

Selling to Strangers, Buying from Friends: Effect of Communal and Exchange Norms on Expectations in Negotiation

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Abstract

This study examines the effect of relationships on negotiators' expectations. The authors derive theory and hypotheses from relational norms that govern relationships (communal and exchange) which impact negotiators' expectations when interacting with close others. The study focuses on the influence of the negotiator's role (buyer or seller) and relational norms on expected offers. The authors tested the hypotheses across three studies. Results consistently show that close relationships influence expectations such that buyers expect more favorable offers from best friends than from friends and acquaintances (Studies 1–3). And this effect is absent for sellers (Study 1). Moreover, the motivation to meet the needs of the other party (communal strength) is higher for close relationships but it does not moderate the effect of relationships on expectations (Study 2). Finally, negotiators high in communal strength and exchange orientation norms expect more generous offers from best friends (Study 3).

Introduction

Most of the early psychological research focused on rational exchanges between members who do not have a history or connection between them (Bazerman, Curhan, Moore, & Valley, 2000). However, very often negotiators are socially connected to their partners at the negotiation table, or they turn to people with whom they are familiar and comfortable, even when other candidates would be more suitable (McGinn, 2006). In negotiations with close others, individuals not only are bounded by economic interests but are also concerned with how their partners will evaluate their behaviors (Halpern, 1994, 1996, 1997). Indeed, in a negotiation context, individuals with close relationships are more willing to settle for suboptimal agreements than they are with strangers. For example, Greenhalgh and Chapman (1996) showed that people prefer to close a deal with a friend over giving the contract to a stranger who has made a more favorable offer.

Halpern (1994, 1996, 1997) also examines this situation, interpreting the effect of relationships on participants' generosity in economic transactions. In her study, buyers offered more to friends than to

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strangers, and sellers requested less from friends than from strangers. Extending these studies, Mandel (2006) conducted research and obtained results indicating that participants tended to be more generous with their close relationship partner by requesting a lower price when selling a secondhand car. However, participants did not offer a higher price to their close relationship partner when buying their counterpart's secondhand car.

Previous literature suggests that negotiators are willing to sacrifice value to benefit those close to them (Fry, Firestone, & Williams, 1983; Greenhalgh & Chapman, 1998; Mannix, Tinsley, & Bazerman, 1995; O'Connor & Arnold, 2011; Olekalns & Smith, 2007). However, it is not clear from the literature whether negotiators in close relationships expect the other party to sacrifice value as well. Specifically, these previous studies focus on negotiators and their individual decisions to sacrifice value. In contrast, in this article we focus primarily on what negotiators actually expect from the other party rather than what they are willing to give. Indeed, expectations play a major role in negotiation perceptions and outcomes and deserve our attention. People hold strong expectancies of their close partners, leading to potential negative emotional responses if these expectations are not met (Barry & Oliver, 1996). This study focuses on the intersection of relationships and transactions, paying special attention to the effect of relationships on individuals' expectations before negotiations. Our theoretical basis for this research is twofold. First, we ground our hypotheses on relational norms literature. Second, we elaborate role-specific predictions from the negotiation field. We use measures of the communal strength felt for the particular partner and individual differences in exchange orientation to help explain the effect of relationships on expectations in a negotiation between close others. We argue that the negotiator's role at the table (buyer or seller) and a combination of communal strength and exchange orientation norms will influence negotiators' expectations.

Relationships and Expectations

Societies are based on close relationships (Finkel & Simpson, 2015). Humans need to be embedded in healthy relationships and to maintain a minimum number of lasting, positive, and significant interpersonal relationships (Baumeister & Leary, 1995). One general element that characterizes all close relationships is the dependence of individuals on each other to obtain positive outcomes and facilitate the pursuit of their most important needs and goals (Finkel, Simpson, & Eastwick, 2016). Individuals in relational contexts hold a cognitive representation of themselves as being fundamentally interdependent on or interconnected with other individuals (Cross & Madson, 1997; Kashima et al., 1995).

Highly relational contexts in which human beings see themselves as being interdependent and interconnected with significant others, such as in the case of romantic partners, can lead to *relational accommodation*, in which individuals sacrifice individual and joint economic outcomes in favor of the pursuit of relational goals (Amanatullah, Morris, & Curhan, 2008; Curhan, Neale, Ross, & Rosencranz-Engelmann, 2008). Gelfand, Major, Raver, Nishii, and O'Brien (2006) mention that these investments in social networks with expected returns (Granovetter, 1985; Portes, 1998) have been defined as relational capital, a concept similar to the notion of social capital, which refers to the accumulation of goodwill among a social network of relational ties (Adler & Kwon, 2002; Granovetter, 1985). Relationships will have an effect on expectations such that negotiators will expect more from best friends compared to other relationships. Individuals follow a friendship script that facilitates more favorable offers to friends than to strangers. These offers are made with the goal to maintain harmony and goodwill with close others (Halpern, 1994, 1997).

The effect of relationships on expectations will be different depending on role (buyer or sellers). The effect of role in economic transactions among friends was examined by Mandel (2006). In his study, sellers were inclined to request less money from their friends compared to their acquaintances or strangers, while buyers were not necessarily more inclined to offer more money to their friends. Buyers and sellers

do not expect to benefit from relationships equally for at least two reasons: (a) *Ownership*. For sellers, mere ownership of a valued good can make a difference in estimating price (Kahneman, Knetsch, & Thaler, 1991), but it can also make a difference when negotiating in relationships. As the owners of the good, sellers are in a position to help. Buyers, on the other hand, need the good and are in the position to receive help. Therefore, buyers will expect more favorable whereas sellers do not expect favorable prices from best friends. (b) *Support seeking*. Two studies on personal relationships show that people are more likely to seek support from and offer help to established friends than from strangers who might become friends (Beck & Clark, 2009; Beck, Clark & Olson, 2017). Negotiators are then more likely to seek support from those who can provide it; therefore, buyers are more likely to expect favorable offers from best friends. We extend this work by focusing on expectations and predict that buyers will expect more favorable selling offers from best friends. We do predict that sellers will not expect necessarily more favorable buying offers from best friends as well.

Hypothesis 1: Buyers will expect more favorable selling offers from best friends compared to acquaintances. However, sellers will not necessarily expect more favorable buying offers from best friends compared to acquaintances.

Across three studies, we explore the role of relational norms on expectations for buyers and sellers. In our first study, we compare expectations of buyers and sellers in a negotiation scenario with best friends and acquaintances. In our second study, we explore the role of communal strength, a relational norm emphasizing benefits given to the other party in a specific relationship. Our third study explores exchange orientation, a relational norm emphasizing the expectations of reciprocity in the exchange of benefits within relationships.

Study 1

Method

Participants and Design

The experiment was part of a classroom exercise with undergraduate students enrolled at a Spanish university. The sample consisted of 77 (56%) women and 60 (44%) men, with an average age of 26.92 years ($SD = 10.86$). Participants were randomly assigned to one of the four experimental conditions in a 2 (role: buyer or seller) \times 2 (relationship: best friend, acquaintance) design.

Procedure

For this study, we used a scenario-based design. Participants arrived at the laboratory in groups of 25–35 people. This study was part of a classroom exercise. Participants were asked to sign the attendance list, and the researchers manually made sure that students whose names were written down on the list were not able to participate in future studies.

The participants were informed that all information provided was anonymous and would be treated as confidential. First, participants were asked to write the names of two people: their best friend and an acquaintance. Next, they were told that they would complete an exercise in which they would play the role of a person negotiating the purchase of a commodity. Participants received a prompt explaining that they were interested in buying or selling a used car for which they had already had an offer of €2,500 (*Best Alternative to a Negotiated Agreement*—BATNA). In the buyer–best friend condition, for example, participants read the following:

We would like you to read the following scenario and play the role of a person negotiating the purchase of a used car. You need a car and you are interested in buying. You already have an alternative car that you like and could buy for 2,500 EUR

While participants in the buyer condition were told that they were interested in buying a secondhand car, participants in the seller condition were told that they were interested in selling their secondhand car. For example, in the seller–best friend condition, participants read the following:

We would like to read the following scenario and play the role of a person negotiating the purchase of a used car. You are interested in selling your secondhand car. You already have an offer of 2,500 EUR

Next, before introducing the partner manipulation, we asked participants the maximum price they would pay for the car (buyer condition) or the minimum price they would be willing to receive for the car (seller condition).

Later, participants were randomly assigned to negotiate with one of the relationship partners previously identified (best friend, or acquaintance). In the buyer–best friend condition, participants read the following:

While you are walking home you run into {name of best friend}, who is trying to sell a used car. The used car {name of best friend} is selling is indeed the same type of used car you are trying to buy

Independent Variable

The type of *relationship* was manipulated in Study 1. Participants read a scenario in which they encountered (depending on experimental condition) either (a) their best friend or (b) their acquaintance. Then, participants were asked about the price they expected to receive by that assigned person. This is a between-subject design in which none of the participants negotiated with the assigned person. Participants were simply asked to answer a set of various questions.

Dependent Measures

To measure price *limit*, before introducing the relationship manipulation, participants in the buyer condition were asked how much they were willing to pay for the car. Participants in the seller condition were asked how much they were willing to receive for the car. We used limits as a control variable in all our analyses. Finally, to measure *expected price*, we asked participants what price they expected to receive from their partner. Depending on condition, the partner was either their best friend or their acquaintance.

Results

Manipulation Checks

To verify participants' understanding of the relationship manipulation, we tested how important participants perceived their counterpart to be. In particular, participants were asked how strongly they agreed or disagreed with the following statements (7-point scale): (a) "I value this person," (b) "I hold this person in high esteem," and (c) "This person is important to me" ($\alpha = .95$). A one-way ANOVA showed significant differences between relationships ($F(1, 133) = 46.016, p < .001, \eta^2 = .258$). Participants perceived their best friends as more important to them ($M = 5.94, SD = 1.37, 95\% CI [5.62, 6.27]$) than their acquaintances ($M = 4.38, SD = 1.29, 95\% CI [4.06, 4.70]$).

Effects of Relationships and Role on Expectations

H1 predicted that while buyers would expect more favorable offers from best friends than from acquaintances, sellers would not necessarily expect more favorable offers from best friends than from acquaintances. To test this hypothesis, we used the PROCESS macro, model 1. Results indicate a main effect of relationship on expected price ($\beta = 448.07, t(137) = 3.12, p = <.001, 95\% CI [163.60, 732.53]$), and the interaction relationship by role was also significant ($\beta = -161.67, t(137) = -2.28, p < .005, 95\% CI$

$[-358.09, -25.23]$). Conditional interactive effects show that the buyers expected more favorable offers from best friends than from acquaintances (point estimate = 256.40, $t(137) = 3.80$, $p < .001$, 95% CI [122.93, 389.87]). The results show that buyers expected to receive lower selling prices from best friends ($M = 2225.93$, $SD = 511.10$, 95% CI [2039.15, 2428.55]) than from acquaintances ($M = 2610.87$, $SD = 497.71$, 95% CI [2411.38, 2839.13]). Figure 1 illustrates the effects. This effect was not significant in the seller condition (point estimate = 64.735, $t(137) = 1.274$, $p = .205$, 95% CI [-35.81, 165.28]). Thus, H1 was confirmed. We also checked for gender effects on expected price by means of a univariate ANOVA. Results indicate that neither the main effects nor the interaction with relationships was significant, $F(1, 137) = .691$, $p = .407$, $\eta^2 = .005$.

Communal Norms in Relationships

People in relationships behave according to a social role and the social norms acquired through interactions with others over time (Cialdini, 2003; Cialdini & Trost, 1998; Sherif, 1936). Norms refer to rules and standards that are understood by members of a group and represent individuals' basic knowledge of what others do and think that they should do. Social norms also contain general societal expectations of one's behavior, expectations of others' behavior, and expectations of one's own behavior (MacInnis, Park, & Priester, 2009).

Relational norms are chronic attitudes toward providing and receiving benefits; benefits are something of use or value that one member of a relationship intentionally chooses to give to the other member (Clark & Mills, 1979). These benefits may take the form of services, goods, compliments, information, and support and can be tangible or intangible (Clark & Mills, 2012). In different relationships, people follow distinct norms when they give and receive benefits (Williamson & Clark, 1992). Communal norms govern relationships, such as those with friends, family members, romantic partners, and spouses (Clark & Mills, 2012), and emphasize a focus on the other party's needs (Clark, Mills, & Corcoran, 1989; Clark, Mills, & Powell, 1986). These benefits are given in close relationships either in response to those other's party needs or to demonstrate concern for the other.

Communal norms have been operationalized as individual differences or *communal orientation*, and as situational variables particular to a given relationship or *communal strength* (Mills, Clark, Ford, & Johnson, 2004). In this study, we focus on concrete relationships; therefore, we operationalize communal norms as communal strength and not as an individual difference. Consequently, the closer the relationship is, the higher the communal strength expected. That being said, different levels of communal norms also exist across relationships, and as a result, best friends might be high or low in communal strength. A negotiation study of norms shows that friends high in communal norms who negotiated together had

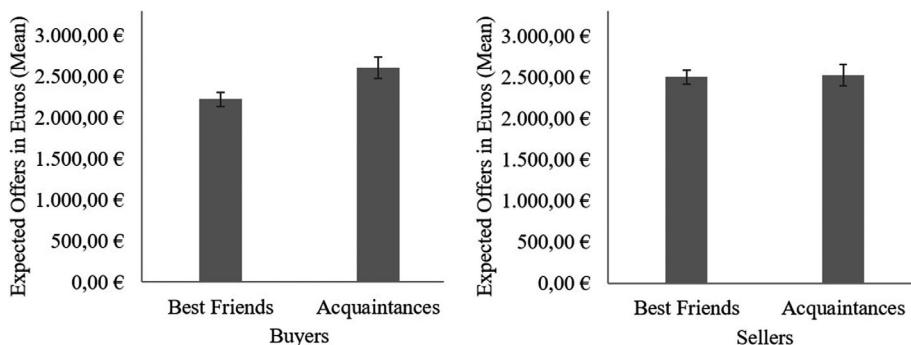


Figure 1. Mean difference values (euros) representing expectations for each target category in Study 1.

lower performance expectations and judged themselves as less cooperative, making fewer concessions than friends who were low in communal norms. The authors attributed this effect to participants' perception of the circumstances as a bargaining situation and not as a problem they could solve together (Thompson & DeHarppport, 1998). Although the chronic orientation toward giving and receiving help in relationships in general (communal orientation) was measured in this study, there is variance in the communal strength across relationships and we expect this variance to influence the expectations that people have at the negotiation table. Hence, the higher the communal strength with the counterpart is, the higher the benefits that one would be willing to give. Therefore, following our results in Study 1, we predict that the higher the communal strength is, the higher are the expectations that buyers will have from closer sellers.

Hypothesis 2: Communal strength will moderate the effect of relationships on expectations such that friends high in communal strength will expect better offers compared to friends low in communal strength.

Study 1 showed that buyers expected to receive more generous offers from best friends compared to sellers. Therefore, as the main effect of relationships on expectations might be masked by the predicted interaction (H1) for sellers in Study 1, we decided to focus on buyers in the second study. In Study 2, we specifically test communal strength and its influence on buyers' expectations across relationships. Because communal norms govern relationships, we designed the study to investigate the role of communal strength in negotiation settings. We measured communal strength before the negotiation.

Study 2

Method

Participants and Design

The sample consisted of a general population sample of the Amazon Mechanical Turk platform, 22 (42%) women and 29 (58%) men, with an average age of 35.50 years ($SD = 8.72$). All participants received monetary compensation for participation. The design included two possible conditions relationships in a negotiation: best friend and acquaintance. All participants were buyers.

Procedure

For this study, we used a scenario-based design and a similar procedure to the one used in the previous study. Participants were asked to write the names of two people: their best friend and an acquaintance. Next, they received a prompt explaining that they were interested in buying a used car for which they had already had an alternative of €2,500 (*Best Alternative to a Negotiated Agreement*—BATNA). Later, participants were randomly assigned to negotiate with one of relationship partners previously identified (best friend, or acquaintance). Finally, participants were asked the expected selling offer from their counterparts.

Independent Variable

In this study, the type of *relationship* was manipulated. Participants read a scenario in which they encountered (depending on experimental condition) (a) their best friend or (b) an acquaintance.

Dependent Measures

To assess *communal strength*, we introduced the 10-item communal strength scale (Mills et al., 2004) after participants wrote the names of their best friends and acquaintances ($\alpha = .96$) and before presenting the negotiation scenario. Before introducing the relationship manipulation, we asked participants

how much they were willing to pay for the car in order to measure price *limit*. We used limits as a control variable in all our analyses. To measure *expected price*, we asked participants what price they expected to receive from their counterparts. This is a between-subject design in which none of the participants negotiated with the assigned person. Indeed, participants were simply asked to answer a set of different questions.

Results

Manipulation Checks

To verify participants' understanding of the relationship manipulation, we tested how important they perceived their counterpart to be to them. Specifically, participants were asked how strongly they agreed or disagreed with the following statements (7-point scale): (a) "I value this person," (b) "I hold this person in high esteem," and (c) "This person is important to me" ($\alpha = .96$). A one-way ANOVA showed significant differences between relationships, $F(1, 49) = 12.289, p < .001, \eta^2 = .204$. Participants perceived their best friends as more important to them ($M = 5.93, SD = 1.14, 95\% \text{ CI } [5.45, 6.35]$) than their acquaintances ($M = 4.79, SD = 1.17, 95\% \text{ CI } [4.31, 5.22]$).

Communal Strength Norms are More Salient in Close Relationships

Before the task and experimental manipulations, participants completed the communal strength scale (Mills et al., 2004), a 10-item questionnaire (see Table 1) that assesses a person's degree of motivation to respond to a partner's needs. We assigned a communal strength score to each participant using the mean of the 10 questions, each on a 10-point scale (0 = *not at all*, 10 = *extremely*). We computed correlation analyses to show the relationships among major variables (Table 2). We empirically tested our general assumption that closer relationships are governed by communal strength norms. In support of this assumption, the results showed that relationships have a positive correlation with communal strength ($r = .53, p < .01$). The nature of the relationship had a significant effect on the strength of the communal relationship. Specifically, participants reported perceiving more communal strength toward their best friends ($M = 6.68, SD = 1.92, 95\% \text{ CI } [5.88, 7.40]$) than with acquaintances ($M = 4.29, SD = 1.94, 95\% \text{ CI } [3.53, 5.11]$; $F(1, 49) = 19.188, p < .001, \eta^2 = .286$).

Effects of Relationships on Expectations

We performed a one-way ANOVA. The results show that buyers expected to receive lower selling prices from best friends ($M = 2291.32, SD = 752.49, 95\% \text{ CI } [2017.49, 2604.75]$) than from acquaintances

Table 1

Communal Strength Scale (Mills et al., 2004)

-
1. How far would you be willing to go to visit _____?
 2. How happy do you feel when doing something that helps _____?
 3. How large a benefit would you be likely to give _____?
 4. How large a cost would you incur to meet a need of _____?
 5. How readily can you put the needs of _____ out of your thoughts?
 6. How high a priority for you is meeting the needs of _____?
 7. How reluctant would you be to sacrifice for _____?
 8. How much would you willing to give up to benefit _____?
 9. How far would you go out of your way to do something for _____?
 10. How easily could you accept not helping _____?
-

Note. Items 5, 7, and 10 are reverse-scored. The instructions given are as follows: Keeping in mind the "assigned" person, answer the following questions. Mark one answer for each question on the scale from 0 = *not at all* to 10 = *extremely* before going on to the next question. Your answers will remain confidential.

Table 2

Correlation Between the Main Dependent Variables (Study 2)

Variable	1	2
1. Relationships		
2. Communal strength	.534**	—
3. Expected price	-.252*	-.514**

Notes. N = 50.

**p < .01. *p < .05.

($M = 2612.00$, $SD = 469.55$, 95% CI [2443.49, 2808.31]; $F(1, 50) = 6.49$, $p < .05$, $\eta^2 = .064$). We also checked for gender effects on expected price by means of a univariate ANOVA. We found that neither the direct effects nor the interaction with relationships was significant.

Effects of Communal Norms on Expectations

We tested the moderation effect of communal strength on expectations using the PROCESS macro model 1 (Hayes, 2013) to test for indirect effects (bootstrapping method, 5,000 samples). Results showed that communal strength does not moderate the relationship between relationships and expectations, $\beta = 2.56$, $t(50) = .064$, $p = .949$. Therefore, H2 was rejected. Overall, although Study 2 shows that communal strength is higher for best friends than for acquaintances, it does not influence the effect of relationships on expectations. Communal strength may regulate what participants are willing to give but not necessarily what they are expecting from the other party in negotiations both with best friends and with acquaintances.

The Role of Communal and Exchange Norms

Some studies (Batson, 1993; Brown, 1986) equate communal relationships to unselfish relationships. However, Clark, Dubash, and Mills (1998) clarify that people in communal relationships also expect their close friends to respond to their needs when they arise. Indeed, to maintain communal relationships requires partners not only to be motivated to care for each other and to enact such care but also to expect and to ask for similar support and care from each other (Lemay, Clark, & Feeney, 2007). However, while the relational context is expected to reinforce the bonds of the relationship through an emphasis on generosity and patience in the reciprocation process (Mills & Clark, 1982), in exchange relationships (e.g., business relations, and relations with strangers and even acquaintances) benefits are given with the expectation of receiving a comparable and immediate repayment in return (Clark & Mills, 1979; Clark et al., 1986). The variability in communal responsibility may lie mainly between relationships rather than between individuals (Clark & Lemay, 2010), which means that people usually follow communal norms with certain relationships as well as exchange norms with other relationships.

Many situations call for following the communal norm or the exchange norm, and most people, no matter what their overall orientations are, adhere to the norm that better matches the situation (Clark & Mills, 2012). However, these same authors also admit that not all relationships are communal or exchange in nature. They also admit that hybrids of communal and exchange relationships exist.

We are interested in understanding whether communal and exchange norms are behind the effects of close relationships on expectations; therefore, we argue for a third hypothesis regarding the influence of norms on prices that negotiators expect in close relationships. Our rationale for the next hypothesis is that while the nature of the negotiation, such as economic transactions, makes exchange orientation salient, the presence of relationships at the negotiation table and the distinct levels of communal strength that also exist across relationships come into play to impact, influence, or determine expectations.

Therefore, when communal relationships are present, a combination of communal strength and exchange orientation norms should have an influence on the negotiators' expectations. Buyers high in exchange orientation norms will expect better offers from best friends with whom they have a higher communal strength because they not only are willing to give more generous offers, but also expect to receive a generous offer from sellers. Thus, a combination of high communal strength and high exchange orientation norms will lead negotiators to have higher expectations from closer relationships.

Hypothesis 3: In economic transactions, a combination of high exchange orientation and high communal strength will lead buyers to expect more favorable negotiation offers from closer relationships.

We reviewed previous studies to help us understand the effect of the role of the two parties in a negotiation situation. While buyers expect to receive more generous offers from close relationships, sellers do not necessarily expect to receive less generous offers from close relationships. However, relationships in combination with communal norms did not predict expectations. This effect might be due to the nature of communal norms, which indicate what participants are willing to give in a relationship. As exchange norms in relationships capture the expected reciprocity when receiving benefits, we designed Study 3 to understand the role of both of communal strength and exchange orientation norms in negotiation settings. We measured both norms before the scenario. To assess baseline expectations in negotiations outside relationships, we added a control condition for the relationship manipulation (stranger).

Study 3

Method

Participants and Design

All 81 participants were undergraduate students in majoring in Labor Relations and Human Resources at a large university in Spain. The experiment was part of a classroom exercise. The sample consisted of 60 (74%) women and 21 (26%) men, with an average age of 25.63 years ($SD = 7.17$). All received course credit for participation. The design included three relationship conditions: best friend, acquaintance, or stranger. We measured the communal strength and exchange orientation norms questions before the scenario and used them as post hoc independent variables.

Procedure

For this study, we used a scenario-based design. Participants arrived at the laboratory in groups of 25–35 people and were asked to sign the attendance list to avoid their participation in future studies. In this study, we used the same procedure as in Study 2, where participants were asked to write the names of two people: their best friend and an acquaintance. Participants received a prompt explaining that they were interested in buying a used car for which they had already had an alternative of €2,500 (*Best Alternative to a Negotiated Agreement*—BATNA). Again, before introducing the manipulation, we asked participants the maximum price they would pay for the car. Later, participants were randomly assigned to negotiate with one of these three relationship partners (best friend, acquaintance, or stranger).

Independent and Intervening Variables

After the type of relationship was manipulated, participants read a scenario in which they encountered (depending on experimental condition) (a) their best friend, (b) an acquaintance, or (c) a stranger. The scenario explained that this person was trying to sell his or her used car and that the used car was exactly the same model and year as the car the participant was interested in buying. Then, participants were asked about the price they expected to receive from the other person. This is a between-subject design in which none of the participants negotiated with the assigned person.

To measure *exchange norms*, we employed the exchange orientation scale (Clark & Mills, 2012) before applying the negotiation scenario. This scale is an individual difference measure of tendencies to both provide and seek responsiveness/support on a contingent, tit-for-tat basis (see Table 3). The participants rated items on a 7-point scale (1 = *not at all*, 7 = *extremely*; $\alpha = .64$). To assess *communal strength*, we introduced the 10-item communal strength scale (Mills et al., 2004) after participants wrote the names of their best friends and acquaintances. This scale asks questions about the specific person in the relationship (0 = *not at all*, 10 = *extremely*). Participants in the stranger condition were administered the communal strength scale for an unknown person ($\alpha = .91$). Indeed, participants were just asked to answer a set of various questions.

Dependent Measures

We measured *expected price*; we asked participants what price they expected to receive from the seller. Depending on condition, the seller could be the best friend, an acquaintance, or a stranger. To measure *price limit*, before introducing the relationship manipulation, we asked participants how much they were willing to pay for the car. We used limits as a control variable in all our analyses.

Results

Manipulation Checks

To verify participants' understanding of the relationship manipulation, we tested how important they perceived their counterpart to be. Specifically, participants were asked how strongly they agreed or disagreed with the following statements (7-point scale): (a) "I value this person," (b) "I hold this person in high esteem," and (c) "This person is important to me" ($\alpha = .94$). A one-way ANOVA showed significant differences between relationships ($F(2, 80) = 125.163, p < .001, \eta^2 = .762$). Participants perceived their best friends as more important to them ($M = 6.44, SD = .61, 95\% \text{ CI } [6.23, 6.65]$) than their acquaintances ($M = 4.48, SD = .91, 95\% \text{ CI } [4.06, 4.85]$) and strangers ($M = 2.97, SD = .99, 95\% \text{ CI } [2.62, 3.31]$). Planned comparisons showed significant differences between best friends and acquaintances ($p < .001$), best friends and strangers ($p < .001$), and acquaintances and strangers ($p < .001$).

Effects of Relationships on Expectations

A one-way ANOVA showed that participants expected more favorable offers from their best friends ($M = 2179.31, SD = 375.48, 95\% \text{ CI } [2029.65, 2317.64]$) than from their acquaintances ($M = 2280.00, SD = 411.16, 95\% \text{ CI } [2121.08, 2466.67]$) and strangers ($M = 2454.69, SD = 589.06, 95\% \text{ CI } [2268.01, 2663.71]$); ($F(2, 81) = 5.78, p = .005, \eta^2 = .062$). We also checked for gender effects on expected price by

Table 3
Exchange Orientation Scale (Clark & Mills, 2012)

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1. When I give something to another person, I generally expect something in return
 2. When someone buys me a gift, I try to buy that person as comparable a gift as possible
 3. I don't think people should feel obligated to repay others for favors
 4. I wouldn't feel exploited if someone failed to repay me for a favor
 5. I don't bother to keep track of benefits I have given others
 6. When people receive benefits from others, they ought to repay those others right away
 7. It's best to make sure things are always kept "even" between two people in a relationship
 8. I usually give gifts only to people who have given me gifts in the past
 9. When someone I know helps me out on a project, I don't feel I have to pay them back
-

Note. Items 3, 4, 5, and 9 are reverse-scored. Participants rate each item on a 7-point scale from *extremely uncharacteristic* of them (1) to *extremely characteristic* of them (5).

means of a univariate ANOVA. We found that neither the direct effects nor the interaction with relationships was significant.

Effects of Communal and Exchange Norms on Expectations

We computed correlation analyses to show the relationships among major variables (Table 4). Next, we tested whether a combination of communal strength and exchange orientation norms influenced buyers' expectations across different relationships. For this purpose, we performed a three-way interaction analysis of relationships, communal strength, and exchange orientation on expectations. We performed a moderation analysis with a multicategorical independent variable (i.e., relationships) having three levels following Hayes and Preacher's (2014) recommendations. In light of our previous results, we built two contrast codes, the first comparing best friends with acquaintances and strangers (d1) and the second comparing acquaintances with strangers (d2). We then ran an indirect-effects analysis using PROCESS model 3 (Hayes, 2013). To test a three-way interaction in a regression model, PROCESS produces all possible combinations of two-way interactions. It also tests conditional two-way interactions at values of a third continuous variable and derives regions of significance for these conditional values (see Hayes, 2013, pp. 307–315).

We were especially interested in the results of the d1 contrast code, which compared best friends with acquaintances and strangers. We tested the interaction of relationships (d1) \times communal strength norms \times exchange orientation norms on expected price, and we introduced d2 as a covariate to control for the three conditions in the design. Results show a main effect of communal strength norms ($\beta = -607.09$, $t(81) = -2.33$, $p = .028$, 95% CI [-1127.05, -87.12]) and a main effect of exchange orientation norms ($\beta = -829.11$, $t(81) = -2.19$, $p = .031$, 95% CI [-1581.75, -76.47]) on expected price. Both effects are negative; this indicates that the higher the norm, the lower the price the participant is willing to pay. As all participants are buyers, a reduced price is beneficial to the participants. Moreover, communal strength and exchange orientation norms interact to predict the expected price ($\beta = 130.46$, $t(81) = .225$, $p = .028$, 95% CI [14.88, 246.05]), such that participants expected more favorable offers from best friends at combinations of high communal strength and high exchange orientation norms (high and low values are $\pm 1 SD$ above or below the mean, respectively). No other interactions were significant. As Figure 2 shows, participants expected to receive more generous offers from best friends ($M = 2085.49$) compared to acquaintances and strangers ($M = 2670.25$) at combinations of high communal strength and high exchange orientation norms. Conditional-effects analysis show that from all possible combination of values of the moderators, only this effect is significant (point estimate = 584.75, $t(81) = 2.12$, $p = .037$, 95% CI [35.15, 1134.35]). This confirms H3.

Literature suggests that interactions between parties in close relationships are governed by communal norms. Our results support this assumption and show that communal norms have a positive correlation with close relationships. That is, participants are willing to be more generous with their best friends than with acquaintances or strangers. However, in distributive negotiations communal strength and exchange

Table 4
Correlation Between the Main Dependent Variables (Study 3)

Variable	1	2	3
1. Relationships			
2. Communal strength	.669**	—	
3. Exchange strength	.277*	.124	—
4. Expected price	-.238*	-.201	-.066

Notes. $N = 81$.

** $p < .01$. * $p < .05$.

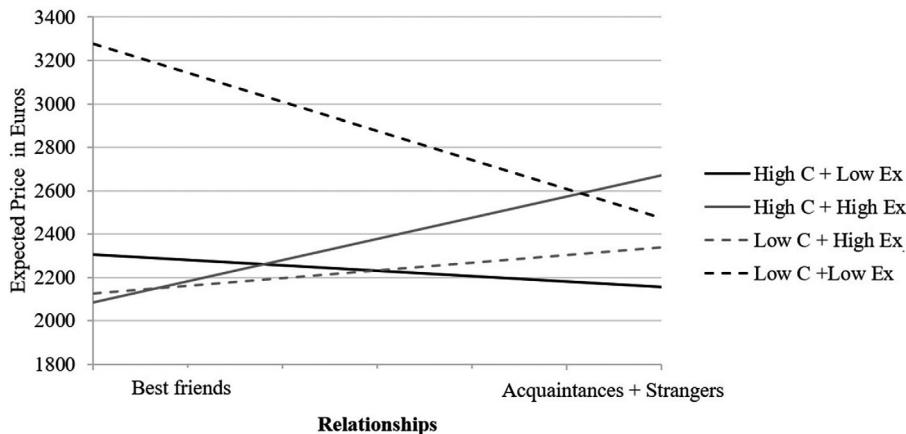


Figure 2. Conditional two-way interaction patterns predicting expectations across different relationships at combinations of high and low communal and exchange norms. High C + Low Ex = high communal norms + low exchange norms; High C + High Ex = high communal norms + high exchange norms; Low C + High Ex = low communal norms + high exchange norms; Low C + Low Ex = low communal norms + low exchange norms.

orientation norms may overlap, such that individuals are interested not only in maintaining the relationship but also in reaching a good outcome for themselves. In this case, we proved that participants high in communal strength and exchange orientation norms expect more generous offers from best friends than from acquaintances or strangers. The second contrast (acquaintances vs. strangers) was not significant. This indicates that the moderation effect consistent with H3 occurs in relationships with best friends, not acquaintances and strangers. These results suggest that only when exchange orientation norms are low do participants decrease their expectations from best friends.

Study 3 shows that a combination of communal strength and exchange orientation norms predicts expectations for buyers.

Discussion

Across three studies, we provide empirical support for the effects of relationships on negotiators' expectations. First, when negotiating with close others, buyers expect more favorable offers than sellers (Study 1). Second, the communal strength of the relationship influences the level of generosity that buyers are willing to offer to their counterparts, but not necessarily what they are expecting from the other party (Study 2). Third, communal strength and exchange orientation norms influence negotiators' expectations such that negotiators high in communal strength and exchange orientation norms expect more generous offers from friends than from acquaintances and strangers (Study 3). Our contribution to theory is twofold. First, this research extends the study of relationships in negotiation by systematically exploring how expectations vary across existing relationships (participants focused on their own preexisting relationships) and by providing empirical evidence of the link between relational norms and expectations (Clark & Mills, 1979, 1993). Second, the results show that the combination of communal strength and exchange orientation norms explains the effects of relationships on expectations. The identification of the interaction produced by the combination of communal strength and exchange orientation norms can help negotiators understand the effect on expectations when negotiating in any type of relationships, including those with close others.

Previous researchers have focused on individual generosity, whereas in our study we investigated people's expectations of others' behavior based on the relationship. Investigation of expectations helps shed

light on the dynamics behind relational negotiation. Consistent with other studies, we find differences depending on the role of the parties at the table (Schei, Rognes, & Mykland, 2006). In line with our results, DiMaggio and Louch's (1998) study reveals that buyers are more likely to prefer transactions with close relationships. According to their results, most buyers expect generosity, a lower price from friends compared to strangers. However, sellers are more likely to prefer transactions with strangers, especially when transactions entail uncertainty.

Relational norms in negotiation have been investigated previously (Thompson & DeHarport, 1998); however, this previous study did not find a direct relationship between norms and the negotiation variables (in our case, expectations). According to our understanding, communal norms are related to giving and sharing; they involve the benefits (services, goods, compliments, information, support, etc.) that an individual is willing to make in a given relationship. Conversely, exchange norms reflect the expectations of reciprocity. Our data show that communal strength norms only in combination with exchange orientation norms account for expectations. We argue that expectations entail both what parties are willing to give and the reciprocity they expect from others (communal and exchange). Therefore, we provide evidence of the influence of communal strength and exchange orientation norms on negotiation expectations.

Finally, we acknowledge several limitations of this research. One limitation pertains to common method variance, as all studies were scenario-based designs. Indeed, all of them are between-subject designs in which none of the participants negotiated with the assigned person. Studies were designed to gather information about the expectations the parties have before the negotiation. Therefore, we acknowledge that these results should not be generalized to the overall negotiation outcome. Indeed, participants were simply asked to answer a set of various questions. The other boundaries are created by the facts that our studies are cross-sectional and not longitudinal. A second limitation is the small sample of some of our studies. Thus, to further validate and extend our results, further research should use larger sample sizes with a higher participation from the general population. Although one of the studies was entirely conducted with MTurk participants, this improvement comes with its own problems (see Goodman, Cryder, & Cheema, 2013). As a way forward, future research could replicate these studies with a working population sample.

We also acknowledge that our studies are experimental with restricted ecological validity. Our studies focused on expectations at the negotiation table without addressing face-to-face strategies. Future studies could investigate the behavioral response to expectancy violation and also address the effects of relationships on the use of integrative and distributive strategy at the negotiation table. It is important to understand that all our studies used the same distributive negotiation. Therefore, these results should not be generalized to other types of negotiations. Longitudinal studies could also provide evidence of the reciprocity dynamics occurring in negotiations within relationships. Despite the limitations of this study, we conclude that in summary, relationships influence negotiators' behavior through the expectations they generate, and in turn, those expectations are influenced by the role and norms that govern these relationships.

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