1329">“I think, in comparison with the prices we currently have and what we’ve done, that you should take another look at our offer. Well, in our opinion, that’s what we can give.”</p>	1, 4, 9, 14, 18
Issue-focused	<p data-bbox="388 1347 819 1564">“We would want to get involved in the start and deliver everything you need ... We are very open ... For us, it’s so much fun, and we love what we do, so it would be great if we could enter into some kind of partnership.”</p>	1

Classified Tactics	Quotations from Representatives	Case Number
Aggression	<p>“You have to understand that I would also like to know what to expect in order to be able to offer you a good deal ... But those are things we aren’t currently able to predict.”</p> <p>“We have received two further offers. But as we have worked together before ...”</p> <p>“As I mentioned before, we do still have two further negotiations coming up. I will be expecting a revised offer from you, maybe in the next couple of days, even so that we can get started. That’s if we can agree to something.”</p> <p><i>Use of interruption</i></p> <p>“We are giving you another chance to make amendments.”</p> <p>“As I’ve said before, it’s not down to us any more. It’s coming from Verden, where the people are saying things like ‘no, thinner production control or production optimization could be quicker—or whatever.’”</p> <p>“As said before, and we said, well, we had an internal discussion. Some people said we should just carry on with those, but we would like to start a competition so that every provider has the opportunity to see how they’d be able to further develop their product.”</p>	5, 9 ,10, 15
Progress seeking	“Let’s say we have an hour.”	2
Option generating	“We are concerned about ...”; <i>negotiators remain firm on their position.</i>	1, 14, 15, 16

Classified Tactics	Quotations from Representatives	Case Number
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Positional information

“Oh, then I’ve said too much again, so I think we are still bargaining with you.”

“Should we also think about additional bullet points when it comes to education content as well?” and “We are now brainstorming just about one to three pretty basic sets.” ... “Today let’s just think about feasible scenarios for the upcoming future.”

“So, let’s do it this way: you pay the price, but you can deduct the cost of transporting the product to you, and if you buy a new one, you would have to pay more. So, you get this price from me, excluding or deducting the cost of transporting it to you.”

“Then we only have to cut down on the costs.”

Negotiator directs the conversation to the form, avoids talking about the price. 1, 2, 3, 10, 11, 13, 14, 15, 16, 18

“As I’ve said before, if you decide to accept our offer, it will take one to two weeks for the boiler to arrive.”

“Because we have certain production going on, and I don’t want it to stop, so actually it is important for us to get it delivered as soon as possible”; “if you can deliver it very, very quickly, let’s say next week, I will pay, I am prepared to pay as much as you paid for it when you bought it new”; “yep, but you will have to deliver it really fast ... 200,000€.”

Classified Tactics	Quotations from Representatives	Case Number
	<p>“I can sell it to you for 200,000 euros.” ... “So we make a deal of 200,000 euros? I will pay you back all the costs of transporting it, or I will be responsible for transporting the goods to you.” ... “Yes, you have to consider that the price is 200,000 and I also pay for maintenance and transport.”</p>	
	<p>“I have more business in the future.”</p>	
	<p>“I said something earlier, and it seems to have gone unnoticed. I’d like to add something regarding the ... because the deeper you draw the bottom part of the product, the thinner the foil becomes you see, our product has a singular foil strength all the way through, which you just don’t have with a deep-drawn product.”</p>	
	<p>“We haven’t had any problems to be honest.”</p>	
	<p>“The chimney sweep is not included in the offer, but I’m sure we can talk about that later.”</p>	
	<p><i>Negotiator placed arguments in support of own position various times.</i></p>	
	<p>“Add universities to the topic.”</p>	
	<p>“Are you saying that no more is possible? There’s not more to expect?” (<i>asking for lower price</i>)</p>	
	<p>“So, if we were to say, we’ll write a contract within the next year, the coming 6 months or something like that, where would that get us? Are we heading toward 15 cents per kilo next year?”</p>	

Classified Tactics	Quotations from Representatives	Case Number
Restructuring	<p>“I said something earlier, and it seems to have gone unnoticed. I’d like to add something regarding the ... because the deeper you draw the bottom part of the product, the thinner the foil becomes ... you see, our product has a singular foil strength all the way through, which you just don’t have with a deep-drawn product.”</p>	
	<p>“Well, then let’s just start with the shape. Right?”</p>	
	<p>“You will have a guarantee that next projects will also be going to you and not any other company.”</p>	
Priority information	<p>“That is why we would perhaps like to gain a bit more insight into your perspective.” “What is dependent on what?” “I think that would allow us to get closer to the matter of cost, and I assume that for you it might be the main consideration prior to making a decision.” “[C]an you tell me a little bit more about that?”</p>	1, 11, 13
	<p>“... so why don’t you lower the price?”</p>	
Priority information	<p>“I need to know approximately how much money we would have to spend on 2–3 sets, and how much time it would take to create it.”</p>	3, 9, 10, 11, 15
	<p>“How do you imagine our cooperation? What would you feel good about and what would be the thing that you would not necessarily feel comfortable with?”</p>	

Classified Tactics	Quotations from Representatives	Case Number
	<p>“Can we be sure that you have chosen one of the cheaper boilers?”; “but for us it would be important to know how much the whole thing is going to cost us, or that double the amount will be added under additional cost.”; “You provided us with an offer for 40,800€. Is that the full price including the boiler?”</p> <p>“Well, I think it’s a good price for a boiler and suits your needs.”</p> <p>“For me the question arises on what’s still possible. Where will we go price-wise?”</p> <p>“Have you tried to get rid of it before?”</p>	
Concessions	<p>“Ok, to try to move a bit forward here, I could take out some things from my excel sheet in order to show you how we see the first phase of the project from the financial point of view”; <i>negotiator agreeing to the counterpart’s counter-offer from just ownership to payment (750,000 PLN) and ownership.</i></p>	3, 9, 10, 14, 15
Rejection	<p>“You can pay me this price, and I will take care of the transport [fitting]</p> <p>“So, I would give you ... let’s go the middle way: 25 percent was your suggestion; I would say 15 percent.”</p> <p>“Personally, I think anything below 40,000€ will be critical.”</p> <p>“I think we would be able to strike a deal at 39,000€.”</p>	4, 5, 9, 10, 13, 15, 16

Classified Tactics	Quotations from Representatives	Case Number
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Negotiator offers significantly higher price than before (6 compared to 15, without counterpart asking for it).

“But I think the budget is from the Council of Development for this, so we have to ask them.”

“Hmm you know, I need to talk about it with the guys; it’s not up to me.”

“It’s definitely understandable that we can’t ask you to provide so much money up front.”

“Everything below that [40,000€] I will have to discuss with my colleague who ... is my boss. Personally, I think anything below 40,000€ will be critical”;
“That’s just the way it is. We are an ordinary business, so we don’t have a lot of storage facilities ... we will only buy it once you’ve confirmed our offer.”

“Thank you very much, it is a nice solution. Umm ... due to some reasons, I don’t have that much money to pay for this.”

“Yes, we really should do that. Until then, judging by what I’ve heard, we’re done on the subject corners.”

“Ah well, yes. We are still bargaining away. As I’ve said before, it’s not down to us any more.”
