Abstract:
Negotiators commonly attach phantom anchors—retracted and aggressive figures—to their actual and less aggressive offers. For example, a seller might say, “I was going to ask for $10,000, but I can offer $8000.” Drawing from research on anchoring, we predict that offer-makers will economically benefit from offers with phantom anchors. Drawing from research on interpersonal perceptions, we test competing hypotheses indicating that phantom anchors might elicit perceptions of manipulativeness or benevolence, with economic implications. Finally, we explore situational conditions that could moderate these perceptions. Five studies show that negotiators using offers with (versus without) phantom anchors receive less aggressive counteroffers and more beneficial agreements in both distributive and integrative negotiations, but also seem more manipulative. Situations portraying the phantom anchor-actual offer combination as a true concession, however, dampen manipulativeness perceptions. Overall, the results suggest that phantom anchors represent a powerful yet risky and understudied value-claiming strategy in negotiations.