

Hidden Persuaders: Do Small Gifts Lubricate Business Negotiations?

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Online Appendix

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A Additional Tables

Table A1: Do sales agents provide more effort in the gift condition?

Dependent variable:	(1) Negotiation duration	(2) # offers shown
Gift	0.498 (0.639)	0.239 (0.191)
Constant	15.024*** (2.534)	4.484*** (0.533)
Controls?		
Agent FE	yes	yes
Agent time trend	yes	yes
Customer category FE	yes	yes
Time of day FE	yes	yes
Day of week FE	yes	yes
Week FE	yes	yes
Observations	220	220
R^2	0.736	0.207
F	20.141	4.409
p	0.000	0.000

This table reports OLS coefficient estimates (robust standard errors in parentheses). The dependent variable in column (1) is the total duration of the sales negotiation in minutes. In column (2), the dependent variable indicates how many of the five special offers were shown to the purchasing agent during the negotiations. “Gift” is a dummy variable for treatment Gift. All regressions include sales agent specific linear time trends and fixed effects for customer categories B to E (as a proxy for sales potential), time of the day, day of the week and calendar week. Significance levels are denoted as follows: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table A2: Treatment effects for dental products and other products

Dependent variable:	(1) Dental products	(2)	(3) Other products	(4)
Gift	14.651 (9.460)	4.260 (8.181)	43.790** (20.275)	-5.805 (20.387)
Gift × manager		30.187 (29.788)		145.638** (59.626)
Manager		12.351 (13.229)		27.141 (29.347)
Constant	15.793 (29.398)	13.794 (27.664)	224.871 (147.337)	223.595 (137.221)
Controls?				
Agent FE	yes	yes	yes	yes
Agent time trend	yes	yes	yes	yes
Customer category FE	yes	yes	yes	yes
Time of day FE	yes	yes	yes	yes
Day of week FE	yes	yes	yes	yes
Week FE	yes	yes	yes	yes
Observations	220	220	220	220
R^2	0.166	0.200	0.224	0.294
F	7.300	2.982	2.156	2.138
p	0.000	0.000	0.001	0.001

This table reports OLS coefficient estimates (robust standard errors in parentheses). The dependent variable in columns (1) and (2) is the sales revenue for dental products only. In columns (3) and (4), the dependent variable is the total sales revenue for all other (non-dental) products. “Gift” is a dummy variable for treatment Gift. “Manager” is a dummy indicating that the sales rep negotiated with the store manager. The interaction term “Gift × manager” allows the treatment effect to differ between negotiations with the store managers and regular staff. All regressions include sales agent specific linear time trends and fixed effects for customer categories B to E (as a proxy for sales potential), time of the day, day of the week and calendar week. Significance levels are denoted as follows: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table A3: Treatment and interaction effects by individual sales agents

Dependent variable:	(1)	(2)	(3)	(4)	(5)
	Sales revenue in Swiss francs				
Panel A					
Gift	-12.714 (13.312)	89.040 (87.812)	119.083* (59.984)	24.925 (35.435)	103.600 (130.822)
Panel B					
Gift × manager	-33.167 (19.171)	241.625 (239.959)	181.273 (135.820)	172.286** (85.882)	556.500** (151.989)
Gift	6.167 (6.766)	2.375 (7.605)	38.458 (36.221)	-31.119 (33.605)	-119.000 (106.503)
Manager	27.000 (17.937)	-4.000 (4.053)	67.188 (51.263)	-43.500 (35.054)	-111.167 (107.541)
Sales agent #	1	2	3	4	5
Observations	13	50	89	58	10

This table reports OLS coefficient estimates (robust standard errors in parentheses) for each sales agent separately. The dependent variable is the total sales revenue generated during the negotiation. “Gift” is a dummy variable for treatment Gift. “Manager” is a dummy indicating that the sales rep negotiated with the store manager. The interaction term “Gift × manager” allows the treatment effect to differ between negotiations with the store managers and regular staff. Due to the low number of observation for some of the sales agents we do not include additional control variables. Significance levels are denoted as follows: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table A4: Is the first visit effect robust to excluding the newly hired sales agent?

Dependent variable:	(1)	(2)	(3)	(4)
	Sales revenue in Swiss francs			
Gift	130.913*** (48.984)	119.971*** (42.551)	47.769 (35.351)	23.319 (36.601)
Gift × first visit	-146.891*** (50.397)	-154.293*** (56.098)	-111.632** (49.839)	-54.809 (46.522)
First visit	-24.531 (31.586)	5.876 (45.456)	3.359 (44.914)	5.924 (44.326)
Gift × manager			160.023** (78.731)	220.088** (99.583)
Manager			42.011 (38.757)	37.986 (38.132)
Gift × manager × first				-221.382** (102.809)
Constant	27.047 (26.541)	165.675 (152.167)	183.276 (143.776)	180.400 (143.332)
Controls?				
Agent FE	yes	yes	yes	yes
Agent time trend		yes	yes	yes
Customer category FE		yes	yes	yes
Time of day FE		yes	yes	yes
Day of week FE		yes	yes	yes
Week FE		yes	yes	yes
Observations	207	207	207	207
R^2	0.106	0.244	0.310	0.324
F	6.533	3.921	3.316	4.129
p	0.000	0.000	0.000	0.000

This table reports OLS coefficient estimates (robust standard errors in parentheses). Observations from the newly hired sales representative are omitted from the sample. The dependent variable is the total sales revenue generated during the negotiation. “Gift” is a dummy variable for treatment Gift. “First visit” is a dummy indicating that the sales rep visited the purchasing agent for the first time. “Gift × first visit”, “Gift × manager”, and “Gift × manager × first” are the corresponding interaction terms. All regressions include sales agent fixed effects (FE). The regression in column (2) includes additional sales agent specific linear time trends and fixed effects for customer categories B to E (as a proxy for sales potential), time of the day, day of the week and calendar week. Significance levels are denoted as follows: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

B Instructions and data sheet

Treatment instructions and data sheet, which was completed by the sales agents before and after each sales pitch (translated from German). The version shows the instructions for the Gift treatment; in the control treatment the text with the gray background replaced the first bullet point.

Instructions for sales pitch # 1

- **Hand over the gift at the beginning of the meeting.**
(Do not distribute any other gifts or free samples)
- **Do not hand over a gift.**
(Do not distribute any other gifts or free samples)
- Show—if possible—all offers in the booklet (even if the customer shows little interest).
- Stick to the order of offers in the sales booklet.

Please answer the following questions before the sales pitch

0. Identification code:

1. Information about the drug store/pharmacy

Name of the drug store/pharmacy:

Address:

Customer ID:

2. Indicate the customer category

A-customer B-customer C-customer D-customer E-customer

3. When was the last time you visited this customer?

I visit this customer for the first time

4. How often did you visit this customer since January 2005?

times

5. In which language region is the store located?

German French/Italian

6. How is the weather?

sunny cloudy rain or snowfall

7. Indicate the date of the visit

8. At what time will you enter the shop?

:

Please answer the following questions *right after* the sales pitch

9. How many minutes did the customer take to consider the offers?

minutes

10. Could you present all offers from the sales booklet?

yes no

If not, which offer could you not show?

offer 1 offer 2 offer 3 offer 4 offer 5

11. Please indicate the revenue you generated for each offer. In case you did not realize a sale with an offer, indicate "0".

offer 1	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	offer 2	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
offer 3	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	offer 4	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
offer 5	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>					

12. What was the gender of your negotiation partner?

male female

13. Did you negotiate with the store manager?

yes no

14. How likeable was the negotiation partner?

very unlikable unlikable neutral likeable very likeable

15. Is the drug store/pharmacy located in a shopping mall?

yes no

16. Did you reach your personal goals for this meeting?

yes no

17. Further remarks