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Pay to Walk Away: Prevention Buyers Prefer to Avoid Negotiation

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Abstract

In bargaining, buyers aim to spend as little money as they can on the items they seek to purchase. Compared to promotion-oriented people, prevention-oriented people seek to avoid losses rather than to secure gains. Employing different negotiation scenarios, three lab experiments tested the prediction that prevention-oriented buyers would thus display higher negotiation aversion than promotion-oriented buyers. Results showed that prevention-oriented people in the role of a potential buyer were willing to accept lower monetary compensation to refrain from entering the negotiation and were more likely to exit the negotiation when such an opportunity was presented to them. We discuss these findings and their contribution to our understanding of how regulatory focus influences consumers' economic decisions.

Keywords: Negotiation, Regulatory focus, Endowment effect

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Pay to Walk Away: Prevention Buyers Prefer to Avoid Negotiation

People spend money on goods they need or desire. At times, negotiating the price of such objects is possible, allowing people to pay less and get more. Daily experience and most negotiation research indicate that negotiation allows parties to build stronger relationships and craft mutually beneficial deals (Bazerman, Curhan, Moore, & Valley, 2000; De Dreu, 2010; Halevy, 2008). These potential benefits notwithstanding, people frequently avoid negotiation (Shalvi, Handgraaf, & De Dreu, 2011a; Small, Gelfand, Babcock, & Gettman, 2007) or opt to exit negotiation situations as soon as they can (Brooks & Schweitzer, 2011; Giebels, De Dreu, &Van De Vliert, 2000; see also Dana, Cain, & Dawes, 2006). But what leads people to avoid negotiation? Why do some people feel a desire to negotiate whereas others seek to avoid social exchange interactions even at a personal cost? These are the questions we address in the current work. We postulate that people's regulatory focus orientation—their chronic desire to avoid losses or to secure potential gains (prevention vs. promotion, respectively; see Higgins, 1997)—affects their desire to negotiate. We hypothesize and show that when prevention-oriented people (rather than promotion-oriented people), are making buyer (rather than seller) decisions they feel averse to the possibility of engaging in a price negotiation. In such settings, they prefer to avoid the negotiation setting altogether, or exit it when possible.

Negotiation aversion: Avoiding and exiting decisions

Research on the conditions leading people to avoid negotiating with others, or to not continue the negotiation once it has started, has begun to develop in recent years.

Small, Gelfand, Babcock, and Gettman (2007) found, for example, that framing an interaction as an opportunity to negotiate (rather than to ask) makes women less likely to engage in negotiation compared to men, a tendency based on women's relatively lower power perceptions. Similarly, negotiators primed to recall a situation in which others had control (power) over their own outcomes were more likely *not* to make the first offer compared to people who were primed to recall a situation in which they had control over others (Magee, Galinsky, & Gruenfeld, 2007). Finally, anticipating reduced levels of happiness during the negotiation process leads people to avoid negotiating (Kong, Tuncel, & Parks, 2011), and feelings of nervousness increase the likelihood that people will exit a negotiation soon after it started (Wood & Schweitzer, 2011).

From a bird's eye perspective, it stands to reason that the tendency to switch between entering and avoiding social exchange situations is an evolutionarily stable strategy. It allows individuals to enter settings in which they are less likely to be exploited (when cooperation levels in the group are high), and to avoid settings in which they are likely to be exploited by their counterparts (when defection levels in the group are high; Hauert, De Monte, Hofbauer, & Sigmund, 2002; Semmann, Krambeck, & Milinski, 2003). Interestingly, negotiation avoidance depends not only on the desire not to be exploited, but also on the ability to exploit the counterpart. Specifically, Shalvi et al. (2011a) found that due to people's desire to maintain a positive and honest self-view, they avoid ultimatum bargaining situations (Güth, Schmittberger, & Schwarze, 1982) which allow them to propose offers that, due to an information advantage (Kagel, Kim, & Moser, 1996; Pillutla & Murnighan, 1995; see also Koning, Steinel, van Beest, & van

Dijk, 2011) seem fair to their counterparts despite actually being unfair. These findings suggest that situational factors, such as power (as reflected also in gender differences; Small et al., 2007) or the structure of the interdependency between the parties, influences people's decisions of whether to avoid negotiation, or to exit the negotiation once it has begun. Here, we develop a self-regulatory perspective to negotiation aversion focusing on how chronic prevention versus promotion tendencies affects people's decisions to avoid and exit negotiations.

Buying vs. selling a good

Regulatory focus theory distinguishes between two different orientations people adopt to attain desired end goals: preventing losses (prevention) versus securing gains (promotion; Higgins, 1997). In negotiation, parties exchange goods in return for other goods or money. Focusing on settings in which goods were exchanged with other goods (as when two sellers meet to discuss the possibility of exchanging items they possess), Liberman and colleagues (Liberman, Idson, Camacho, & Higgins, 1999) found that, compared to promotion-oriented people, prevention-oriented people were less likely to switch an object they originally received with another object offered to them as an alternative. This behavior was explained by prevention-oriented people's preference for stability over change.

Although some negotiations indeed require parties to exchange goods between them (i.e., bartering), many transactions concern determining the monetary amount that should be paid by a buyer in exchange for a good owned by the seller (Bazerman et al., 2000). In such cases, the focal point of the negotiation is the price of the good (see Appelt

et al., 2009; 2010) – buyers seek to pay as little money as possible whereas sellers seek to receive as much money as possible. That is, the role of a buyer centers around a loss/non-loss frame whereas the sellers role centers around a gain/non-gain frame (see Appelt et al., 2009; Carmon & Ariely, 2000; De Dreu, Carnevale, Emans, & van de Vliert, 1994; Neale, Huber, & Northcraft, 1987). As demonstrated empirically by Monga & Zhu (2005), in such price-emphasizing negotiations, the focus is money, whether attaining it or maintaining it.

Consider, for example, buyers pondering whether to enter a negotiation over a potential purchase of a product, say a mug, using the €5 note they may have in their pocket at the time. These buyers are likely to perceive the situation as one in which they can have a maximum loss of €5 and a minimum loss of €0, and are likely to strive to minimize their potential loss of money as much as they possibly can. By contrast, sellers in this situation are likely to perceive the situation as one in which they can receive a maximum gain of €5 and a minimum gain of €0. The theory we advance here suggests that, due to buyers' tendency to apply loss vs. non loss frames (Monga & Zhu, 2005), there is a fit between prevention orientation and the buyer role (and not the seller role). This fit intensifies these negotiators' aversion to entering a negotiation situation that might lead them to losing their money. This logic is grounded in the extensively documented finding that losses loom (about two times) larger than gains (Kahneman & Tversky, 1979). Accordingly, prevention-focused individuals placed in a role centering on losing vs. not losing should display stronger aversion to entering a situation that may lead them to lose their money compared to promotion-focused individuals placed in a role

focusing on gaining vs. not gaining who are considering entering a situation in which they may gain some money. We thus predict that the regulatory focus effect on negotiation aversion will be stronger for buyers than for sellers.

Recent work on price-emphasizing negotiations provided initial evidence supporting the idea that regulatory focus has differential effects on negotiators' decisions and performance as a function of their negotiation roles (buyer vs. seller). Specifically, prevention-oriented buyers (but not sellers) were less likely to reach an agreement compared to promotion-oriented buyers because of their stronger desire to avoid losing money (Appelt, Zou, Arora, & Higgins, 2009). Further indirect support to this line of reasoning comes from work suggesting that buyers making materialistic purchasing decisions are more likely to regret actions (buyer's remorse) than inactions (missed opportunities; Rosenzweig & Gilovich, 2011), a tendency matching prevention-oriented people's preference for inaction over action (Förster, Higgins, & Idson, 1998) and stability over change (Liberman et al. 1999). Taken together, we propose that in price-emphasizing negotiations the effects of regulatory focus on the preference to stay with one's initial endowment should show up more strongly among buyers (whose main task is to keep as much of their money as they can) than among sellers (whose main task is to get as much money as they can). The higher desire to avoid entering the loss/non-loss situation for prevention oriented people should translate into a willingness to accept less monetary compensation in order to avoid negotiation.

We provided participants in three experiments with a way to avoid (or leave) a price-emphasizing negotiation. In these experiments we either asked people to indicate to

what extent they would like to negotiate or provided them with a way to leave the negotiation after it began. In all studies we tested our main prediction: in price-emphasizing negotiations (i.e., negotiations in which one side supplies goods and the other pays for them), the relation between negotiators' regulatory focus orientation and their negotiation aversion will be stronger for buyers than for sellers. Specifically, we predict that prevention-oriented buyers will avoid and exit negotiations more than promotion-oriented buyers. Testing this prediction not only for negotiation avoidance but also for negotiation exiting behavior allowed a conservative test for the negotiation aversion prediction. This is because exiting an on-going negotiation demonstrates that negotiation aversion is strong enough to overcome prevention people's reduced willingness to take action (Förster et al. 1998) and preference for stability over change (Liberman et al., 1999).

Overview of Experiments

In three studies we measured participants' regulatory focus using the *Regulatory Focus Questionnaire* (RFQ; Grant & Higgins, 2003; Higgins et al., 2001). In the first experiment we employed a single-issue distributive buyer-seller negotiation in which participants assumed the role of either buyer or seller. We measured negotiation aversion by asking participants to indicate the minimum amount of money they would be *willing to accept* (WTA) in order to avoid negotiating. Lower WTA means a higher desire not to negotiate - that is, negotiation aversion. In the second experiment we employed the same scenario, this time financially incentivizing participants by providing buyers with €5 and sellers with a mug (i.e., a real rather than hypothetical negotiation). Finally, in

Experiment 3, we employed a multi-issue computer negotiation simulation, and confronted buyers with pre-programmed sellers. We manipulated the sellers' offer strategy to be more or less tough and assessed negotiation aversion by the buyers' (i.e., the participants') decision of whether to continue negotiating (or not) after the first three rounds of offers. Manipulating the seller's strategy allows testing whether prevention buyers' tendency to exit the negotiation will be amplified when it becomes clear that attaining the goal of keeping one's money is (vs. not) likely to fail. Obtaining such evidence, that prevention oriented buyers exit negotiations more when facing a tough counterpart, will provide strong evidence for the proposed process, namely prevention oriented buyers' desires to keep as much of their money as they possibly can.

Experiment 1

Experiment 1 was designed to test our main prediction that regulatory focus impacts buyers' (but not sellers') tendency to avoid negotiation. We reasoned that when considering a negotiation setting in which the buyers' task is to spend as little money as possible in order to successfully achieve their goal, people who are chronically inclined to attempt to prevent losses (i.e., prevention-oriented people) would be more likely to seek alternatives to the negotiation than people who are chronically inclined to attempt to secure gains (promotion-oriented people). For those who do not possess money, but rather a good (i.e., sellers) we did not expect to find an effect of regulatory focus on the desire to avoid negotiation.

Design and Procedure. Sixty first year students at the University of Amsterdam (32 females) participated for course credit. Regulatory focus orientation was measured

with the RFQ. We focused our investigation on participants' predominant chronic regulatory focus, that is whether their chronic orientation leans toward prevention or promotions. To do so, we subtracted the prevention scores from the promotion score leading to a scale with high values indicating promotion orientation and low values indicating prevention orientation (see similar approach by Appelt et al., 2009, 2010; Cesario & Higgins, 2008).

Next, participants were instructed to imagine themselves in a situation in which they would be given the option to negotiate the purchase (sale) of a coffee mug. Participants were then randomly assigned to negotiation roles. Buyers were instructed to imagine being given €5 and to pay as little as possible when negotiating for the mug. Sellers, on the other hand, were instructed to imagine themselves as owners of a mug and to get as much money as possible when selling it. The main dependent variable measured the willingness to avoid negotiation by asking participants: "What is the minimum amount of Euros you are willing to accept in order to avoid negotiation altogether?" It was further clarified to buyers (sellers) that the hypothetical amounts they indicated in order to avoid negotiating with the seller (buyer), would be given to them after they returned the €5 (mug) to the experimenter. Thus, the lower the minimum WTA amount, the higher the participants' desire to avoid negotiation.

Results. A General Linear Model with our dichotomous manipulation (Role: buyer vs. seller) as between-subjects factor and Regulatory Focus as a continuous between-subjects moderator and minimum WTA to avoid negotiation as the dependent variable revealed a main effect of role, F (1, 59) = 4.95, $p < .05$, $\eta^2 = .08$. Buyers

demanded fewer Euros (M = 3.18, SD = 1.42) than sellers (M = 3.41, SD = 0.82) to avoid negotiating. The effect for regulatory focus was not significant, F (1, 59) = .29, *ns.* Importantly, the predicted interaction effect between negotiators' regulatory focus and their role was significant, F (1, 59) = 4.74, $p < .05$, $\eta^2 = .08$. As can be seen in Figure 1 (using a median split to ease interpretation of the simple effects), prevention-oriented buyers demanded fewer Euros (M = 2.73, SD = 1.59) to avoid negotiation compared to promotion-oriented buyers (M = 3.63, SD = 1.09), F (1, 58) = 4.82, $p < .05$, $\eta^2 = .08$. Regulatory focus had no effect on sellers' desire to avoid negotiation, $F < 1$, *ns.*

Discussion and Introduction to Experiment 2

Experiment 1 supported our hypothesis. Compared to promotion-oriented buyers chiefly concerned with securing gains, prevention-oriented buyers chiefly interested in avoiding potential losses were willing to accept lower amounts as an alternative to negotiating. When people imagined themselves as owners of a mug, the money to be secured was a less salient factor, which in turn attenuated the impact of their regulatory focus orientation on their desire (not) to negotiate.

In Experiment 2 we financially incentivized participants by providing buyers with €5 (and sellers with a mug). This allowed us to test whether prevention-oriented buyers would be more likely to avoid negotiation compared to promotion-oriented buyers when real rather than imaginary money was at stake. We used the same single-issue negotiation setting, measured negotiators' regulatory focus orientation and manipulated role (buyer vs. seller).

Design and participants. Eighty-eight participants (66 females) were randomly assigned to the role of a buyer or a seller. Buyers received €5 whereas sellers received a mug. Buyers were instructed to try to minimize their losses whereas sellers were instructed to attempt to sell the mug for as much money as possible. Participants were informed that after answering a series of preparation questions they would enter another room and negotiate the purchase of the mug. When an agreement was reached the buyer paid the seller the agreed amount, received the mug and kept any leftover money from his or her €5. As in Experiment 1, the dependent variable was measured by asking participants to indicate "What is the minimum amount of Euros you are willing to accept to avoid negotiation altogether?" with lower WTA indicating a higher desire to avoid negotiation.

Results. A General Linear Model with our manipulation (Role: buyer vs. seller) as between-subjects factor and Regulatory Focus as a continuous between-subjects moderator, and minimum WTA to avoid negotiation as the dependent variable revealed, as in Experiment 1, a main effect for negotiators' role, with sellers demanding more money (M = 5.16, SD = 1.92) to avoid negotiation compared to buyers (M = 3.41, SD = 1.62), F (1, 86) = 24.67, $p < .001$, $\eta^2 = .23$. The main effect for negotiators' regulatory focus was not significant, F (1, 86) = .66, *ns.* Importantly, replicating Experiment 1 and providing further support for our hypothesis, the interaction between regulatory focus and role was significant, F (1, 86) = 5.02, $p < .05$, $\eta^2 = .06$. As can be seen in Figure 2 (using a median split to ease interpretation of the simple effects), prevention-oriented buyers displayed higher negotiation aversion by demanding less money in return for

avoiding negotiation (M = 2.93, SD = 1.80) compared to promotion-oriented buyers (M = 3.95, SD = 1.22), directional F (1, 87) = 3.69, $p < .03$. As in Experiment 1, no effect was found for sellers, F (1, 87) = 1.96, *ns*.

Discussion and Introduction to Experiment 3

The results of Experiment 2 provided further support for our hypothesis. Buyers' (but not sellers') regulatory focus orientation influenced their desire to avoid negotiation. Prevention-oriented buyers were willing to accept less money to avoid negotiation, compared to promotion-oriented buyers. For sellers, who had a mug rather than money in hand, no effect for regulatory focus was observed in regard to their desire to avoid negotiation. This pattern of results replicates the results obtained in Experiment 1, however this time with financially incentivized participants.

In Experiment 3 we again tested the negotiation aversion prediction, but this time we focused on negotiation exiting behavior, as compared to the focus on the willingness to enter in experiments 1 and 2. To do so, we employed a multi-issue negotiation task and confronted buyers with pre-programmed sellers that used either a soft or tough negotiation strategy. This manipulation of the seller's strategy was included to allow testing whether prevention buyers' tendency to exit the negotiation will be amplified when it becomes clearer to the buyers that attaining the goal of keeping their money is (un)likely to fail.

Participants and Design. Ninety five students from the University of Amsterdam (66 females) participated for course credit. The design included the counterpart's tough versus soft strategy (small vs. large concessions) as between-subjects

factor and negotiators' regulatory focus as a covariate. The main dependent variable was participants' decision whether to exit or continue the negotiation after exchanging three rounds of offers.

Procedure. Upon arrival in the laboratory, participants were seated behind computers in separate cubicles, which prevented them from talking to each other. Participants first filled out the RFQ and subsequently read instructions regarding the negotiation task. Participants were instructed that the purpose of the experiment was to investigate how negotiations unfold when negotiators communicate via computer.

The negotiation task was a computerized multi-issue negotiation task (see, e.g., De Dreu & Van Lange, 1995; Ten Velden, Beersma, & De Dreu, 2009) which captures the main characteristics of many real-life negotiations in that it involves multiple issues, provides negotiators with information about their own pay-offs only, and meets the provisional offer-counteroffer characteristic of many negotiation situations (also see Pruitt, 1981). In the current experiment, all participants took on the role of a buyer of a shipment of mp3 players. The negotiation involved three issues: price, warranty, and delivery date. For each issue there were 15 alternatives, each of which represented different values (expressed in points) to the buyer (see Table 1). Participants were informed that the points acquired during the negotiation would be converted into lottery tickets, and that participants could win up to 50 Euros in a subsequent lottery. Acquiring more lottery tickets increased participants' likelihood of winning.

Once the negotiation started the (preprogrammed) seller made the first offer. Over the first three negotiation rounds the seller proposed different levels of agreement for the

three issues, depending on the manipulation of tough vs. soft concession strategy (small vs. large concessions; see Van Kleef, De Dreu, & Manstead, 2004). In the tough, small-concessions condition, the counterpart conceded one unit in each round (e.g., moving from a 15-15-15 offer to a 15–15–14 offer) whereas in the soft, large-concessions condition the counterpart conceded 3 units per round (e.g., moving from a 15-15-15 offer to a 14–15–13 offer).

The main dependent variable was the decision to exit (vs. continue) the negotiation. After three negotiation rounds, participants were presented with an exit option. They were told that, if interested, they could buy the same type of mp3 players from a different seller, and this would provide them with 380 points, an offer of lower value than a middle of the road compromise (8-8-8; 420 points, see also Table 1). Participants were told that if they accepted this alternative offer, they would exit the negotiation and continue to the next part of the experiment.

Results

Manipulation check. To check the adequacy of the manipulation of concession size, a five-item questionnaire was used (e.g., "During the negotiation, the seller made large concessions" and "The seller was a tough negotiator"; all measured on a 1 = *completely disagree* to 7 = *completely agree* Likert scale; $\alpha = .91$). A General Linear Model with 2 (Counterpart's strategy: soft vs. tough as between subjects factor) x Regulatory Focus (as a continuous measure) revealed that participants in the soft counterpart condition reported larger concessions ($M = 5.01$, $SD = 0.87$) than participants

in the tough counterpart condition (M = 3.12, SD = 1.01), F (1, 91) = 36.60, $p < .001$, η^2 = .29. No other effects were significant.

Exiting. We conducted a logistic regression analysis with the Counterpart's Strategy: (soft vs. tough) and Regulatory Focus as a continuous scale as the independent variables and exit as the dependent variable. We found, first of all, a marginally significant main effect of counterpart strategy, B = 0.97, S.E. = 0.55, Wald $\chi2$ = 3.17, p = .075, revealing that more participants in the tough counterpart condition exited the negotiation (43%; 20 of 47) than in the soft counterpart condition (23%; 11 of 48). Furthermore, the main effect for regulatory focus was significant, B = -2.28, S.E. = 0.70, Wald $\chi2$ = 10.51, p = .001. The more prevention-oriented buyers were, the more likely they were to exit the negotiation. Finally, the same analysis revealed a significant interaction between regulatory focus and counterpart's strategy, B = 1.57, S.E. = 0.78, Wald $\chi2$ = 4.03, p = .045, see Figure 3. To break down this effect, we performed a simple slopes analysis. At high positive values of regulatory focus (indicating higher promotion focus), the counterpart's strategy did not affect the decision to exit, B = -0.06, S.E. = 0.58, Wald $\chi2$ = 1.15, p = .28. However, at low negative values of regulatory focus (indicating higher prevention focus), buyers exited more often when they were confronted with a tough rather than soft counterpart, B = 1.16, S.E. = 0.46, Wald $\chi2$ = 6.28, p = .012.

Discussion

The results obtained in Experiment 3 provided further support to the negotiation aversion prediction. Extending the finding of Experiments 1 and 2, prevention-oriented

buyers exited the negotiation more than promotion-oriented buyers. Moreover, being confronted with a tough counterpart amplified this effect. Prevention-oriented buyers who faced a tough seller used the exit option more than those who faced a seller that used a softer strategy. The findings obtained in Experiment 3 are important for two reasons: first, they show that the aversion effect not only pertains to not entering negotiations (Experiments 1 and 2) but also to exiting negotiations. Second, they strengthen the theoretical claim that buyers exit because of their desire to keep as much of their money as they can. Indeed, prevention oriented buyers' likelihood of exiting was stronger when they faced a tough counterpart, making them unlikely to succeed in their goal of keeping as much of their money as they can.

General Discussion

Most experimental studies on negotiation and social exchange focuses on situations in which participants are brought into the lab and asked to negotiate (or engage in other economic games). Far less work has dealt with situations in which people may choose not to negotiate. Casual observations while walking around markets or bazaars, as well as recent research (Shalvi et al., 2011a; Small et al., 2007) point to the importance of including the decision of whether to initiate or continue negotiation when considering negotiation theories and experimental designs. Here, we provided evidence from three lab experiments employing different methods and incentive structures demonstrating how consumers' regulatory focus orientations (Higgins, 1997) impact their negotiation aversion.

For buyers, who are focused on minimizing the amount of money they will have to spend in the negotiation they are about to enter, regulatory focus plays a key role in determining their likelihood of engaging in negotiation. Compared with promotion-oriented buyers, prevention-oriented buyers were more likely to avoid negotiation or exit it as soon as they could. The results of Experiment 1 demonstrated this effect in a hypothetical negotiation setting, a finding that we later corroborated in Experiment 2 using monetary incentives. Furthermore, in Experiment 3 we obtained further support for the negotiation aversion prediction by finding that prevention-oriented buyers were more likely to exit the negotiation compared to promotion-oriented buyers. This finding is especially interesting as it indicates that, for those prevention buyers, negotiation aversion was stronger than their desire to prefer stability over change (Liberman et al., 1999).

Finally, in Experiment 3 we also found that prevention-oriented buyers' tendency to exit was amplified when the buyer's counterpart used a tough negotiation strategy and made only small concessions. For promotion-oriented buyers the counterpart's toughness did not influence their decision of whether to exit or not. The latter finding may be interesting to consider in regard to how promotion-oriented people handle difficult situations and their motivation when tackling such situations. It seems to suggest that promotion-oriented people's eagerness to perform well (or outperform their counterparts) allowed them to overcome the tough negotiation strategy employed by their counterparts. Indeed, focusing on achieving a desired outcome rather than avoiding loss relates to higher levels of intrinsic motivation and competence in performance (rather than mastery) tasks (Elliot & Harackiewicz, 1996; Elliot & Church, 1997). Future research is needed to

link promotion orientation, eagerness, and the ability to overcome difficult (negotiation) obstacles. Recent work suggests that when adopting a global focus (Förster, 2012; Förster & Dannenberg, 2010; Liberman, Trope, & Stephan, 2007; Trope & Liberman, 2003), people are better able to overcome obstacles (Marguc, Förster, & Van Kleef, 2011; in negotiation context see De Dreu, Giacomantonio, Shalvi, & Sligte, 2009). This suggests that manipulating prevention-oriented people's global (vs. local) focus may allow them to thrive as well when faced with a tough (negotiation) situation.

The findings of the three studies are consistent with our reasoning that because losses loom larger than gains (Kahneman & Tversky, 1979), prevention oriented people placed in the role centering around losing vs. not losing their endowed money (i.e., in the role of buyers), will display the strongest negotiation aversion compared to promotion oriented people placed in a role centering around gaining vs. not gaining additional money (i.e., sellers). Notwithstanding the support obtained in three studies, additional underlying processes may further influence this pattern of results. For example, when buyers make materialistic (rather than experiential) purchases they are more likely to regret actions (buyer's remorse) more than inactions (Rosenzweig & Gilovich, 2011). This may suggest that prevention oriented buyers will anticipate feeling regret from entering a negotiation setting and ending up paying more than they would have liked, and thus avoid the negotiation as a way to fend off anticipated regret (Mellers, Schwartz, & Ritov, 1999; Ritov, 1996; Ritov & Baron, 1992; 1995; Van de Ven, & Zeelenberg, 2011; Zeelenberg, 1999; Zeelenberg et al., 1996; 1998). While testing this possibility was beyond the scope of the current work, we consider it intriguing for future work to explore.

Past work on the endowment effect (Kahneman, Knetsch, & Thaler, 1990; also see De Dreu & Van Knippenberg, 2005) found that prevention-oriented people were less likely to switch the good they were endowed with for another good (Liberman et al., 1999). These findings suggest that the value of a product (e.g., the coffee mug in Experiments 1 and 2) increases when it is owned but that this effect of mere ownership is increased for prevention-focused compared to promotion-focused individuals. Accordingly, as sellers own the product, but buyers do not, sellers' regulatory focus should influence their negotiation aversion more than buyers' regulatory focus. We however, developed the prediction and provided evidence for an alternative interaction effect, namely, that buyers' regulatory focus will influence their negotiation aversion more than sellers' regulatory focus. Focusing on a different type of exchange, in which goods are exchanged for money (rather than other goods), we reason that money serves as the focal point of the exchange interaction (Appelt et al., 2009; Monga & Zhu, 2005). Thus, in such price-emphasizing negotiations, and due to the general greater desire to avoid losses than to secure gains (Kahneman & Tversky, 1979), individuals' regulatory focus impacts their negotiation aversion when taking the role of buyers (aiming not to lose the initial endowed money they possess) but not sellers (aiming to gain as much money as possible for the good they own). Indeed, the results of the three experiments we reported provided support for this predicted pattern.

One additional class of negotiation settings not studied here involves settings that allow individuals to use either money or goods in exchange for what they seek to get. For example, a trader may pay a colleague to proof read an important draft before presenting

it to the board of directors, but she can also offer to pay her back by providing the same service when needed. Whether negotiators' regulatory focus will impact their negotiation aversion in such settings and in which way remains an open question for future research to explore.

Prominent negotiation researchers have pointed to the limitations of conducting research on the impact of personality traits on negotiation behavior and outcomes (Bazerman et al., 2000; see also Barry & Friedman, 1998). Trying to identify personality characteristics that impact negotiation as a whole, without linking them to relevant stages or negotiation components, may indeed be a task not worth pursuing. In line with this objection, and when referring to research linking personality traits and negotiation outcomes, Lewicki and Litterer wrote: "more 'contingency-type' models are necessary to replace the simple cause-effect models used so frequently in the past. We need models that connect personality variables with particular components and/or stages of negotiation" (1985, p. 277; also see De Dreu & Carnevale, 2003). The current work followed this line of reasoning by studying the impact of negotiators' chronic regulatory focus orientations (Higgins, 1997; Higgins et al., 2001) and how they impact buyers' (but not sellers') aversion to negotiation. On a broader theoretical level, our results support the notion that negotiators' personality characteristics should be studied in the context of how they interplay with specific negotiation roles rather than across situations and conditions.

In our studies, we intentionally kept the negotiation settings rather minimalistic in terms of the possibility of attaining mutually beneficial outcomes. Thus, our findings are restricted to negotiation settings of a distributive nature. However, there is little reason to

believe that the obtained results will not replicate in integrative settings. Specifically, integrative negotiation settings allow negotiators to trade off less important issues to secure desired outcomes on more important issues. In such integrative settings, participants reveal the integrative (win-win) nature of the negotiation by exchanging offers between them. There is no reason to expect that prevention-oriented buyers would be able to anticipate this integrative potential and thus be less averse to integrative than distributive negotiations. Some preliminary evidence supporting this possibility can be found in research distinguishing between appetitive negotiators and aversive negotiators (e.g., Ten Velden et al., 2009; Ten Velden, Beersma, & De Dreu, 2011; Van Lange, De Cremer, Van Dijk, & Van Vugt, 2007). In integrative negotiation, aversive negotiators, who are motivated to avoid losing, are more anxious, and therefore less likely to reach an agreement than appetitive negotiators, who are motivated to win (Ten Velden et al., 2011). Interestingly, when negotiators were explicitly informed of the integrative potential of the task, aversive negotiators were more likely to reach a mutually, beneficial agreement. Thus, although we expect that a mere integrative potential of a task will not be enough to overcome prevention-focused buyers' negotiation aversion, explicitly highlighting the possibility of attaining mutually beneficial outcomes might attenuate negotiation aversion. Future research could test this possibility.

Further investigation of the specific conditions that may push prevention-oriented consumers away from negotiation may focus on the ethical components of the negotiation settings. Recent work (Shalvi et al., 2011a) has found that people are rather averse to entering a negotiation when they hold private information allowing them to privately

deceive their counterpart into accepting offers that seem fair despite being actually unfair. This tendency was due to people's tendency to restrict the amount of their lies (Gneezy, 2005; Lundquist, Ellingson, & Johannesson, 2009; see also Atanasov & Dana, 2011; Bazerman & Tenbrunsel, 2011; Schweitzer & Hsee, 2002) and balance any unethical acts in which they may be involved with their desire to maintain an honest self-concept (Fischbacher & Heusi, 2008; Mazar, Amir, & Ariely, 2008; Shalvi, Handgraaf, & De Dreu, 2011b), which leads them to lie only to the extent that self-justifications were made available (Shalvi, Dana, Handgraaf, & De Dreu, 2011, see also Ayal & Gino, 2011; Lewis, et al., in press; Gino & Ariely, in press). In this context, recent work found that manipulating people's regulatory focus influences their likelihood of lying (Gino & Margolis, 2011). Compared with prevention-oriented people, promotion-oriented people lied more due to their increased willingness to take risks. This may suggest that prevention-oriented buyers may be even more averse to, and promotion-oriented buyers may be less averse to, entering (or staying in) a negotiation setting in which they possess an information advantage over their counterparts and may deceive them to secure better deals for themselves. Future research is needed to address whether this is indeed the case. Conducting such research while manipulating regulatory focus, in addition to assessing regulatory focus as a chronic personality characteristic (as done in the current work), would allow establishing causal connections between the role of regulatory focus and negotiation aversion preferences.

Conclusion

The present research demonstrated the importance of linking relevant personality

traits (regulatory focus) with specific negotiation roles (buyers vs. sellers) to predict negotiation aversion. It contributes to the literature pertaining to the impact of self-regulation on economic decisions by demonstrating that consumers' regulatory focus orientation determines their likelihood to engage in (and remain in rather than exit) negotiation. Our results suggest that consumers that seek to prevent losing their money while negotiating a deal avoid entering negotiation or exit as soon as they can.

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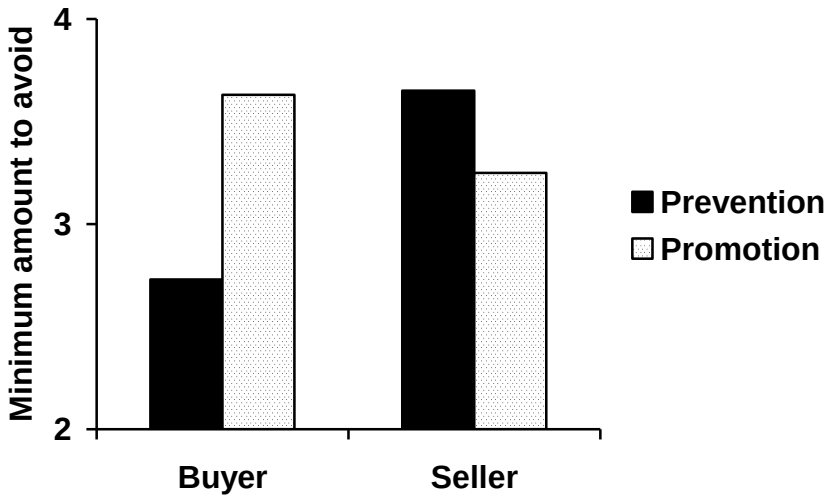
Table 1: *Participants' payoff chart (Exp. 3)*

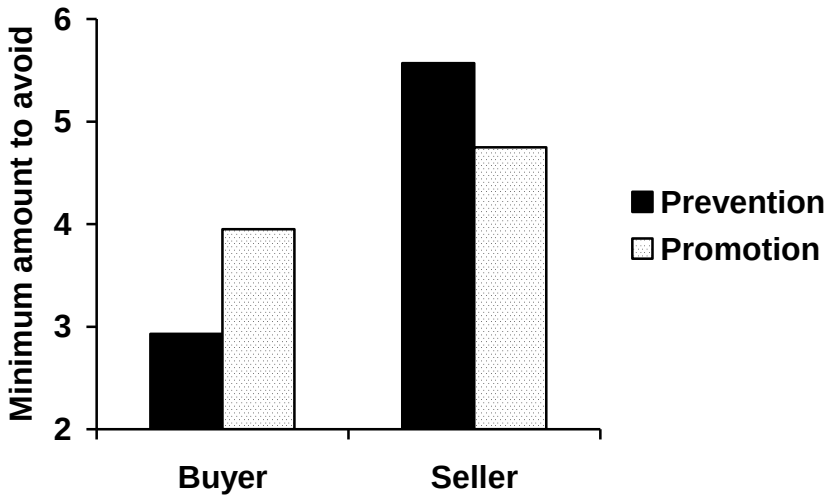
	Price of mp3 player		Warranty period		Delivery time	
Level	Price (€)	Payoff	Warranty (in months)	Payoff	Delivery (in weeks)	Payoff
1	75	280	30	280	1	280
2	80	260	28	260	2	260
3	85	240	26	240	3	240
4	90	220	24	220	4	220
5	95	200	22	200	5	200
6	100	180	20	180	6	180
7	105	160	18	160	7	160
8	110	140	16	140	8	140
9	115	120	14	120	9	120
10	120	100	12	100	10	100
11	125	80	10	80	11	80
12	130	60	8	60	12	60
13	135	40	6	40	13	40
14	140	20	4	20	14	20
15	145	0	2	0	15	0

Figure 1: *Minimum amount to avoid negotiation (Exp.1)*



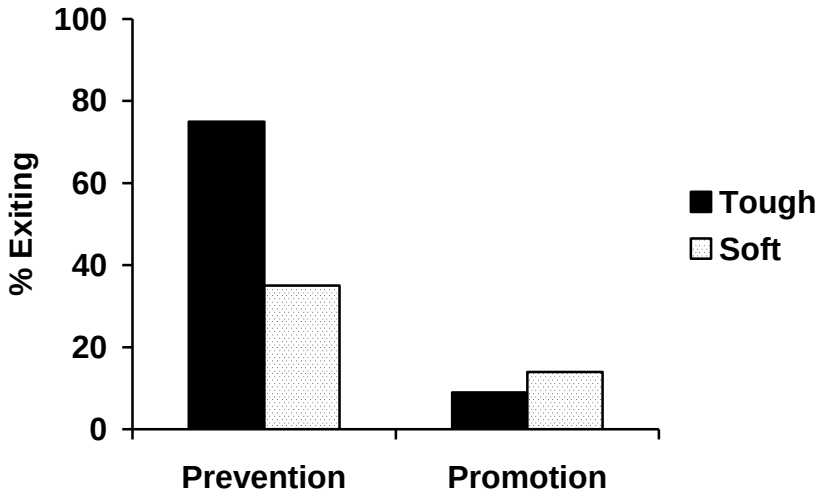
Note to Figure 1: For presentation purposes regulatory focus is depicted splitting prevention from promotion based on the median score.

Figure 2: *Minimum amount to avoid negotiation (Exp. 2)*



Note to Figure 2: For presentation purposes regulatory focus is depicted splitting prevention from promotion based on the median score.

Figure 3: *Buyers exiting negotiation as a function of RF and seller's strategy (Exp. 3)*



Note to Figure 3: For presentation purposes regulatory focus is depicted splitting prevention from promotion based on the median score.