Salesperson Attractiveness and Consumers’ Bargaining Behavior: the Moderating Role of Salary Contribution

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Salesperson Attractiveness and Consumers’ Bargaining Behavior: The Moderating Role of Salary Contribution Perceptions

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ABSTRACT
This paper examines the relationship between salesperson’s attractiveness and consumers’ bargaining behavior and shows that the extent to which salesperson’s salary is perceived to contribute to price is a moderator to such relationship. In the high salary contribution condition, participants made a lower counteroffer to the attractive than unattractive salesperson. The reverse was true for the low salary contribution. We found that high salary contribution led to higher perceived price and lower evaluative ratings of attractive salesperson which can explain the interactive result. This finding contributes to the attractiveness and seller-buyer interaction, showing adverse effects of attractiveness under certain condition.

Despite the prevalence of bargaining in the marketplace, the manner in which buyer and seller characteristics influence both the process and its outcome has not received sufficient attention in the consumer research (Buchan, Croson, and Johnson, 2004). In particular, while buyer characteristics (e.g. race, gender, appearance) have been found to affect seller’s negotiated pricing (Wise 1981, Ayres and Siegelman, 1995), much less is known about the effects of seller’s personal characteristics on buyer bargaining behavior. The first and most obvious salesperson characteristic buyers encounter is the former’s attractiveness. While buyers are drawn to and are more likely to buy from attractive salespeople, as prior research suggests (Reingen and Kernan, 1993), their actual bargaining behavior may be not influenced by attractiveness. Given that salespeople, particularly in retail settings, are often hired based on attractiveness, it is important to understand how attractiveness can influence not only whether consumers buy but also how they bargain to determine the final price. In this paper, we advance thinking in this domain by demonstrating the moderating effect of buyers’ perceptions of the extent to which a salesperson’s salary determines product price (i.e., salary contribution) on the relationship between salesperson attractiveness and buyer bargaining behavior, producing, under certain conditions, an adverse effect of salesperson attractiveness on retailer revenues.

Attractiveness research shows that people are drawn to attractive others (i.e. attractiveness as taste) and attribute positive characteristics to them (i.e. attractiveness as diagnostic) (Eagly et al., 1991, Mulford et al., 1998). Consistent with this, extant game-theory based negotiations research suggests that people offer more to attractive than unattractive partners (Solnick and Schweitzer, 1999). Interestingly, it is found that people also demand more from attractive than from unattractive people, suggesting a beauty liability as well. Negotiations in the real marketplace, however, are far more contextual, making the role of attractiveness more complex. The prices of products in a retail context often depend on salespersons’ compensation. Moreover, attractive salespeople often are compensated more highly than unattractive counterparts (Hamermesh, 1994). Accordingly, we suggest that consumer bargaining behavior may be influenced by the extent to which they believe that salesperson attractiveness, salesperson salary, and the price of the product are connected. Specifically, we propose that the stronger a buyer’s belief that the salesperson’s salary is a significant determinant of the price of the product, the higher will be her perceived retail price of the product and the lower the counteroffer she will make in response to the offer from an attractive salesperson as compared to that from an unattractive one.

Study 1 examined the attractiveness effect on buyers’ price perception. One hundred and two adult consumers in Bangkok (Thailand) went through a scenario which was designed to simulate how this might really occur in the context of purchasing eyeglasses. The scenario included photos of the real optical store, eyeglasses, and either an attractive or an unattractive salesperson, determined through extensive pretesting. After reading the scenario, they were asked to choose a pair of eyeglasses and estimate the retail price. Next they estimated the percent of the retail price assigned to salesperson’s salary and costs of goods, other costs, and profit. A regression analysis using a buyer’s perceived retail price on salesperson attractiveness and salary contribution revealed a significant main effect for...
attractiveness ($\beta = 335.63$, $z= 2.05$, $p< .05$). Retail price was perceived to be higher in the attractive condition than in the unattractive condition ($M_{\text{attractive}} = 2625$ vs. $M_{\text{unattractive}} =2290$ THB). In addition, this main effect was qualified by an attractiveness x salary contribution interaction ($\beta = -63.74$, $z=-2.22$, $p<.05$).

When salary contribution was high, retail price were perceived to be higher when the salesperson was attractive ($M_{\text{attractive}} = 3106$ baht) than when the salesperson was unattractive ($M_{\text{unattractive}} =2170$ baht) ($\beta=937.15$, $z=3.01$, $p<0.005$). Perceived retail price did not vary across the two conditions in the low salary contribution condition ($z=-0.36$, NS).

Study 2 examined the attractiveness effect on bargaining behavior. One hundred and forty nine participants went through a scenario similar to that in study 1 through a computer-mediated program. Once they chose their desired pair of eyeglasses, they were told the retail price by the salesperson (either attractive or unattractive) and went on to negotiate with him/her by making a series of counteroffers to the salesperson’s price offers (same for all respondents). The extent to which participants believed that the salesperson’s salary contributed to the price was measured on a 7-point scale (salary contribution) and did not, importantly, vary with salesperson attractiveness. A regression analysis using buyers’ initial counteroffer as a dependent variable revealed an interaction between attractiveness and salary contribution ($\beta=-229.28$, $z=-4.23$, $p<.001$). In the case of low salary contribution, respondents’ initial counteroffers were higher when the salesperson was attractive ($M_{\text{attractive}} = 3407$ THB) than when the salesperson was unattractive ($M_{\text{unattractive}} =3006$ THB) ($z=3.83$, $p<0.001$).

In contrast, when salary contribution was high, the initial counteroffer was lower when the salesperson was attractive than when the salesperson was unattractive ($M_{\text{attractive}} = 2963$ vs. $M_{\text{unattractive}} =2958$ vs. $M_{\text{attractive}} =3165$; $z=-2.07$, $p<.05$). Comparable analyses for final counteroffers and number of bargaining rounds also revealed similar patterns. We also found that participants felt more concerned towards the unattractive than attractive salesperson when the salary contribution was high while the pattern was reversed in the low salary contribution. This feeling of concern also mediated the interactive relationship between salary contribution and attractiveness.

In conclusion, this paper demonstrated that the effect of salesperson attractiveness on consumers’ bargaining behavior can be moderated by consumers’ beliefs about salary contribution. Salary contribution led customers to believe that the salary and price were higher when the salesperson was attractive than unattractive. Thus, attractiveness does not come with value but also cost of exchange whereas unattractiveness which was associated with low salary triggered a feeling of empathic concern which resulted in cooperative bargaining toward unattractive (vs. attractive) salesperson.

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