POWER IN THE AUCTION SETTING

BY

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Abstract

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Interpersonal power is examined within an exchange theory framework, with a focus upon power-based resources. The conclusion is reached that intangible resources are more conceptually distinct from tangible resources than they have been treated in previous literature. Intangible resource use is then studied more closely, conversation being explored as an indicator of the creation of social power through intangible resource expression. The setting for language use studied is the auction, in which both intangible resource expression and tangible exchange can be found. A model is proposed which outlines the relationship between intangible resource expression, attributions, power, and tangible exchanges. Insults are selectively studied as a particular type of language category. Hypotheses concerning the model in general and insult usage in particular are tested and supported.

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INTRODUCTION

Exchange theory attempts to study human behavior in terms of the trade possibilities interaction provides. According to this approach, people are interested in being in social situations in which they are likely to make advantageous, or, at the very least, equal exchanges. They are likely to avoid, if they can, those exchanges in which they consistently walk away with less than they had before the trade occurred. Because of this interest then, individuals will be engaged in the evaluation of the exchange possibilities of social activities in which they participate. Those that provide profit, or trades in which one party benefits from the exchange by receiving more than he gave (sometimes calculated as rewards minus costs), will be the most attractive activities.

Most exchange theorists see the results of exchanges to be related to differential power positions in social interaction. Those who are considered to have power will be able to engage in exchanges which are the most advantageous. The study undertaken here is particularly interested in the interactional power which is viewed to be grounded in exchanges. Profit, according to this model, will be obtained when one engages in social exchanges with individuals of less power, because an individual with more power will not generally have to give as much as the individual with very little power. Profit then is

related to power. When interacting with those of greater relative power, profit is not likely to occur at all, but rather comparative loss.[1]

Not only are the results of exchanges based upon the relative power of those participating in the exchanges, but relative power positions are defined through exchanges, according to traditional exchange theory. The profit obtained by one exchange may give the individual the power to gain additional profit in a subsequent exchange.

Because exchanges may be based upon the power positions of individuals in any particular social situation, participants continually engage in the process of evaluating power positions of others in their environment. This seems a necessary precaution in order to calculate exchange strategies. Anyone seen to have greater power is more likely to be complied with. It is assumed that during the exchange, individuals will give in

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[1]This might imply that individuals would avoid interaction with those of greater power, except that those with power have it partially because they have what others want. This forces persons to engage in exchanges with them even if individuals with lesser power might otherwise prefer to interact elsewhere for profit. Another factor which causes those of lesser power to engage in exchanges with individuals of greater power is that persons with greater power will be likely themselves to want to interact with individuals with less relative power as the possibility of advantageous exchanges from their point of view is high. The closer two people are in the amount of power they appear to have, the more nearly equal a trade will be effected. This type of exchange will be more desirable to both sides than one in which power positions are widely disparate. It is desirable from the point of view of the person with greater power, as he benefits most from this type of exchange. From the point of view of the person of lesser power, it is desirable as he needs to comply less with a person the more nearly similar his power position appears to be. Therefore his losses aren't as great.

or give more to the individual in power. That someone is compliant then becomes another way of saying that he received less profit from the exchange. In order to avoid compliance, individuals apparently will keep track of the power of those they are in contact with and strategically plan the exchanges they will engage in according to this power.

The aim of this research is to apply the above traditional exchange model to an empirical situation in order to examine the feasibility of using conversation as an indicator of power relationships based upon exchange. If participants monitor each others' power in an effective way, conversation is one possible means by which they, as well as the social scientist, can undertake an account of the other person's salient resources. Resources are anything which can be used to gain power. Attributions of access to resources are what gives an individual power. The individual who is viewed by others as having access to the most resources has the most potential power as he has the most advantageous position in a hypothetical market of exchanges, and therefore the most ability to influence others' behavior, despite their resistance.

Within the framework of a study of interactional power grounded in an exchange model, an examination will be made of a field setting in which conversation continually occurs in a highly structured manner, that of the auction. Normative expectancies concerning buying and selling create fairly predictable patterns of language use. Talk is not the only means by which power is produced. Demeanor and clothing, for

example, may produce power as well. Talk, however, provides an easily accessible indicator of respective power positions: content which can be analyzed in a systematic fashion. To that extent, it makes relative power positions more easily measurable. The auction was thought to be a desirable setting from this standpoint, not only because of the frequent occurrence of verbal behavior, which is found frequently in other natural field situations as well, but because an indicator of compliance flowing from power appraisals was also present, that of the selling price of auction lots for sale. This later point will be explained in more detail in the chapter which follows.

Previous literature on exchange theory has been weak in both of these aspects: the lack of indicators of power resources and the lack of indicators of participants' attributions concerning level of access to these resources. Conversation appears a promising medium for solving what has always been a basic problem in exchange theory: the abstract quality of many of the resources and attributions in which exchange and power are grounded. This abstract quality becomes a problem when attempts are made to test exchange theory empirically. This is particularly so in less institutionalized settings in which power positions shift frequently, not only situationally but over time.

Part of the difficulty of measuring and tracing the use of resources in social interaction is that many of these resources are intangible (e.g., approval, liking). Intangible resources do not have material substance but, rather, are

types of actions. Conversation is one of the means through which these actions can be used to achieve power. Language contains certain categories. These categories are intangible resources, or actions, which contribute to power when socially shared expressions of these categories are used. This is the way in which the concept of intangible resources will be used in the present study. Usually, a wider range of events might also be used for intangible purposes: spatial relationships, dress, or use of furniture, for instance. Only language is focused upon here, as a series of socially shared categories which, when used in conversation, and when their occurrence is socially recognized, would be an indicator of a power relationship. Power then, as examined in the present study, is a summary of the relative expression of intangible resources, and social recognition of the use of these resources. Power, as considered in this work, is inherently a two sided phenomenon. It is necessary not only for intangible resources to be expressed, but for attributions to be made by others concerning the value of these resources. Although this is the aspect of power focused upon here, power in general should be defined less narrowly as a summary not only of intangible resource use, but use of tangible or material resources as well.

The study of intangible resources, however, has always been difficult. Before examining conversation in the auction setting, one must consider the problem of intangible resources in general. Clearly intangible resources, such as talk, are very different from tangible resources,

which might fit more easily into an exchange model. The difficulty is to perceive what the mechanics of the exchange would be. These issues will be attended to in this report.

Many of the resources which exchange theory literature has always been centrally concerned about turn out to be intangible (e.g., gratitude, social support). It is believed that a focus upon the use of one form of intangible resource expression, the one which occurs through the medium of language, will enable shifting power relationships to be traced. In tracing power in this manner, current conceptions of power through exchange can be clarified. Since the exchangeability of these intangible resources is open to question here, it is clear that as knowledge of their operation is gained, elements of exchange theory itself might have to be reappraised.

One particular intangible conversational resource is given special attention in this study: the insult. Insults are among the most frequently used intangible resources in the field situation being observed, the auction. Insulting activity is the construction and application of a negative quality to the character or actions of another, in order to enhance one's own resource position. Through the examination of the use of one particular intangible resource in detail, a better understanding will be gained of the process by which access to intangible resources leads to the attainment of attributions of power.

This research then not only uses an exchange theory perspective to examine social power through the indicator medium

of conversation; it looks at the processes which occur in that conversation, particularly insult, to bring clarification to exchange theory's treatment of intangible resources and power.

II. LITERATURE REVIEW

The present study touches upon three areas of existing research. The main focus is power-related issues which flow from the empirical examination of intangible resources in exchange theory. Most attention will be given to this topic in the literature review. Second, materials which deal with the auction setting will be reviewed. The reason for including the few social science oriented studies of the auction setting here is that this setting provides the empirical data for the study of exchange and power which is the basis of this report. Third, ritual insult will be focused upon as a major (in terms of frequency) intangible resource used in the negotiation of power and exchange in the auction setting, so a brief review of existing literature on that topic is considered helpful to the reader. This literature review then will consist of separate sections which review the literature on 1) power related issues flowing from the empirical examination of intangible resources in exchange theory, 2) the auction setting, and 3) ritual insult. A fourth concluding section, summarizing the major points made, will follow the above three sections.

Power Related Issues Flowing From the Empirical Examination of Intangible Resources in Exchange Theory

Exchange theory concepts have existed academically for about two hundred years.[1] More recently, they have been more widely circulated among sociologists, the best known works on the subject, those of Blau, Homans, and Thibaut and Kelley,[2] having appeared within five years of each other.[3] Sociologists and social psychologists are still engaged in a debate over the usefulness of exchange in providing a reasonable explanation of human behavior.

Within the last fifteen years, a number of social scientists have attempted to test exchange theory propositions empirically, or have suggested specific theoretical principles derived from exchange theory amenable to empirical analysis.[4]

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[1] Walter Nord, "Adam Smith and Contemporary Social Exchange Theory," American Journal of Economics 32 (1973): 421; John B. Knox, "The Concept of Exchange in Sociological Theory: 1884 and 1961," Social Forces 41 (1963):341.

[2] Peter M. Blau, Exchange and Power in Social Life (New York, John Wiley and Sons, Inc., 1964) passim; George Caspar Homans, Social Behavior: Its Elementary Forms (New York, Harcourt, Brace and World, Inc., 1964) passim; John W. Thibaut and Harold H. Kelley, The Social Psychology of Groups (New York, John Wiley and Sons, Inc., 1959) passim.

[3] Kuhn set up, within the same time period, an analogous exchange model written from the point of view of an economist. He seems largely uninfluenced by other exchange models, although he does mention Homans and Emerson. The discussion of other exchange models here also applies to this model. Alfred Kuhn, The Study of Society: A Unified Approach (Illinois, Irwin-Dorsey Press, Inc., 1963) passim.

[4] Richard M. Emerson, "Exchange Theory, Part I and Part II," in Sociological Theories in Progress, vol. 2, ed. J. Berger, B. Anderson and M. Zelditch (Boston,

When exchange theory is examined in terms of a view toward potential empirical testing of its propositions, a major point of perplexity arises: how to handle intangible resources in the analysis of social exchange. This becomes a major issue when power is considered within an exchange model. Intangible resources are referred to in most writings on exchange theory, Adams' use of level of wages as an independent variable being an exception.[1] Material goods, e.g., wages, are clear indicators, whereas indicators of intangible resources, e.g., gratitude, are less clearly available. Studies of power then reveal difficulties in their treatment of a major type of resource leading to power, the intangible resource. Parts of the problem are that intangible resource use is neither easily measured nor is its relationship to instances of power clearly demonstrated.

The literature related to power and the treatment of intangible resources in exchange theory will be considered under two issues: evaluation of the role of intangible

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Houghton-Mifflin, 1972) p. 46; Yeheskel Hasenfeld, "People Processing Organizations: An Exchange Approach," American Sociological Review 37 (1972):256; Sol Levine and Paul E. White, "Exchange as a Conceptual Framework for the Study of Interorganizational Relationships," Administrative Science Quarterly 5 (1960):583; David L. Rogers, William D. Heffernan and W. Keith Warner, "Benefits and Role Performance in Voluntary Organizations: An Exploration of Social Exchange," Sociological Quarterly 13 (1972):195.

[1] J. Stacy Adams, "Inequity in Social Exchange," in Advances in Experimental Psychology vol. 2, ed. L. Berkowitz (New York, Academic Press, 1965) p. 281.

resource use in determinations of power positions, and, consideration of the extent to which levels of intangible resource use can be demonstrated empirically.

The Role of Intangible Resource Use in Determinations of Power Positions

Exchange theorists have shown much concern with the concept of power. Power, for them, is the force behind the ability to control exchanges, so that the individual with the most power is the one who has profited by unequal exchanges which work in his favor. Power through exchange has been conceptualized as a more or less consistent feature of individuals in informal settings which eventually is institutionalized into a formalized set of roles and norms.[1]

Blau has pointed to the role of intangible resources in creating imbalanced exchanges which imply power for one of the participants.[2] For example, he says that an individual who receives a service is expected to express gratitude and return an equivalent service. Expressions of gratitude then are something qualitatively different from

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[1]This conceptualization is of interest in the light of Bierstedt's critique that an exchange model is deficient because it only illuminates interpersonal relations in uninstitutionalized settings and once a stabilized setting exists, the model will break down. Robert Bierstedt, "Book Review of 'Exchange and Power in Social Life' by Peter M. Blau," American Sociological Review 30 (1965):791.

[2]Blau, Exchange and Power, p. 117.

the return of the equivalent service. Gratitude can be used to create an imbalance in what is otherwise an equivalent exchange or a balance in what is otherwise a non-equivalent exchange, by altering the power distribution.

Emerson, in contrast to Blau's emphasis on potentially imbalanced exchanges, stresses the role of intangible resources (e.g., compliance) in creating balanced or equivalent exchanges. He uses the concept of exchanges balanced through intangibles as a main thrust in a critique of the concept of power advantage in exchange theory. Emerson argues that in a bilateral monopoly, in which each person has total control over an intangible resource that the other person desires, in his example the monopoly of power and compliance, the concept of power advantage is not meaningful, because no matter how much power is present, the other individual can introduce more and more compliance to balance the exchange.[1]

Regarding the role of intangible resources in contributing to power positions then, there is some discrepancy as to whether intangible resource use might be a meaningful way in which to predict power. On the one hand, intangibles clearly are expected and do occur in social interaction and yet it is unclear how much weight

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[1] Emerson defines power differently than the present study does. To Emerson, power is a form of intangible resource, whereas, in the present study, power summarizes intangible resource use. Emerson., "Exchange Theory" p. 66.

to attribute to intangible resource use as a mechanism for the accumulation of power if it can potentially be inexhaustibly balanced by an opponent's intangible resource use.

The Extent to Which Levels of Intangible Resource Use Can be Demonstrated Empirically

Conceptual weaknesses in the treatment of intangible resources can also affect their empirical application.[1] Methods for measuring intangibles present in social interaction have varied as the following few pages indicate.

Thibaut and Kelley although writing a largely theoretical work, first suggest a method through which levels of intangible resource use can be demonstrated empirically in their concept of the resource matrix.[2] The resource matrix is a series of cells containing numbers which are devices for evaluating the profit possibilities of both oneself and others from any particular social exchange. A simplified model containing only two activity possibilities (a_1 and a_2 and b_1 and b_2) for each individual is indicated below in Figure 1. These may be events, such as expressing liking or not expressing liking, for example.

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[1] Emerson has pointed out that a major weakness of exchange theory in general is that it is used as post hoc explanation rather than guiding new research, because of its basic conceptual flaws. Richard M. Emerson, "Exchange Theory: The Problem of Appropriate Data," paper presented at the annual meeting of the American Sociological Association, Denver, Colorado, August, 1971, p. 3.

[2] Thibaut and Kelley, Social Psychology. Resource matrices and analyses are presented throughout their work.

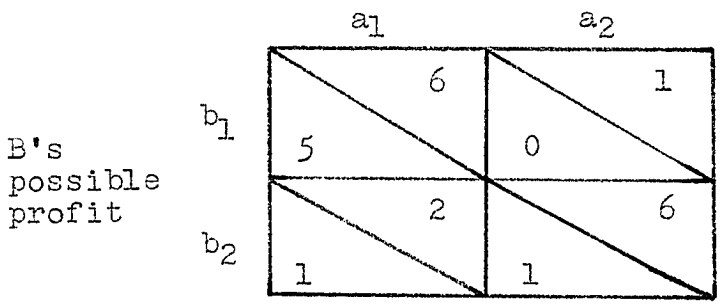

Fig. 1. Thibaut and Kelley's Resource Matrix

Each cell consists of two numbers. The one above the diagonal represents the first individual's (A's) profit and the one below the diagonal represents the second individual's (B's) profit. Each number is an arbitrary designation of the value of resources gained minus the value of resources lost for any particular choice of action. Once one individual decides on a particular action, a_1 for example, the other individual has his possibilities for resource gains restricted to those values in only the two cells in the matrix corresponding to A's choice. Each number representing net gain in resources should be viewed in relation to the profit of the opponent and the profit obtainable by making alternate decisions. The higher the hypothetical number in a matrix cell, the more likely is the individual to benefit as the higher his gain in access to resources will be. Theoretically, the resource value of any choice can be any number. Since profit possibilities, according to Blau, are what create power, the resource matrix might indicate respective power positions to the

social scientist.[1] Theoretically, if one knew what the value was of the numbers in the cells of a resource matrix, one would have an indicator of social power, often expressed via access to intangible resources.

Longabaugh is also interested in the degree to which levels of access to resources theorized by the sociologist[2] can be demonstrated empirically. Although he does not specifically work within a power framework, his exchange framework does have ramifications for the concept of social power, as Longabaugh uses Whiting's definition of a resource as being "anything anyone wants". This definition implies that more resources will be possessed by the more powerful. Longabaugh uses a three-category system for the study of resources in mother-child interactions: control, support, and information. All three are intangibles. He concludes that a resource-process coding of interaction is feasible.

Strodtbeck has examined conversation as an indicator of power emerging out of interaction.[3] His is the major attempt I have found which studies interactional power in a somewhat natural empirical situation. Strodtbeck is not working within an exchange theory framework. His work precedes the major period of exchange-theory-oriented

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[1] Blau, Exchange and Power, p. 117.

[2] Richard Longabaugh, "A Category System for Coding Interpersonal Behavior as Social Exchange," Sociometry 26 (1963):321.

[3] Fred L. Strodtbeck, "Husband-Wife Interaction Over Revealed Differences," American Sociological Review 16 (1951):469.

publications. Nevertheless, the issue he addresses, that of winning, is an issue relevant to the study of social exchange.

In order to determine the relative power of family roles, Strodtbeck placed husbands and wives in situations in which they had a difference of opinion and recorded the conversation that occurred. The arguments were then scored for the relative number of wins and losses by wives and husbands. A win occurred when one individual adopted the opinion of the other. Arguments were further analyzed using Bales' Interaction Process Analysis system for content analyzing talk.[1] Roles are not firmly endowed with power, as Strodtbeck's data show. That there are a large number of power losses for the role which wins the majority of arguments is evidence that power is open to negotiation. Strodtbeck's study demonstrates the feasibility of using conversation as an indicator of power relationships, as it can be assumed that power-based resources are what initiate wins within the context of this particular study.

Evident in the above literature is a desire to study intangible resources empirically, so that levels of access to both intangible and tangible resources can be appraised in any particular exchange. The social scientist who uses an indicator of access to intangible resources most clearly related to power, Strodtbeck in his study of

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[1] Robert Freed Bales, Interaction Process Analysis (Cambridge: Addison-Wesley, 1950) p. 9.

talk, does not work within an exchange model. Those working within an exchange model, on the other hand, do not have a means for measuring social power through intangibles. There has been, then, no clear line of study of ways in which intangible resources which provide a base for power might be empirically demonstrated and studied.

Despite their instructiveness, there are problems with the above works both on the level of the relationship of intangibles to power and the extent to which intangible resource use can be demonstrated empirically.

The first problem is that a clear distinction has generally not been made between intangible commodities, such as approval or esteem, and economic goods. Intangible resources have often been treated in the same manner as material resources might be. This is particularly visible in the treatment of the exchangeability of intangibles. Blau, for example, treats power as a form of money.[1] Money is a tangible commodity which can be possessed and freely exchanged. Therefore, to Blau, power can also be owned and freely exchanged. Yet, power could also be a summation of relative intangible resource positions, as proposed in the present study. The dynamics of power usage should then be similar to the dynamics of intangible resource usage as well. At times, however, Blau appears to imply that intangible resources have no exchange value at all.[2] If intangibles lacked exchange value, they would be distinctly

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[1] Blau, Exchange and Power, p. 132.

[2] Ibid., p. 4.

different from tangible resources. Blau's implication occurs particularly in his discussion of the expression of gratitude and the return of an equivalent service when a service has already been received. He treats this as a balanced exchange. Treating it so, however, ignores the contribution of gratitude to the exchange, since the exchange is only balanced if gratitude, an intangible, is not counted as part of what is traded. Since it is imbalanced exchanges which lead to power, according to exchange theory, and since power is a major concern of the exchange model, there is need for more study of the contribution of intangible resource use to imbalanced exchanges and power. If clear differences exist between intangible and material resources, these should be enumerated. As Crosbie has pointed out, it is questionable whether we can treat intangible and tangible resources in identical fashion.[1] It is possible for intangible resource use to lead to power without its having exchange value, but if the relationship of intangibles to power occurs by different processes than the relationship of tangible goods to power, the mechanics of this should be outlined.

A second problem of previous work in exchange theory and the study of interactional power is that a good indicator of intangible resource use is needed. A clear system to measure when expressions of specific intangibles, leading

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[1]Paul Crosbie, "Social Exchange and Power Compliance: A Test of Hermans' Propositions," Sociometry 35 (1972):219.

to power, are generated is lacking in the above literature, with the possible exception of Strodtbeck's work. Researchers have often ignored intangibles in empirical analysis. Abrahamsson (1970), in a critique of exchange theory, has suggested that intangibles be excluded from any empirical analysis of exchange theory because they are nonexhaustible. In other words, they can't be used up and therefore cannot be measured. This leaves a rather deficient social setting in operation and does not provide an adequate milieu in which either to examine exchange theory propositions empirically or to study human behavior. Ultimately, the suggestion is an attempt to bend social reality to fit measurement tools that are agreed to be deficient, rather than an attempt to provide new and more useful tools. The intention of the present study to provide a more useful tool, the content analysis of transcripts, will be elaborated later in this literature review, and in the chapter following.

If power advantage cannot be measured, as Emerson suggests, because individuals will express additional intangible resources to balance those already used by others, a system for measuring intangible resource use will not be effective. If power can be measured as an imbalance in intangible resource expression, however, the concept of power advantage becomes meaningful.

A third and last problem of exchange theory to be discussed here, which Singlemann has also pointed to in his theoretical integration of exchange theory and symbolic

interaction, is that measurement of intangible resource use is not likely to be relevant without some additional measurement of the attributions persons are making of each other's respective resource expression.[1] If the researcher wants to do more than just infer their existence, two choices are possible. They can be measured either directly, through asking individuals about their attributions, or unobtrusively through the measurement of the consequences of these attributions in their effect upon social activity. Without data concerning attributions, we cannot have a clear appraisal of the relationship between what is being coded as intangible resource use and the concept of power.

The above criticism applies particularly to constructs like Thibaut and Kelley's resource matrix in which participants in the activities the resource matrices represent may perceive the meaning of the figures in the cells differently from how an outside observer, such as a social scientist, may interpret them. This is the major reason for the arbitrary nature of the intensities of the values corresponding to each cell of a sample matrix. It is not clear by what criteria a particular activity

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[1]Peter Singelmann, "Exchange as Symbolic Interaction: Convergences Between Two Theoretical Perspectives," American Sociological Review 37 (1972):422. The attribution concept has been used previously by social psychologists in reference to persons' interpretations of events or personality attributes. Harold H. Kelley, "Attribution Theory in Social Psychology," paper presented at the Nebraska Symposium on Motivation, Nebraska, 1967, passim; Stanley Schacter and Jerome E. Singer, "Cognitive, Social and Physiological Determinants of Emotional State," Psychological Review 69 (1962):379; Elaine Walster, "Assignment of Responsibility For an Accident," Journal of Personality and Social Psychology 3 (1966):73. Attributions of participant's relative intangible resource positions have never been studied.

can be evaluated in order to assess its resource worth.

The above problems point out the desirability of studying the uses of intangible resources in actual situations of social interaction after theorizing about them more clearly. With clearcut distinctions drawn between intangible resource expression and tangible resource exchange, one can investigate the additional contribution of intangible resources to social power, rather than having a less useful concept of social power based upon 1) the manipulation and ownership of tangible resources, which are more easily measurable, or 2) a muddled concept of social power which treats intangibles and tangibles identically and which is responsible for much of the measurement problem.

With reference to the problem of locating appropriate indicators for intangible resource use, most writing has ignored the role of language as a vehicle for intangible resource expression. Conversation is a potential object of study accessible to the researcher who is interested in studying social power or who wishes to clarify exchange theory concepts through the examination of empirical settings. The examination of conversation as an indicator of the expression of intangible resources through language category use might be a useful way to gain access to a difficult area. Categories of language content are only one means through which intangible resources are expressed,[1] but

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[1] Another might be nonverbal behavior or structural features of language use such as interruptions or overlaps. Paralinguistic features such as pitch or intensity of voice might also be relevant.

it is a useful place to begin an exploration of intangible resource use, as the meaning of certain verbal activities can be assumed to be widely known and agreed upon in the culture. Intangible resource expression through language will be treated in more detail in the chapter following this one.

As stated above, it is important to study attributions of participants of a social setting in order to assure that the intangible resources which lead to power are not merely constructs of the social scientist's imagination. Therefore, measurement of an activity by participants which is likely to vary with intangible resource use is also helpful, as mentioned earlier. A suggested indicator of attributions which accompany conversational activities is the compliance they should produce. Attributions and their effects will also be treated in greater detail in the following chapter.

This study, then, examines the role of intangible resource use in power accumulation with the following differences from most previous work in exchange theory:

1) Intangible resources are not assumed to be the same as tangible resources.

2) An attempt is made to code intangible resource expression systematically through the use of conversation as an indicator.

3) The attribution by a setting's participants of intangible resource use as evidence of one's social power is measured through resulting tangible exchanges.

Although some work has focused upon either the first or second point above, no one has examined power specifically within an exchange framework, using conversation as an indicator of intangible resource expression, and using tangible exchanges as an indicator of power recognition.

The Auction Setting

A second body of literature relevant to the study being carried out here is that which studies the auction setting directly. Auctions are little-studied social events. Those few serious writings on the subject of auctions are not particularly oriented toward exchange theory or intangible resources.

Cassady, for example, has examined the role of auctions in market distribution and price determination.[1] He briefly speculates on possible functions of auction chanting as a silence-management device, although he does not analyze its specific components. Butler has also examined auctions from an economic viewpoint.[2] One auctioneer's sales were studied over the period 1949-1957. Butler compared estimated and actual selling prices on machines and found that overestimates and underestimates go in runs. He concluded that this might be due to the mass psychology of bidders.

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[1] Ralph Cassady Jr., Auctions and Auctioneering (Berkeley: University of California Press, 1967) p. 123.

[2] E.B. Butler, "Auction Prices: Estimated and Realized," The Economic Journal 71 (1961):120.

Clark has examined auctions in the Western United States from an interactionist perspective.[1] His ethnography is organized according to three main concepts: "trust, trouble, and deals". In other words, for the auction to occur, the auctioneer must manage to create impressions of his honesty, repair disruptions, and produce a reasonable number of bargains.

Turner and Stewart have examined role conflict in the auction setting.[2] They point out particular strategies used by auctioneers to convince buyers that they are getting bargains and consigners that they are getting high prices on the same set of merchandise.

The above works, while they often incorporate examples of auction talk, do not examine the auctioneer's conversation closely. A specific delineation of how the auctioneer demonstrates technical skill is lacking. This is not the fault of the above authors, as their interests are different. The present concern is not as much with possible weaknesses in auction-related literature, as to briefly describe that literature for the reader's benefit.

The auction study undertaken here deals with different problems than were dealt with in previous work by focusing directly on the auction talk and the intangible resource flow which underlies that talk. Since the auction

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[1]Robert Edward Clark, "On the Block: An Ethnography of Auctions" (Ph.D. dissertation, University of Montana, 1973), passim.

[2]Ronny E. Turner and Kenneth Stewart, "The Negotiation of Role Conflict: A Study of Sales Behavior at the Auction," Rocky Mountain Social Science Journal 11 (1974):85.

is an event which proceeds almost entirely by talk, it is expected that the intangible resource use which occurs in the auction will be locatable in that talk.

Ritual insult

A third body of literature relevant to the present study is the work on insulting activity. As with the previous section of literature which involves the auction setting, the concern will be less with a search for the problems of that literature and more with a description of the work in order to clarify the place of the research being carried out here.

Materials have been collected on ritual insult outside of the exchange model. This work is primarily ethnographic and descriptive.[1] The focus has been on rituals of black culture or foreign culture. Although insult use has not been treated specifically as a power-related resource, its use in obtaining attributions of skillfulness is perceived.

Of the black ghetto work, Labov's is particularly interesting, as he has attempted to organize his observations in some formal manner. Labov has studied verbal dueling in black ghetto culture which escalates into elaborate sequences, i.e., "the dozens" or "sounding". As in

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[1] William Labov, "Rules for Ritual Insult," in Studies in Social Interaction, ed. D. Sudnow (New York: Free Press, 1972), p. 120; Roger D. Abrahams, "Playing the Dozens," Journal of American Folklore 75 (1962):209; John Dollard, "The Dozens: Dialectic of Insult," American Imago 1 (1939):3; Alan Dundes, Jerry W. Leach and Bora Ozkok, "The Strategy of Turkish Boys' Verbal Dueling Rhymes," in Directions in Sociolinguistics, ed. J.J. Gumperz and D. Hymes (New York: Holt Rinehart and Winston, 1972), p. 130.

generally nonelaborated sequences which occur in the auction setting, "topping" an insult, or constructing an appropriate reply which may also be an insult, equalizes the interaction until additional conversation is created. Insults considered by Labov are ritual ones and his definition of ritual is instructive, as it appears to apply to auction insults as well. Ritual insults, according to Labov's definition, are not personal and therefore are treated socially in a particular manner which does not require responding to the insult as fact.[1] Ritual insults are sequentially ordered so that the rules for their insertion in particular points in a conversation can be identified not only in the ghetto but possibly in other situations in which conversation is normatively regulated, such as the auction. In ritual insults, third party observation is important in socially defining the events that occur, as it is observers' attributions of skill which motivate the activity.

The effect of conversational skill on status has been studied by Dundes et al., although it has been studied in a foreign context. They have examined young Turkish boys' insult duels. In Turkey, brief ritual insults will also occur, as well as lengthier sequences. Dundes and his associates have focused upon the insult as part of a retort tradition, rather than an event which is the initiating part of a sequence of interaction.

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[1] Labov, Ritual Insult, p. 156.

Abelson and Miller are an exception to the descriptive nature of much of the work on insult.[1] They have studied the effect of insult on persuasion in a controlled field setting. By using a congruity model, that is, a model which assumes that individuals will attempt to resolve contradictions between their beliefs and actions, they predicted and found a "boomerang" effect in the persuasion attempt. Individuals who were exposed to an influence attempt on a political issue by an insulting persuader did not change their attitude in the direction of the person attempting to bring about the change. Rather, subjects adopted more extreme views than they initially had, away from the views of the insulting confederate of the experimenter. Abelson and Miller cite Homans as theoretical support for their results. The rationale is that communication is a type of investment in which one exchanges an exposure to one's way of thinking for social acceptance or approval. If one does not receive this approval, adopting a more extreme position balances the inequity. Homans, however, or exchange theory in general, can be theoretical support for either this prediction or the prediction of a successful persuasion attempt. The alternate theoretical position proposed here is that an insult which is not disputed or countered by another insult is an intangible resource, a language category,

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[1]Robert P. Abelson and James C. Miller, "Negative Persuasion Via Personal Insult," Journal of Experimental Social Psychology 3 (1967):321.

the expression of which causes power to be attributed to the individual making the insult.[1] This power could then be used to induce compliance in the insulted individual.

The literature on insulting activity is sparse and a systematic treatment of its functions and effects still needs to be carried out. In terms of the research being reported here, the concept of insult being used is that which fits in most closely with Labov's and Dundes' et al. work, in that insult for these authors is less of an affront to the recipient's character which is thought to be grounded in actual qualities and more an attempt to achieve status for oneself by making an insult based on imaginary personality characteristics of others.

Summary and Conclusion

The major weaknesses of previous literature on exchange theory applied to power are: 1) the failure to distinguish adequately between intangible and tangible resources in the exchanges under discussion, 2) the lack of adequate indicators of intangible resource use and 3) an overlooking of the relationship of the use of these intangible resources to power attributions and other activities of participants.

Since language is an important medium for the production of intangible resources, a systematic analysis

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[1] Insult, as well as approval or any other intangible resource, may be expressed through other activities as well as language. Since this study focuses on language category use, however, it is treated here as grounded in conversation.

of conversation appears to be useful in terms of assessing talk's potential as an indicator. In focusing on intangible resource use, a clearer view will be obtained of the differences between intangible and tangible resources. The auction setting appears promising in this regard. Not only does action proceed there almost entirely by talk, which is normatively regulated in a highly structured manner, but a measure is concurrently provided of the buying public's assessment of the auctioneer's power position through the amount of money they are willing to offer during each sales sequence for each item, a tangible exchange.

Insults are a major form of intangible resource, because of the frequency of their use, the ease of their identification, and their possible utility as a predictor of power position in general. The isolation of any one particular intangible resource as a predictor might make future conversational scoring less coarse and more efficient.

In examining intangible resource use in auction talk, and in focusing on the expression of a particular resource present in that talk, the insult, additional clarification will be provided on the relationship between intangible resources, exchange, and power creation.

III. POWER IN THE AUCTION SETTING

The concept of resources will be used as a means to study the process by which power is produced. If one individual is able to make use of more resources than another and/or misuses fewer resources than another, he will be treated as having greater power.

The study being done here focuses on the intangible or nonmaterial resource, as has most other work in the exchange theory tradition. Since the indicator of resources being used in this study, conversation, points to intangible rather than tangible resource use, it is necessary to examine the differences between intangible and tangible resources of which power is composed. Differences which affect the model should be discussed, since most exchange theorists have dealt with intangible resources, but treated them as though they had material substance.[1]

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[1] Even though Emerson is one of the few exchange theorists to make large distinctions between an intangible and tangible resource, an imbalance in relative expression of intangible resources as a way of conceptualizing power is useful only if Emerson is incorrect in his prediction that intangibles will be inexhaustibly used to balance other intangibles. If he is incorrect, and if conversation is found to be useful in measuring the intangible resources used by individuals, as this study suggests might be, a workable indicator of power exists. Emerson., "Exchange Theory" p. 66.

Since the emphasis here is on the intangible resource, this section focuses on the question of how differences between intangible and tangible resources affect a model of power based upon exchange theory. This is believed to be necessary as a prelude to testing the usefulness of the content of talk as a tool for the measurement of power.

A Brief Description of the Auction Setting

As much of the theorizing contained here is based upon observation in the auction setting, a brief description of that setting might be useful in introducing the topic.

In an auction, products are generally sold to the highest bidder. Generally a steady stream of items is offered in lots, each lot's sale constituting a selling sequence. The auctioneer usually talks most, having the advantage of access to a microphone in a large crowd. Audiences, however, are sometimes quite vocal, particularly if they are composed of professionals buying either for their own stock or as agents for someone else.

Auctions can be colorful events; the auctioneer and potential purchasers produce a variety of talk as a means of getting selling and buying activity done. During each sales sequence, the auctioneer tries to sell products for as high a bid as he is able. At the same time, however, it is important for him to sell quickly, particularly if he has a large number of lots to sell that day. As potential buyers try to buy items for generally low prices, their

interests are in conflict with the auctioneer's. In observing the haggling over the selling price in any particular sales sequence, it became evident that a negotiation was occurring not only over the price of the lot, but over the respective power positions of the participants. During this negotiation for power, as well as price, participants align themselves into two teams: audience members versus the auctioneer plus his assistants. The consigner of the merchandise, if he is present, often plays an assistant role. The team with the most power ought to have the most influence over the selling price. For this reason, it is in the auctioneer's interest to reduce teamwork among audience members. Audience members will, however, ally themselves with and support other audience members more often than they will support the auctioneer.

In observing auction settings, it was noticeable that someone could work within the setting with very few initial resources and yet manage to exert interpersonal power. A traditional exchange theorist might say that this was because all of the resources which that individual initially owned were not attended to by the observer. However, no matter how careful the appraisal of power at the beginning of a period of interaction, it still became difficult to predict who would have more power later on the basis of initial resources. Part of the reason for this was not recognizing the distinctiveness of intangible resources as they are used through interaction, particularly conversation. Since talk plays such a central role in the

selling activity at an auction, any intangible resource based negotiation that occurs will be expressed at least partially through language category use.[1] Conversation, however, can be viewed not only as the result of power relationships, but as one of the means through which power relationships become defined.

As Emerson points out, intangible resources are easily used at many points while interacting, but are not necessarily apparent to an observer at the beginning of an interaction sequence.[2] This is not to say, however, in reference to Emerson's prediction, that these resources will always be used to balance those of the opponent, preventing power. Intangible resources are put into play and lead to power if participants in the social setting use particular types of socially shared language categories for the situation they are in. (This is vague at this point, but the type of talk which is necessary in the auction setting will be made clearer below). When individuals hear that talk, they should react to it by attributing power to the speaker. Power is not inherent in the language category, but in the use of the category plus social recognition. That person has created interpersonal power

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[1] The concept language category use is treated as synonymous with intangible resource expression in this report. It is realized that the view taken in the next few pages is too simple to be a final statement, but it guides the dissertation and will be worked on in the future. Language categories are defined as combinations of words whose use may be socially defined as either powerful or lacking in power (expressions of deference, for instance). Not all combinations of words fulfill this criterion. It is possible for language to be neutral with respect to power.

[2] Emerson., "Exchange Theory" p. 66.

for himself through the use of those language categories. The creation of power has been done in a rather ad hoc fashion through openings in conversational activity. Power summarizes the conversational interaction. Intangible resources then can be used continually to renegotiate respective power positions whenever necessary by alteration of the content of one's talk.

Talk then has both explicit and implicit functions in an auction. It is the means for getting buying and selling done. At the same time it provides empirical evidence to participants in and observers of the activity that a particular individual may be able to carry out in a forceful way what might otherwise be rather neutral behavior. In this sense, talk is a demonstration.

Power may exist in latent form if no additional intangible resources are used through talk. In other words, power may exist as summations of previous encounters. But active use of resources transforms potential or previous power into actual power. Language then provides a medium in which newly used intangible resources can be seen and recognized. These intangible resources are not new in the sense that the language category each consists of is new. The usefulness of the language category has been learned previously. What is new is the conversation which makes use of the language category.

That the auctioneer is not able to rely solely on material resources or his role as director of the proceedings in working at power, but must also maintain an

active involvement in additional intangible resource use means that these intangibles are necessary in order to produce evidence of his value. It is believed that the individual who tries to depend for too long on past power will find his position eventually undermined by others all too willing to renegotiate respective power positions by their own use of intangible resources. Since constant renegotiation is possible, then, it is necessary for an individual who works to obtain or maintain power to produce conversationally a fairly steady stream of expressions of intangible resources.

Differences Between Intangible and Tangible Resources

If the content of conversation contains language categories which are intangible resources, these resources must be different in a number of ways from resources that have more physical substance. The question then to consider is: if conversation appears to be useful as a data source for the study of intangible resources and power, in what ways is the study of conversation going to result in different conclusions than might the study of a vehicle for material resources? If conclusions are liable to be different, then traditional exchange theory, which has, with a few exceptions, not paid attention to conceptual differences between intangibles and tangibles, might have to re-evaluate its treatment of intangible resources. It is believed that there are three major differences between intangible and tangible resources which would have an effect upon an empirical application of exchange theory. These

are assumptions which govern the present study:

1) Intangible resources are more accsssible to an individual than are tangible resources.

2) Intangible resources are not usually exchangeable, whereas tangible resources are.

3) The transformation of intangible resource use into power is more dependent upon attributions than is the transformation of tangible resource use into power.

Unfortunately, none of the above propositions is testable within the framework of this study. They are being proposed however, and will be discussed in turn in order hopefully to achieve greater conceptual clarity. This is a form of groundwork so that more testable aspects of the notion of intangible resources can be studied empirically, using conversation as an indicator.

1) Intangible resources are more accessible to an individual than are tangible resources. This is because, if one needs resources quickly and easily, intangible resources (not only through language category use, but through demeanor, symbolic aspects of dress, alterations in context, and a wide range of other activities) will generally be more available than will material resources. In the auction, which is a highly structured situation, the range of available intangible resources may be somewhat restricted. In any of the auctions observed, however, hundreds of examples of language category use existed from language categories that were not obviously the province of any one individual beforehand, but not a single material resource was produced

from a hidden reserve of material socially held in common. Similarly, in the case of other intangibles, socially shared definitions of norms and actions existed to be employed by those individuals talented enough to use the situation advantageously. All that is necessary in intangible resource use through language, for example, is for one to have knowledge of and be able to take advantage of the definition of skillful talk in the situation. Then, whenever a slot opens in the interaction which is conducive to intangible resource use and recognition, an individual who desires to redistribute power can attempt to do so. This does not mean that he will succeed. Language categories may be accessible to all competent members of the culture. However, some individuals will know and be able to use these categories better than others. Language categories may be more available to some individuals than to others; however, they are usually more available to all than are material resources.

2) Intangible resources are not usually exchangeable, whereas tangible resources are. This proposition is a larger issue than the above one because exchange theory has always conceptualized intangibles as exchangeable by the same mechanisms through which tangible resources have been exchanged. To transfer a resource requires that it have material substance usually, so that it can be both owned and given away. The exchangeability model therefore is tied into a view of resources as possessions. If John, for example, has ten dollars and gives them to Mary, Mary

then owns those ten dollars and can use them to her benefit, while John has ten dollars less to use. The mechanisms for the transfer of intangibles however do not appear to have been located. For one thing their ownership is unclear. If intangibles produced through conversation cannot be given to another for the recipient to use as resources then they may benefit the individual who produces the intangible resources. It is in this sense that they cannot be exchanged for anything. If John tells Mary a joke, instead of giving her ten dollars, that might make John attractive to her, which thereby makes the joke a benefit to John; but it is unclear in what sense Mary can be viewed as owning the joke in the same sense that she might own the ten dollars. John on the other hand has not lost anything, as he might in a material exchange, but rather has gained in attractiveness. Similarly, in the auction, the exchange of a necklace for a hundred dollars is very clearly the exchange of two possessions. But a round of jokes or insults or displays of expertise are less clearly exchanges in that these occurrences are not owned to be given away. Trade would imply, then, specifiable quantities of goods in which an amount of benefits or resources would be given to another, with one's own stock decreased by an identifiable amount. Intangibles under these conditions would eventually be used up, as all the benefits of resources were traded. Since benefits do not transfer, however, and since intangibles are not possessed or used up, clearly something quite different from an exchange apparently occurs.

Nevertheless, some intangibles do not appear to operate as clearly in a nonexchangeable manner. Help in solving a problem, for instance, appears to involve a transfer of some sort. This is not a transfer of power, but merely of a potential for power, via new knowledge, as the helper gains the power in the initial interaction. Gratitude, certain types of knowledge, and possibly other intangibles are a problem in designating all intangibles as nonexchangeable. For the purpose of the present study, however, nonexchangeability is assumed, as the intangible resources observed in the auction setting appear not to be traded.

3) The transformation of intangible resource use into power is more dependent upon attributions than is the transformation of tangible resource use into power. When intangible resources are used, power arises interactionally only through these attributions. Tangible resource use can lead to power without this type of response. This may be due largely to the existence of material resources in relatively fixed quantities. When material resources are being considered, it is easier to specify the amount of resources to which an individual has access. Since resource use is the basis of interpersonal power, any condition in which those resources used are more easily specifiable makes the amount of power more easily calculable to interacting individuals and not as contingent upon situational evaluations. The amount of resources present

in any particular excerpt of talk, however, is not easily specifiable at all, and the powerfulness of talk is thereby more variable, dependent upon attributions of third parties, or actors evaluating the situation from a third party perspective.

The above then are the three major distinguishing features of intangible resources as compared to tangible resources. These differences have a number of effects upon exchange theory.

Effects of Differences Between Intangible and Tangible Resources Upon Exchange Theory

The four effects that will be considered here concern the study of power from an exchange perspective.

1.) One effect is that power can be seen as deriving from a source different from that considered by traditional exchange theory. Exchange theorists have always assumed that an individual's power was received from another individual through trade. In their view, then, a finite amount of power would generally exist. As an individual traded more and more power for whatever the desired object was, compliance, respect, or money for example, power positions would shift, the originally powerful person using up his power. With the source of power being one's own capacity for intangible resource use, power need not necessarily be used up: a powerful person who is able to use a stream of resources might have less difficulty maintaining his power in the face of continual power renegotiation attempts by opponents than someone else.

2) A second effect is that a convincing case is made for approaching the study of power differently from what previously has been done. If resources can be used at many points in an interaction sequence, but need not be visible to the observer at the beginning, empirical studies might have to look at larger time slices of social processes, so that a running account by film, tape or continuous notetaking becomes necessary, rather than the calculation of resource positions at any single point in time. Static judgments of profit outcomes then lose their usefulness.

3) A third effect is that measurement of power results in a different appraisal of the amounts of resources that can be scored to, or to which access can be had by, any individual. Individuals need not be scored as losing an equivalent amount of resources simply because another individual gains in a certain number of instances of intangible resource use, as these resources are not received from that other person.

4) A final effect is that it becomes important to measure participants' reactions to intangibles in order to determine if power is being perceived by participants through the medium of language. This is desirable as attributions are a determining factor in transforming intangible resource use into power. As pointed out above, power is not automatically inherent in the categories, but requires social recognition.

The above then are ways in which differences between intangible and tangible resources might affect an exchange theory model of power. A model of power in the auction setting which takes the differences between intangible and tangible resources into consideration is proposed in Figure 2 and the explanation that follows.

A Proposed Model of Power in the Auction Setting

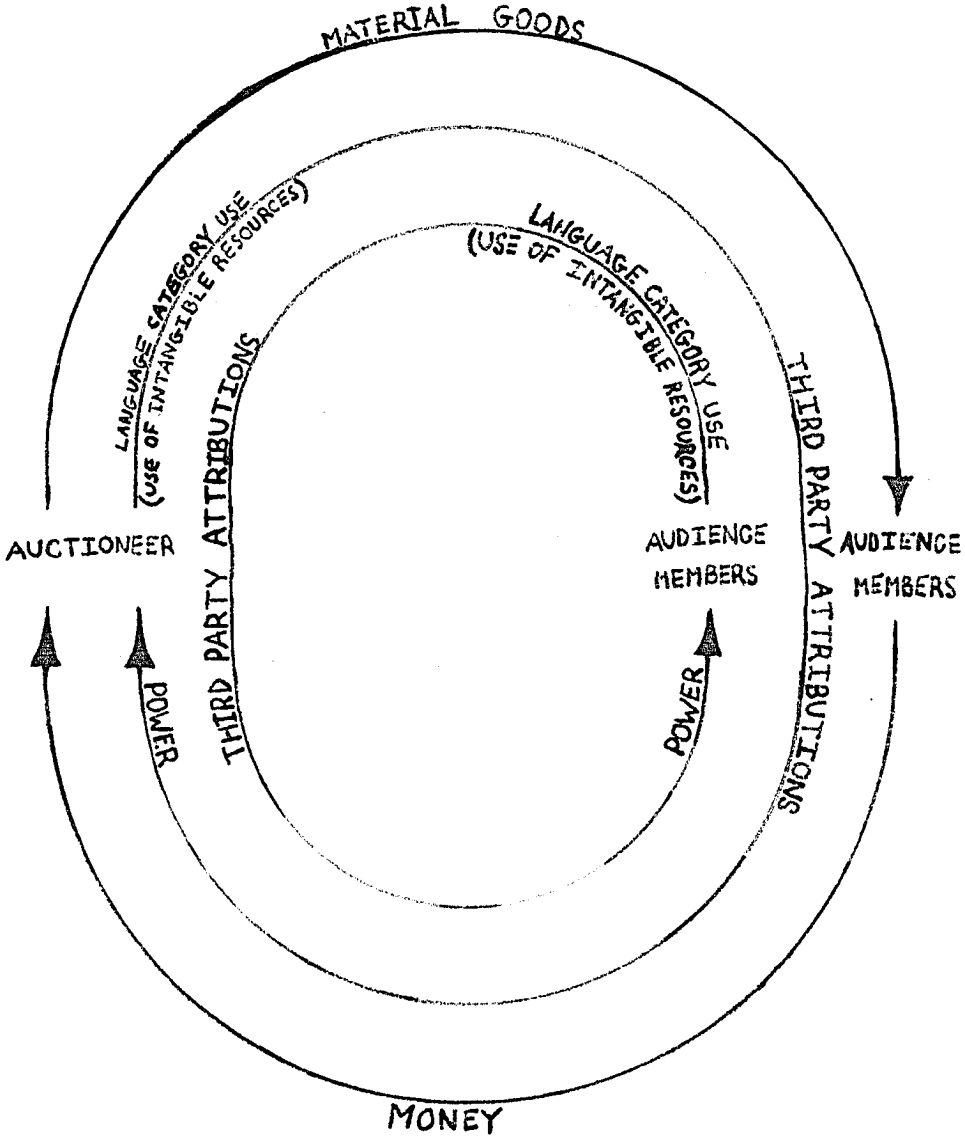

Fig. 2. Power in the Auction Setting

Figure 2 represents the flow of two types of resources, tangible resources on the outer loop and intangible resources on the two inner loops. One inner loop represents the flow of intangible resource use which originates from the auctioneer; the innermost loop represents the flow of intangible resource use which originates from audience members. On the outer loop tangibles are exchanged, sale items being given to audience members and money being given to the auctioneer. On the inner loops socially learned and shared language categories or intangible resources are used through conversation to solicit attributions. The intangible conversational resources are not traded, but their use is transformed into profit for their user by flowing back in their potential power benefits towards him or his team. The use of intangible resources becomes transformed into units of power when an attribution by other participants, in response to the resources, either consciously or unconsciously evaluates the talk as powerful.[1] Attributions transform use or expression of an intangible resource into social recognition that the expression has occurred. A language category may exist as an intangible resource, but not be perceived as such when used. Possibly,

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[1] Through misuse of resources, attributions can also occur which evaluate talk as powerless. Losses of power units will then occur, rather then gains. Attributions, although done from the perspective of a third party, may come from anyone in the setting adopting that perspective.

a previous attribution that an intangible resource has been used makes it easier to perceive the next time it is used. This response is crucial for language to become a medium of power, and talk in an auction is designed to solicit this response. Power summarizes the relative expression of intangible resources or language categories and the attributions created by the expression of these forms of language. Each unit of power represents the use of one intangible resource and an attribution. Power units become interpersonal power for whomever is able to accumulate them in a defined period of time. Power then is always relative, as it is necessary to determine how many units of power each side has accumulated.

These inner loops are active loops in that intangible resources need to be continually used. The intangibles underlying talk can be expressed in a number of ways, which may be new or creative, but reference is always to the underlying category through which attributions are solicited. Since attributions are necessary to transform intangibles into power, power is very much oriented to the present use of resources, as it is believed that the strength of power attributions regarding a particular use of an intangible resource will fade over time.[1] This will happen even if the expression of intangible resources

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[1] It is this quality of power attributions that makes it hard to transfer power from one situation to another, for very long, if at all, without having to use new intangible resources. It is also difficult to transfer power because the attributions are not traded, but rather are third-party properties and therefore do not automatically transfer.

is not balanced by the expression of equivalent intangible resources by others, which may also occur.

Power created on either of the inner loops, through language category use, that is, power of either the auctioneer or audience members, affects the course of events on the outer loop of tangible exchange in this model. Because many exchange theorists have treated intangibles and tangibles similarly, this effect is an important part of the model, as both similarities and differences between intangible and tangible resources should be clarified. Power leads to compliance. Compliance is part of the recognition process that power exists. To recognize that someone has more power than you implies that you are situationally capable of responding in only a less powerful way. Tied in with the recognition process are fears of appearing foolish, of being wrong, having additional intangible resources used by your opponent, etc. It is all of these feelings that make persuasion regarding aspects of a tangible exchange effective when power is demonstrated. Since the auctioneer is in the business of trying to get as high a price as possible for the goods up for sale and since audience members are in the business of trying to pay as low a price as possible, using more intangible resources than your opponent does become a very relevant activity for both auctioneers and their audience members.

Earlier in this section, the type of language use that would be necessary in order for power attributions to be made was left vague. At this point it might be helpful

to provide additional clarity to the forms of talk that are likely to be responded to as being powerful in the auction setting.

Intangible Resource Categories Used in the Auction Setting

There are three classes of problems connected with an auctioneer's job which he can solve by intangible resource use through conversation on his inner loop. They are: demonstrations of knowledge, maintenance of the flow of events, and maintenance of a fair and "moral" bidding level. For the auctioneer to solicit attributions of power, he must visibly respond to the job-related potential challenges of ignorance, interruptions or silences, and low bids. The audience is involved in the construction of these challenges through their verbal behavior. The success of enough of these challenges can put an auctioneer out of business. An auctioneer will use, then, intangible resources which are designed to solve these three classes of problems created by the challenges.

The intangible resources used often demonstrate more than merely expected behavior. The auctioneer gains power not when he has common information about items, but when he has unusual or obscure information. He gains power not by the routinely smooth sale, but by being able to deal with intrusive events, such as arguments, or gaps in the activity, instead of allowing them to dominate the auction. With bidding levels the situation is more complex because notions of what constitutes a fair bid on an item can sometimes be ambiguous. Generally, an auctioneer gains power

when the bids he receives are seen to be high, considering the item, rather than when they are seen to be low, since an auctioneer's job consists partially of working the bidding up to a reasonable reflection of the worth of an item. This is especially important for an auctioneer if he is to successfully solicit consignments in the future.

The creation and solution of problems is part of the process through which auctioning gets done. It provides the bases for an auctioneer's language category use. In order to create and solve the problems that arise, both audience members and an auctioneer ground their behavior in several activities. These categories are discussed more fully in the chapter following. Briefly, five activities regularly appear in this use by both an auctioneer and his audience to solicit attributions of relative power. They are: knowledge displays, ability displays, control displays, cleverness displays, and focusing on an item's characteristics (both positive and negative characteristics, depending upon whether the speaker is an auctioneer or a potential purchaser). The above categories were derived inductively. They appear to be the major forms of intangible resource use through conversation on both inner loops. Cleverness displays can be further subdivided into positive displays, such as jokes or stories, and insult displays, which help define the role relationships of purchaser and sales agent by ritual means.[1] Displays of failure related to knowledge,

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[1]Some of the other categories are also subdivided, as indicated in Table I, p. 55.

ability, control, cleverness, and portrayal of an item in a manner advantageous to one's team lead to intangible resource misuse and therefore power loss.

Almost all of an auctioneer's selling activity and an audience's buying activity can be categorized according to one or more of the above behaviors. In this way, when an attribution turns the expression of an intangible resource into a power unit, the transformation is grounded in empirical evidence of one of the above activities. In order to be powerful, therefore, an auctioneer, for example, must minimally be knowledgeable, able, in control, clever, or have exceptionally fine merchandise. Powerful auctioneers will try to provide evidence of all of these activities, as audience members will try to challenge the evidence, in order to solicit power attributions. Admittedly, there is some overlap among the five forms of intangible resources proposed here. It is not always clearcut whether a specific form of comment functions to demonstrate whether an individual is clever or in control, for example. To this extent, the categories are intuitively based and somewhat rough. In general terms, however, they do point to the kinds of activities that are being engaged in by both an auctioneer and his audience.

The model proposed here can be elaborated through a closer examination of insulting activity in the auction setting. Insults are a language category through whose expression an individual can be both coercive and clever

at the same time. They are primarily used by an auctioneer or members of his team, rather than the audience. Not only are insults effective as a form of intangible resource, but they appear to be an extreme technique, as an auctioneer who is skilled in insulting activity has learned what is probably one of the most difficult techniques and, it is believed, is therefore likely to be skilled in other forms of intangible resource use as well. In this sense then and in terms of extent of use, insults are a major intangible resource, as indicated previously.

Insults, like other intangible resources are dependent for their effects upon power attributions. The attributions that transform insults into power units occur when audience members see that the insults are not verbally responded to by other insults. This is because an unanswered insult implies that the individual who initiated the insult, most often an auctioneer, has more ability to use intangible resources than the recipient of the insult in that particular situation. Audience members are sometimes able to construct "smart" responses which neutralize an auctioneer's insult. If this happens, the insult loses resource value for the auctioneer. If, however, an initial insult is clearly a more devastating remark than its rejoinder, the insult will be only partially neutralized. Responses to insults are often as resourceful as the insult they attend to because a response to an insult, particularly one which is oriented to a particular topic already determined by the previous insult, also demonstrates cleverness.

Most of the auctioneer's insulting activity is not replied to, but remains unchallenged. If an auctioneer can use intangible resources strategically, however, he can capitalize on the situation whether the insult is replied to or not. A reply to the insult by an audience member throws the conversation back to the auctioneer who has an opportunity to use additional intangible resources in his reply which, with attributions, may balance the power or gain a power edge.

Summary and Conclusion

In the auction setting, intangible resources present in conversation are frequently used to negotiate relative power positions. Theorizing concerning the concept of intangible resources was carried out here in order to achieve further clarity about the process by which this power is produced.

Speculation centered around the differences between intangible and tangible resources and the effect of these differences upon an exchange model of power. Intangible resources are different from tangible resources in that they are more accessible to an individual, not usually exchangeable and more dependent upon attributions for their effect. These differences affect the study of power from an exchange perspective in that the source of power and the means of measurement of power become open to re-examination. A model of power in the auction setting, which takes the difference between intangible and tangible resources into consideration was proposed. However, more

was proposed here than it is feasible at this point to test, so only selective aspects of this model will be tested below.

IV. CODING AND METHODS

In order to test selected aspects of the model proposed above, ten auction tapes of one hour each containing almost seven hundred sales sequences were collected in the New York City area and transcribed for this study.[1] The sample of tapes covers auctioneers who sell a wide variety of articles, e.g., jewelry, drugstore items, games, books, posters, art, at a wide range of costs with both dealers and nondealers present. It was thought desirable to observe as varied a group of auctions as possible and to look for similarities within this varied group.

The auction setting studied here was believed to be useful in contributing to the solution of the difficulties of exchange theory specified above: the absence of clear distinctions between intangible and tangible resources, the lack of an indicator of intangible resource use, and the need for a measure of power attributions. As already mentioned, the talk that occurs during auctioning is a highly structured, constantly occurring, public sort, so that data containing evidence of intangible resource use

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[1] Ten sequences of talk in which no item was offered for sale, but which were clearly sales-related, were also included on these tapes and coded in the same manner as actual sales sequences were. The term sales sequence will be used to include these ten sequences as well as instances in which items were offered for sale, but insufficient bids were received for a completed sale to take place.

through this medium are accessible to the researcher. This material is particularly accessible because one individual, the auctioneer, generally does most of the talking, simplifying recording problems that might otherwise exist in a group of more than three or four in a natural setting.

Not only is verbal behavior easily collected at an auction, but the talk that occurs which contains intangible resource expression is an activity distinct from the selling prices of items. Selling prices provide measurement of the advantage or lack of advantage in an exchange of tangible items for money. The level of the selling prices of items provides an indicator of compliance, or the extent to which the audience members participating in the sale are influenced by the auctioneer's power. Since these perceptions are likely to be variable, according to the amount of intangible resources being expressed by the auctioneer, selling prices are also likely to be variable and can be measured against intangible resource use.

Intangible Resource Categories

In order to use the talk that occurred on the tapes as an indicator of intangible resource, or language category use and power, it was necessary to break down the conversation into measurable activities. Coding is a difficult issue. Categories, however, are set up which appear to be reasonable. The coding system is an arbitrary

one for a number of reasons. To begin with, in the scheme presented below, one intangible resource might not be exactly equal to another in potential power value, and no provision is made for this in the coding system. (An exception to this is strong insulting activity: two pluses instead of one.)[1] In addition, the system is coarse, overlooking many of the subtleties contained in human interaction, such as the context in which the events occur. A further weakness is that verbal content is not the only channel through which meaning is conveyed in speech. Paralinguistic features such as tone and volume and structural features such as interruptions, which might be indicators of power relationships or means of creating new power, are not included. Any system would be weak at this point, however, since the research being done is exploratory. We do not have enough information about the issues around which this study revolves to do a refined analysis.

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[1]Strong insult is defined as obvious negative aspersions to the other's character (e.g., "stealing") as compared to more subtle innuendos with regard to the audience not offering the price an auctioneer believes it should (e.g., "cheap" or "ridiculous bids").

TABLE 1

INTANGIBLE RESOURCE CATEGORIES*

(+) Scores: Categories of Intangible Resource Expression By An Auctioneer or Intangible Resource Misuse By Audience Members.

1. Knowledge displays by auctionee
2. Ability displays
   - Timing
   - Reminder of reputation
   - Justification of requested starting bid level
3. Control displays
   - High starting bid
   - Rule invocation
   - Deposit related control
   - Refusal of a bid
   - Increment size increase
   - Audience member assistance
   - Narrower focus on audience during bidding
   - Request to audience members to repeat a bid
   - General control
4. Focusing on characteristics of the item for sale (positive)
5. Cleverness displays
   - Positive display
   - Insulting activity

(-) Scores: Categories of Intangible Resource Loss By An Auctioneer or Intangible Resource Creation By Audience Members.

1. Knowledge displays
   - Display by audience members
   - Knowledge failure by auctioneer
2. Ability displays
   - Timing failure by auctioneer
   - Visible use of a bidding strategy by audience member
3. Control displays
   - Low starting bid
   - Reduction in requested level of starting bid
   - Increment size reduction
   - Lack of audience member assistance
   - Procedural disruption

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*For definitions of categories not immediately obvious, see the definitions and justifications that follow further in this chapter. Single conversational events can be classified into more than one category, although this does not often happen.

"TABLE 1-Continued."

4. Focusing on characteristics of the item for sale (negative)
5. Cleverness displays
   Positive display by audience member
   Insulting activity by audience member

With the exception of an auctioneer's introductory remarks to a sale, which are often standardized and read from a printed sheet of paper, the content of tha talk that occurred was analyzed according to a checklist of possible language categories. The intangible resource categories used are presented in Table 1.

For the sake of simplicity, the categories in Table 1 are organized according to their power advantage (+ scores) or disadvantage (- scores) to an auctioneer, as the model will be tested from the perspective of his team's relative power position.[1] Intangible resources which are scored as (+) for an auctioneer indicate either intangible resource expression by the auctioneer or another member of his team or intangible resource misuse by his audience, but no one segment of talk placed in one of the categories is considered to indicate both.[2] Intangible resources which are scored as (-) for an auctioneer indicate

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[1] An auctioneer's team includes other auctioneers, assistants, and consigners, as mentioned previously. However, assistants and consigners rarely take as active a role in the sale as an auctioneer does, and therefore he is the dominant performer of the team and the member whose power is referred to.

[2] This is done in order that the coding be consistent with the theoretical position stated above concerning the nonexchangeability of intangible resources.

either intangible resource misuse by the auctioneer or another member of his team, or intangible resource expression by his audience, but, as with (+) scores, no one segment of talk placed in a category is considered to indicate both.

As can be seen from the table, the major organizing categories in the intangible resource scoring scheme are the activities referred to previously: knowledge displays, ability displays, control displays, focusing on the characteristics of an item for sale, and cleverness displays, both positive and insulting. An auctioneer received a plus for the occurrence on a particular sales sequence of any of the items listed as (+) scores. He also received a minus for the occurrence in a particular sales sequence of any of the items listed as (-) scores. At the end of each sales sequence, the pluses and minuses were summed and a final score was derived from the direction of the difference between the two sums.

Each sales sequence was treated as a process of intangible resource expression and misuse by both sides, with a net gain of power for one side at the resolution of the bidding.[1] Scoring from the perspective of the auctioneer's position, the three possible summary scores for a sales sequence were (+), (-), or (0). A plus for

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[1] Attributions occurring upon the expression of any of the categories, which contribute to power assignment, are inferred. This inference is supported, as indicated in the chapter following this one.

the sequence indicated that the auctioneer had used more intangible resources and/or misused fewer intangible resources than the audience; that is, there were more (+) than (-) scores in the sequence and the auctioneer had thereby gained power. A minus score indicated just the opposite; that the auctioneer had used fewer intangible resources and/or misused more intangible resources than the audience, so that there were more (-) than (+) scores in the sequence, the audience thereby gaining power. A zero indicated that respective power positions remained unchanged, both sides maintaining whatever power they had previously.

The basic units of this power were the strategies outlined in Table 1 above, the intangible resources measured by this coding scheme. There is no way to directly test for power creation through conversation, but it is believed that power can be inferred from the use of these language categories.

Some of the categories included concern language that reflects actions directly performed by an auctioneer or a fellow team member, e.g., timing or refusal of a bid. Others concern language that reflects actions directly performed by audience members, e.g., audience member assistance or visible use of a bidding strategy. Many of the categories include behaviors whose expression can be initiated by either side of the sales negotiation, e.g., low starting bids, increment size increases.

Technically, a (+) score for an auctioneer which is initiated by an audience member is not an intangible resource expression by the auctioneer, but misuse of an intangible resource by the audience member. When the scores for a sales sequence are summed, however, the relative power position of the two teams is identical, no matter which of the two methods are used: scoring for both sides and the calculation of the direction of the difference of scores or the calculation of relative advantages and disadvantages for one particular team.

An advantage of adding intangible resource scores together to obtain one power score for each sales sequence is that general trends in activities become important, rather than any specific behavior. This is the rationale behind the treatment of power in this study in terms of overall gain, maintenance, or loss, or in terms of slight amounts and large amounts of power, rather than precise quantities such as six units or four units. Since this study moves into unexplored areas, it was thought best to avoid too premature a quantification and to treat the scoring scheme, instead, as a general estimate of the degree of power contained in the event.

With this in mind, the following definitions and justifications are offered concerning the intangible resource coding scheme used to examine conversation as an indicator of interactional power. Examples from the transcript of each category of intangible resources can be found in Appendix A.

Definitions and Justifications of the Coding Scheme

The first three types of displays to be discussed are general aspects of expertness, one of French and Raven's bases for social power.[1] (Their other bases are not used as they do not apply to auction interaction.) The final two activities appear to be language categories which lead to power specifically within certain contexts, such as the auction setting.

Knowledge Displays

Demonstrations of knowledge include all of the devices by which an auctioneer or audience member creates the impression that he has a solid background of information on the items for sale or the activities in progress. These may include the auctioneer's pointing out of an overbid, knowledge of an audience member's bid strategy, or unusual information about an item. As no particular type of knowledge display is likely to occur frequently, all forms are grouped together under the general classification. A knowledge failure occurs when an auctioneer reveals a weakness in the amount of background information he is routinely expected to have about the objects he sells.

By demonstrating to others that he is knowledgeable concerning his vocation, an auctioneer stimulates trust.

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[1] John R.P. French Jr. and Bertram Raven, "The Bases of Social Power," in Studies in Social Power, ed. D. Cartwright. Ann Arbor: Institute for Social Research, 1959, p. 150.

Trust leads to power through the encouragement of greater compliance. Take for example an auctioneer's indicating to an audience member that he has overbid on an item, i.e., offered the auctioneer a price very high in or above the range of prices the auctioneer knows the item is worth. The audience member is not likely to retract his bid because he is already committed to it. To back down at that point would be to look like an indecisive fool, since his bid has already been accepted by the auctioneer. However, even if the audience member were to retract his bid, to call attention to the overbid would still be ultimately profitable to the auctioneer because it indicates to audience members that he is willing to inform them if they bid too high, even if this information is in the form of ridicule. This might enable them to feel more relaxed and therefore less restrained in going along with the auctioneer's bidding increment suggestions on other items. If the auctioneer wishes subsequently to assure others that an item for sale has great value, potential purchasers are more likely to trust his opinion to the worth of the object and thereby be more compliant when the auctioneer tries to raise the bidding to a relatively high level.

A certain amount of knowledge is expected. However, an auctioneer who is able to display less routine knowledge enables knowledge to become an active intangible resource for his use. On the other hand, if audience members are able to indicate greater knowledge than an auctioneer, they are the ones who will put knowledge to use in their

own conversational creation of interactional power.

Ability Displays

Ability displays for an auctioneer include a number of language categories. He may, for instance, point out that he has a reputation for having been competent in the past. Justification of a requested starting bid level is another intangible resource. This occurs when an auctioneer points out that he finally has received the bid he originally suggested as a beginning bid, even though the audience caused him to reduce first the level of his requested bid and work to receive additional increments. Good timing in not letting the proceedings drag by, producing many unanswered bid requests after bidding has ceased, is a frequently used intangible resource. Good timing is defined to occur if the number of bid requests made at the end of a sales sequence is below the mean number of requests for that auctioneer. Good timing involves knowledge of when to conclude a sales sequence. Ability failures include poor timing (the number of bid requests for an increment is above the mean number of requests for that auctioneer) both at the end of a sales sequence and throughout.[1] Audience members can display their ability by using visible bidding strategies.

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[1] Poor timing can occur anywhere in a sales sequence. Good timing can occur only at the end of a sequence, since requests for a particular bid during a sales sequence will stop automatically when that bid is received.

Timing is a particularly integral part of the sales sequence for an auctioneer, because requests for bids, either more often at one point or less often at another, are a recurrent feature of an auctioneer's work. Timing is based upon the attempt to maintain a smooth flow of events in the auction. If handled well, it demonstrates that an auctioneer knows when to stop trying to further sell an item. Good time management also indicates that he is willing to sell an item if he receives a fair bid and will not waste the audience members' time by protracted haggling. Poor management of timing, on the other hand, creates a feeling among audience members that the auctioneer cannot predict a fair selling price for the item and/or predict when the audience has reached its peak. Since each auctioneer has his own style of bid solicitation, a definition of what constitutes lingering too long over one lot is limited to a particular auction hall and varies from auctioneer to auctioneer. This is the reason for the use of the mean number of bid requests for each auctioneer in comparison. Similarly, the overall pattern of requests is often different from the pattern of requests at the end of a sales sequence. If only an overall mean were used, there would be a wide amount of dispersion because of the frequent differences between an auctioneer's bid request behavior at the end of a sales sequence and his bid request behavior throughout. That is the reason for calculating these two means separately for each auctioneer: his mean number of bid requests

throughout sequences and his mean number of bid requests at the end of sequences. This method was believed to give the most realistic measure of an auctioneer's timing abilities.

Ability is a dimension of expertness, as mentioned above. An auctioneer who is experienced with the goods he sells, but who cannot sell those goods in an able interactional manner is not likely to appear as a socially powerful figure.

Control Displays

Control is a third dimension of expertness. Control displays and control failures include the widest range of technical resources.

Rule invocation, for instance, is grounded in control through maintenance of the image that the auctioneer is in charge of determining how the auction will proceed. During rule invocation, an auctioneer engineers the sudden appearance of a rule either to provide direction for a course of events which has not been read in the procedural rules that are normally presented at the beginning of an auction sale, or which contradicts these rules. Included in this category might be: selling an item "to the order" (i.e., to an absent bidder), or instructive comments as to how the auction should proceed. Since an auctioneer normally reads a set of rules for the auction at the beginning of the sale, they are expected to be definitive. Sometimes, however, situations arise which encourage or require further rule interpretation.

Rule invocation displays that an auctioneer has final say over auction events, despite any particular rules or informal agreements to the contrary, or the lack of any rules or agreements on the matter.

Deposit related control, another intangible resource, controls through talk designed to request a deposit. This insures final payment by committing audience members to their purchases. In the purchaser's payment of money, a tangible transfer initiated by this language category use, the auctioneer effects a symbolic submission of the audience member.

Similarly, an auctioneer can demonstrate his manipulative capacities by a narrower focus on the audience during bidding. In other words, he does not focus on the audience as a whole, but stimulates competitive bidding or embarrassment by focusing on particular audience members who have already begun bidding. This makes "battle lines" hazy and creates divisions in what would otherwise be a solid group of opponents.

A number of auction control resources are directly bid-related. An audience, for instance, would like bidding to begin low and proceed by small increments. Therefore, low beginning bids are an advantage to audience members whereas high beginning bids are an advantage to an auctioneer. Low bids are those which have increments of 100% or above and high bids are those with increments of 10% or below in instances in which no list prices are provided. The

size of the increment is defined by the size of the second bid compared to the initial bid. The above percentages are the usual outer limits for incremental bidding. When list prices are provided, low bids are defined as those below the mean and high bids as those above the mean percentage of list of beginning bids for that auction.

Reductions in increment size or reductions in the requested level of a starting bid slow down an auction. It is to an auctioneer's advantage to increase an increment size, rather than reduce it. If a bid is considered too low or an increment's size reduced, an auctioneer can refuse to accept the new bid. Audience members are then made to see that they have to meet the auctioneer's terms if they want to buy the item. An auctioneer can ask an audience member to repeat a bid, which implies that the amount offered was so low the auctioneer does not believe he heard correctly. This is a means of expressing an intangible resource without sacrifice of the actual bid.

There are a couple of intangible resouces other than those directly related to bid levels which an audience can use to its advantage. One of these involves the failure to assist an auctioneer when it is requested by him. An auctioneer may ask a specific audience member to bid, for instance, and if the audience member were to do so, it would display his immediate compliance to others. Failure to assist in this manner provides a demonstration of effective audience member resistance. Procedural disruptions (e.g., noise, confusion) are also advantageous

for the audience as they prevent the auction from proceeding smoothly.

Focusing on Characteristics of the Item for Sale

An auctioneer uses intangible resources which are item-based in order to legitimize the prices that he asks. Audience members can also use intangible resources by downgrading the items for sale. Merchandise, if found to be lacking in some manner not previously indicated, becomes grounds for the claim that a lower selling price than usual is a "fair" one.

An auctioneer can enhance the attractiveness of items for sale in several ways. One means, for example, is to predict that an item is scarce or will be worth more in the future. In treating an item as an investment, the audience may be persuaded to give an auctioneer the bid he wants now, because the item has a potentially great worth.

Another variation of this is to suggest alternate and original uses for an item. This enables an auctioneer to sell an item not on its traditional merits, but on new ones. An auctioneer can also increase the attractiveness of his goods through the typification of an item up for sale. This indicates to audience members that the lot is "the same as" an item in a collector's catalog, museum, store window, etc. The impression is created that he carries "classier" merchandise than he might actually have.

Cleverness Displays

An auctioneer can display that he is a clever professional in either a positive or insulting fashion. Similarly, audience buyers can solicit power attributions through their own use of these techniques. Audience members do so considerably less often, however, because it is more difficult for them to gain the floor for talk other than that related specifically to bidding.

Positive activity includes jokes, stories, moralizing and ingratiation. All provide intermittent relief from the routine tenseness of the actual bidding. Positive activity enables the auctioneer or audience to perform functions other than the selling and buying of items, their primary purposes for attendance at the auction. Auctioneers or audience members can make themselves more attractive when other audience members can be entertained while making purchases. In a similar manner, ingratiation can also increase an auctioneer's attractiveness. Ingratiation focuses attention on an auction as a place where one can not only make good buys, but can be labelled a good bargainer.

An auctioneer will also use self-insult as an entertainment resource, although insult is generally directed towards others. Insult has a negative and coercive quality to it that jokes, stories, and other entertainment devices do not have. To be insulted and restrained from responding, either because one does not have access to a microphone or because one's voice will be drowned out, is a peculiarity of the auction setting. Because of the norms of this setting,

however, the content of the insult is not treated as a serious affront, but rather a ritual affront. Therefore, the recipient does not lose additional power by not responding. An auctioneer can insert insulting activity into the auction talk whenever he would like it to appear that he is reminding audience members that the bids they are offering are not morally justifiable. Since audience members are not expected to respond to an auctioneer's insult, an insult that is responded to provides too elaborate a side sequence to the main event, which is the sale of the item. When audience members offer a joke or insult then, the auctioneer is directly challenged. This challenge is a means for effective language category use by audience members.

As was mentioned earlier, it is recognized that there are problems with the conversational coding used in this study. The coding categories do, however, have a fair amount of reliability, as indicated in Appendix B. It is believed that the justifications used in support of the intangible resource coding schemes are convincing and it is hoped that no serious objections will be raised concerning the categories used.

An Example Of Intangible Resource Use Coding

At this point it might be helpful to the reader if an excerpt taken from one of the transcripts used in this study were subjected to analysis, using the coding scheme outlined above, in order to illustrate how each

sales sequence was treated.

The reader is reminded that each power unit referred to in the explanation below constitutes an intangible resource expression or misuse along with its attributions of relative power gain or loss:

[1]
A: Now we want 2-40 [the lot number]
C: Yeah// - the stripes.
A: Sol - we'll be on the laces in five minutes - yeah.
C: Yeah - right here.
A: 89 yards.
(( )).
A: Furtex's goods - how much for it? Two dollars - two dollars - two dollars a yard - Meyer - dollar fifty? A dollar is bid - anymore? A dollar ten I have - a dollar twenty is bid - all done at one-twenty - anymore? Boy - you're a robber. Two [rolls of cloth] for a dollar twenty. (A., p. 9)

In the above example, the following events occur:

1. The auctioneer first informs the audience that he is selling lot number 240 and the consigner of the goods, who is assisting the auctioneer as a member of his team, points out that it is the striped cloth that he refers to. The auctioneer points out that they will be through selling cloth fairly soon and will then begin selling trimming. He then informs the audience that the lot up for sale consists of 89 yards. All of this is routine introductory material and is not scored.

2. The auctioneer tries to start the bidding at two dollars a yard. Unable to get a bid of two dollars, he spends too much time asking for a two dollar bid (more

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[1] In this transcript excerpt, the following transcription symbols have been used:
A = auctioneer
C = consigner
// = interruption by immediately succeeding speaker's line
(( )) = unclear utterance

than his mean number of bid requests, which is 2.427). For not being perceptive and able enough to realize more quickly that he is not going to receive his first requested bid, he throws off the timing of the sales sequence and loses a power unit. This is scored as a power unit loss for the auctioneer's side ((-) score).

3. Unable to get a bid of two dollars, the auctioneer reduces the requested level of the starting bid to $1.50. Readjustment of his requested first bid is due to his failure to achieve compliance with his first suggested bid from audience members.[1] They will not bid the two dollars. This is scored as a power unit loss for the auctioneer's side ((-) score). At this point, the auctioneer has lost two power units, which puts the auctioneer in a relative power position of -2.

4. The auctioneer has asked (while reducing the requested starting bid level) one of his customers, Meyer, to bid a dollar-fifty. After he asked Meyer to bid, Meyer does, but he is only willing to bid a dollar. Audience members lose a power unit through the display of their own lack of control over the bidding, since an audience member has assisted the auctioneer through bidding when

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[1] At this point, it may appear that the auctioneer has lost two power units for the same activity. He has not. He loses a unit here for reducing the bidding level requested. He has lost the first unit for taking too much time to bring about the reduced bid request.

called upon to do so (+ score for the auctioneer's side). Audience members have also created a power unit by their lack of compliance to the auctioneer's request for a starting bid of $1.50. This initiates a second reduction in the requested level of the starting bid to one dollar ((-) score for the auctioneer's side). At this point, the auctioneer is still in a relative power position of -2.

5. The auctioneer has received a bid of a dollar, which is a high bid. Although there are no list prices for the items in this auction, a high bid can be inferred, because further bidding now proceeds by very small increments (increments of ten percent).[1] Receiving a high starting bid is a power unit loss by audience members. The act is audience-initiated and demonstrates lack of control over the bidding by audience members. This is scored as (+) for the auctioneer's side. The auctioneer is now in a relative power position of -1.

6. The auctioneer in this example knew when to stop soliciting further bids at the end of the sale and sold the item for $1.20 after asking for less than his mean number of bid requests at the end of a sales sequence ($\bar{x}$=3.293). In other words, at this point in the sales

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[1] Even though the auctioneer has had to reduce the requested starting bid level, he still starts with a high first bid. The number of reductions in requested bid levels does not appear to be related to whether a bid is high or low. Audience members may initially request extremely high starting bids so that even after a series of reductions in request level, the bid received is still high.

sequence, he exhibited his ability to time a sale adequately. This is a power unit gain by the auctioneer and is scored as (+). This leaves the auctioneer with the same relative power position he had at the beginning of the sale sequence.

7. The auctioneer calls the purchaser of the lot a robber. This is a strong insult, a power unit gain by the auctioneer and is scored as (++), the only intangible resource in the scoring scheme to receive double credit. This leaves the final score as +2 or a relative difference in power unit distribution of two in the auctioneer's favor, an indication that he has achieved power in this sales sequence.

Some additional points should be made concerning this example and the coding in general:

8. Bidding is not always verbal, but is often gestural and can be indicated by a head nod, a raised hand, or another form of nonverbal communication. In the above excerpt, for instance, bids of $1, $1.10 and $1.20 are all either nonverbal or called out by someone too far from the tape machine to be recorded. Since all silent bids, as well as verbal ones, are generally repeated by the auctioneer, however, both in order to keep audience members informed and to create a quickened sales tempo, the level of bidding is always accessible. It is impossible, however, to identify from the tape exactly who is bidding if it is nonverbal. An exception is the final bid, in which case an auctioneer will generally, but not always, call out the purchaser's name, initials or bidding number

to confirm the sale.

9. Since the analysis is based upon tapes and transcripts, it is sometimes difficult to identify different bidders. Within any particular sales sequence, the number of bidders is generally small enough to differentiate them if their bids are verbal. However, it becomes very difficult to identify similar bidders from sale to sale, unless they are purchasers, in which case, again, their initials, last name, or bidding number are recorded. For the purposes of this analysis, however, audience members are considered a team in regard to their potential for intangible resource use and power gain in negotiating with the auctioneer. Although it is recognized that audience members have conflicting interests when more than one want the same lot for a low price, there are seldom more than a few audience members interested in any particular purchase. Therefore, it is believed, an audience is generally largely united against an auctioneer and can be considered a team, its differentiation ignored.

10. With regard to problems in differentiating audience members there is also the issue of differentiating bidders, or active participants, from spectators, who are inactive in intangible resource use and power creation except in the formation of attributions. With regard to the power score which summarizes intangible resource use and misuse, all audience members, whether active or inactive, are considered, as a whole, to have this particular score.

This is done because any individual who uses or misuses intangible resources at one point may still construct attributions at another. This makes the distinction between bidder and nonbidder a hazy one. It is believed that when attributions are made concerning power gain or loss by audience members, the audience members' team is considered in a holistic fashion. Individual power attributions are not finely made, unless one or two individuals in particular stand out. This possible exception has not been observed to occur in any of the settings in which tapes were collected.

Summary and Conclusion

A variety of auction tapes collected in the New York City area contain information believed to be a useful aid in working with the problems of exchange theory outlined elsewhere in this report.

A detailed coding system based upon the five types of activities an auctioneer and his audience ground their behavior in was presented and its use justified. Weaknesses of the coding system, which is an exploratory one, were mentioned.

An excerpt from one of the auction transcripts studied was presented and coded according to the system outlined here in order to illustrate how determinations of power creation or loss were made for sales sequences in the testing of selected aspects of the power model presented.

V. HYPOTHESES AND RESULTS

It is realized that combining hypotheses and results in one section is somewhat unconventional. This was done to reduce redundancy. It was also believed that the hypotheses would make more sense once the coding system was explained. This is why the hypotheses are considered after Chapter Four on Coding and Methods. More specific details concerning the methodology used to test selected aspects of the model and the outcome will be given along with each hypothesis.

Before turning to the hypotheses, the reasons for the specific hypotheses tested are given. As mentioned previously, not all aspects of the model of power through intangible resource expression proposed above are testable at this point. Two aspects of the model lend themselves to empirical evaluation.

Hypotheses 1 and 2 are designed to test a major feature of the model: the relationship between intangible resource expression in the two inner loops and compliance in the outer loop of the system diagrammed in Figure 2 (see page 42). This is theorized to be an overall regularity of the model. This relationship should exist both within a single sales sequence and over short periods of time. The creation of attributions leading to power

are theorized to play an integral part in the relationship of intangibles to compliance. Because there is no direct measure of attributions, however, their existance is tested indirectly. If compliance occurs, after intangible resource expression, then it is assumed that social recognition of the intangibles has occurred. Figure 3 outlines the relationships referred to above. As indicated in Figure 3, the use of intangible resources affects perceptions, or attributions, participants have concerning interpersonal power. Perception of interpersonal power should then lead to compliance in tangible exchange because the person perceived as powerful is able to trade most advantageously. These relationships are tested within sales sequences. Perceptions of power should also carry over into succeeding sales sequences. These relationships are also tested within these succeeding sales sequences.

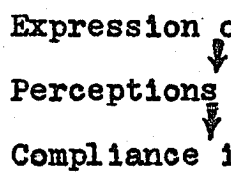

Fig. 3. Relationship Between Variables in Hypotheses 1 and 2.

The testing of the first two hypotheses is indirectly a solution to one of the problems of exchange theory outlined previously; indicators of power generally do not contain an additional measure of power attributions. A measure of attributions is needed to determine if the

power indicator used is meaningful to participants in the social situation under study. If intangible resource expression has a demonstrated effect upon the trade of tangible commodities, support is provided for the assumption that the use of intangible resources is meaningful to participants in the setting studied.

The second aspect of the model proposed in the present study, that lends itself to empirical evaluation, is more narrowly focused. This is the basis for the last two hypotheses proposed and tested. These last two hypotheses are tested with an emphasis upon auctioneers' use of insulting activity. Rather than a concern with overall regularities of the model, as in Hypotheses 1 and 2, the emphasis in Hypotheses 3 and 4 is on an actor's strategies for intangible resource use within the model.

Hypotheses 3 and 4 test different characteristics of an actor's strategies. Hypothesis 3 is designed to test the assertion that use of intangible resources is not random. Support for Hypothesis 3 would lead to the inference that an individual monitors his own intangible resource expression, in order that conversation be strategically produced at critical points in interaction which necessitate power redistribution.

Hypothesis 4 is designed to explore whether an individual skilled in one form of intangible resource expression is skilled in intangible resource expression in general. This is useful information because the coding

system used here to categorize conversational activity is admittedly coarse. A predictor of cumulative power and power position "trouble" and negotiation, which is less ambiguous than the coding system in general, might be a more precise means of analyzing talk. Hypothesis 4 examines usefulness of insult as a predictor of overall power position.

Figure 4 outlines the relationship between the variables in Hypotheses 3 and 4. Insult has been chosen as the intangible resource to focus on, because, of 1262 conversational cases of intangible resources expressed for the auctioneer's side, 200 or 15.88% involve insulting activity.

Insults
↓
Power redistribution within sales sequences
↓
Power over time

Fig. 4. Relationship Between Variables in Hypotheses Number 3 and 4.

As can be seen from Table 2, below, insults are the most frequently used intangible resource, with the exception of timing. Bids requests, however, which timing is based upon, fall more in line with expected behavior in a sales sequence than do insults. Insults then are the most frequently used <u>non-routine</u> intangible resource. Out of the total number of sales sequences examined in the ten hours of auction tape collected, insulting activity appears

in 20.11% or 140 of 696 sales.[1]

Through exploration of the use of one intangible resource, a better understanding of the role of particular intangible resources in this scheme results. The focus will be on the dynamics of the relationship between the expression of intangible resources and power reapportionment.

TABLE 2

FREQUENCY OF INTANGIBLE RESOURCE USE FOR THE AUCTIONEER'S SIDE

(in order of frequency)

Category	Frequency	Percentage
Timing	371	29.4
Insulting activity	200	15.8
Positive display	188	14.9
High starting bid	152	12.0
General control	69	5.5
Rule invocation	54	4.3
Deposit related control	52	4.1
Refusing a bid	39	3.1
Focusing on characteristics of item for sale	38	3.0
Increment size increase	27	2.1
Audience member assistance	22	1.7
Narrower focus on audience during bidding	17	1.4
Asks audience member to repeat bid offer	13	1.0
Knowledge display	8	.6
Reminder of reputation	6	.5
Justification of requested starting bid level	6	.5
TOTAL	1262	99.99*

[1] This percentage of insult use is formulated upon a base of number of sales sequences, whereas the percentage of insult use on p. 79 is formulated upon a base of number of codings of intangible resource use. This accounts for the difference between 20.11% and 15.88%, and the difference between 140 sequences containing insult and 200 instances of insult usage. Insult may occur more than once in a sequence.

* Percentages are based upon the total number of (+) codings of language category use, not upon the total number of sales sequences. The total does not equal 100% due to rounding.

The following are the specific hypotheses and the result of their testing:

Hypothesis 1

H1: If power gain or maintenance through intangible resource use is attributed to an auctioneer, then higher amounts of money will be bid by audience members relative to actual value in a sales sequence.

As stated above, the purpose of Hypothesis 1 is to test the relationship between language category use, attributions of power and compliance. This hypothesis concerns the relationship between features of both the inner loops and outer loop outlined in Figure 2, or the relationship between intangibles and tangibles.

In order to test Hypothesis 1, all sales sequences with stated list prices were examined to determine whether the auctioneer's power score was (+), (0), or (-). Out of ten transcripts selected for analysis, five contained items accompanied by their retail prices. Only these five transcripts were used in this part of the analysis. List prices only were used in order to control for differences in selling prices due to the varying value of different items rather than the resource use capacity of the auctioneer during a sales sequence.[1] Sale prices were calculated as percentages of retail prices. The five

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[1] One of the peculiarities of purchasing is that it is sometimes difficult to attach a reasonable estimate of a market price to an item, even when it carries a retail price with it. It is precisely this vagueness in value which often makes auction bidding most interesting to bystanders and purchasers, and it is this vagueness which also makes the effect of the auctioneer's power creation accessible to study.

transcripts used contain 189 sequences in which list prices are stated. The breakdown, by auction, of the number of sales sequences from each is presented in Table 3.

TABLE 3

NUMBER OF SALES SEQUENCES CONTAINING LIST PRICES IN EACH AUCTION

Auction*	Number of items accompanied by their retail prices
ME	38
V	7
FK	20
G	78
P	46
TOTAL	189

*The initials used identify each auctioneer.

While not all of the 336 items in these five transcripts have their retail prices indicated, three contain a large enough number of cases to be analyzed separately: at least ten sales sequences in both the power loss ((-) scores) and the power gain or maintenance categories ((+) or (0) scores).

In testing this hypothesis, sequences in which power is gained or maintained and sequences in which power is lost at the time of the last bid were correlated with the percentage of list price of the amount of money received for the sale item.

If market prices for auctioned items were too rigidly set, it would be unlikely that a negotiation through intangible resource use would be observable to the same degree.

The biserial correlation coefficient for the relationship between power score and money bid by audience members over all five auctions is +.44 ($p<.001$). Considering separately only the three auctions with at least ten list price sequences in both the power loss and the power gain or maintenance categories (auctioneers ME, G and P), r_b=+.63 ($p<.001$), +.22 ($p<.06$) and +.84 ($p<.001$) respectively. Relatively better use of intangible resources in a sales sequence, then, is perceived by participants as power. When power is perceived, audience members apparently comply by offering significantly higher prices than when power is lost. The extent of the variability of the sale price accounted for, however, falls over a wide range. This means that although purchase prices generally appear to be higher when the auctioneer is perceived as powerful, the degree of compliance exhibited by audience members will vary throughout an auction and will vary from auction audience to auction audience.

There appears to be some limit, then, to the degree to which power can affect audience member bids within the sales sequence in which that power is created, although it clearly does have a strong and significant effect. Part of the reason for power's limitations may be the idiosyncratic nature of much of auction buying. What one individual considers a desirable object, another individual considers worthless. What one individual considers to be a fair price, another individual

considers to be high. It is only when there is some interest in the item to begin with, perhaps, that the auctioneer can negotiate the degree of compliance concerning the selling price. Even then, he may not be able to use his power to affect each audience member in a similar fashion.

Nevertheless, the relationship demonstrated is an important one. An empirical relationship between intangible and tangible resources has never been demonstrated for exchange theory in an interactional setting.

Hypothesis 2

This hypothesis will be divided into two parts, one more rigorously tested than the other.

H2a: If power gain or maintenance through intangible resource use is attributed to an auctioneer in a sales sequence, then higher amounts of money will be bid by audience members relative to actual value in immediately succeeding sales sequences.

As with Hypothesis 1, the purpose of Hypothesis 2a is to test the relationship between language category use, attributions of power and compliance. In both Hypothesis 2a and 2b below, however, the added dimension of time is introduced.

In order to test Hypothesis 2a, all sequences were examined from their beginning to the time of the last bid of the succeeding sequence. It was determined whether the auctioneer's power score was (+), (0) or (-) for each of

these excerpts of expressions of intangible resources. These power scores, which summarized power over two sequences, were then correlated with the percentage of list of the amount of money received for each sale item at the end of the latter sequence. Like the testing of Hypothesis 1, this could only be done in sales sequences for which list prices were available, for the reasons outlined on p.81.

The biserial correlation coefficient for the relationship between power score and money bid in a succeeding sequence over all five auctions is +.27. This correlation is significant at $p<.01$. Considering separately only the three auctions with at least ten list price sequences in both the power loss and the power gain or maintenance categories (auctioneers ME, G and P), r_b=+.39 ($p<.05$), +.01 (not significant) and +.53 ($p<.001$) respectively.

There is an overall relationship then between a power score in a sales sequence and the level at which the auctioneer is able to sell an item in a subsequent sequence. Power then appears to have some cumulative effect. An exception was the material collected on auctioneer G, in whose auction perceptions of power over time apparently were at a negligible level.

An additional feature of the model proposed above was that power would not accumulate well over time, compared to intangibles used in the present. The purpose of testing

Hypothesis 2b is to compare power's accumulation over time to power's more immediate effects on compliance.

H2b: The relationship between an auctioneer's power score in one sales sequence and the money bid in a succeeding sequence is smaller than the relationship between an auctioneer's power score and money bid within each single sales sequence.

In order to test Hypothesis 2b, the data from Hypothesis 1 and Hypothesis 2a were compared. Table 4 indicates the comparisons of the biserial correlation coefficients computed to test both hypotheses. Hypothesis 2b appears to be supported. In all cases, the power created in a particular sales sequence influenced the level of the selling price more in its own sequence than in succeeding sequences. Although there are not enough cases to test Hypothesis 2b rigorously, the trend present in Table 4 supports the hypothesis.

It appears, then, that although attributions generally convert intangible resource use to power units over time, they lose part of their effectiveness in this transformation once the resources they are attached to are no longer newly expressed ones.

TABLE 4

A COMPARISON OF THE EFFECTS OF POWER IN ITS OWN SALES SEQUENCE WITH THE EFFECTS OF POWER IN A SUBSEQUENT SALES SEQUENCE

Auction	The Relationship Between Power and Selling Price In a Sales Sequence (Biserial Correlations, N=189)	The Relationship Between Power and Selling Price In a Succeeding Sales Sequence (Biserial Correlations, N=176)*
total	+.44 (p<.001)	+.27 (p<.01)
ME	+.63 (p<.001)	+.39 (p<.05)
C	+.22 (p<.06)	+.01 (n.s.)**
P	+.84 (p<.001)	+.53 (p<.001)

*Due to noise and similar environmental conditions affecting transcription of tapes recorded in a natural setting, and the fact that adjacent sequences were lost before taping began and after taping ended, complete information was only available for 176 sequences, as compared to 189 sequences in the data for comparisons within a sales sequence.

**n.s.=not significant

Lessened compliance by audience members then indicates weakened power attributions toward an auctioneer over time. The attribution diminishes in potency and opponents continually make attempts to undermine an auctioneer's power. This can be seen in the audiences' own use of intangible resources. That compliance can diminish in this manner means that power seemingly entrenched in certain roles may be undermined as attributions fade. Since power can be such an unstable phenomenon from sales sequence to sales sequence, new intangible resources

have to be used continually in order for power to be effective. New conversation is a means for additional input into a diminishing power system.

That continued expression of intangibles is so necessary argues against the traditional exchange theory view of power as a possession. If power were a possession, it would either remain stable from one sales sequence to the next, or be traded to someone for something else. That power does not remain stable over time has been demonstrated. A loss of power, however, does not thereby constitute exchange of the intangible resource, but rather gradual diminishment of the value of its expression, as possible exchange partners do not appear to receive any additional benefit from the intangible resource. It is believed that power will fade over time, whether it is used to induce compliance or not. Unfortunately, there is no way that that can be empirically demonstrated with the data at hand since it is assumed that power is constantly used to induce compliance in the auction setting.

At this point, the testing of the model proposed moves from overall regularities of the relationship between inner and outer loops in the power system to auctioneers' specific strategies for manipulation of this system. Whereas Hypotheses 1 and 2 did not pay much attention to actors' management of intangible resources, Hypotheses 3 and 4 are concerned with the strategy behind these resources, with particular attention being paid to insulting

activity. The use of intangible resources to which the auctioneer has access is believed to be directed by rules which instruct an auctioneer when to use a particular intangible resource category.

Hypothesis 3

H3: Insulting activity is more frequently used to balance or gain a power advantage in close losing or equal power unit distributions than it is used in other types of power unit distributions.

As stated earlier, the purpose of Hypothesis 3 is to test the belief that intangible resource use is not random, but rather that a specific intangible resource may be used to strategically redistribute power within sales sequences.

In order to test Hypothesis 3, all sales sequences containing insults were examined to determine the conditions under which this intangible resource was used. In a close losing power unit distribution an auctioneer is either one or two power units behind his audience in intangible resource management. Two power units is the biggest deficit correctable through use of an insult.[1] In an equal power unit distribution an auctioneer is equal in

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[1]This definition takes into account the extent to which the sales sequence's power units could be balanced by an insult. Since the maximum power units allocated for an insult are two, in the case of strong insult, two is the maximum deficiency of power units allowable in a close losing distribution. One, however, is the maximum deficiency allowable before a weak insult is used. A position in which the auctioneer is losing by more than this is less easily corrected.

power units to his audience. These power unit calculations were undertaken from the beginning of a sales sequence up to the point at which the insulting activity occurred, since an attempt was being made to discover the conditions which would lead to an insult's use.[1] The theory behind this hypothesis is that the insulting activity prevents what would otherwise be power position "troubles" for an auctioneer (i.e., a close losing or equal power unit distribution). Therefore it is necessary to examine the situation immediately before the expression of the insulting intangible resource to determine what the results of the power unit negotiation are at that point.

Table 5 indicates the percentage of insults placed in a location which immediately balance or gain an advantage in close losing or equal power unit distributions. 75.00% of insulting activity, or insults in 105 out of 140 sequences, are used in this manner. Other possible power unit distributions, which are hypothesized not to lead to the use of insulting activity, include situations in which the auctioneer is winning, i.e., has more power units than the audience and situations in which the auctioneer is losing by a margin too wide to be repaired by the use of a single intangible resource, whether

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[1] A small number of sales sequences contain more than one insult. As they are too few to consider separately, only the first instance of insulting activity is considered per sales sequence. If insults are adjacent, however, they are considered together. (This latter event accounts for only three cases.)

it be worth one or two points.[1]

A z-test involving proportions was computed on the percentages of insults which were placed strategically. Assuming that insults would have a 47.60% chance of appearing when the auctioneer's power distribution was close losing or equal,[2] auctioneers use the intangible resource of insulting comments significantly more to balance or gain a power unit advantage than might otherwise be expected ($z=6.643$, $p<.001$). This particular intangible resource appears to be used as a power unit reapportioning device when an auctioneer's power unit position necessitates the expression of fresh intangible resources to alter the power unit distribution.

This is a retrospective technique as potential future power unit losses in the sales sequence are ignored. Insults can do this type of work even in sales sequences in which the auctioneer eventually produces a wide power margin or a large power loss.

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[1] It is assumed that continual use of more than one insult to redistribute power would not be an efficient use of this resource.

[2] (+) codes account for 47.60% of all intangibles coded.

TABLE 5

USE OF INSULTS IN SALES SEQUENCES

Auctioneer	Number of Sales Sequences in Which Insult is Used in a Location Which Immediately Balances or Gains an Advantage in a Close Losing or Equal Power Unit Distribution	Percentage of Total Insult Sequences
C	15	71.43
A	11	68.75
ME	8	72.73
V	11	78.57
FK	10	90.91
R	15	78.95
B	8	66.67
F	4	80.00
G	9	64.29
P	14	82.35
Total	105	75.00*

*s-7.69

Up until the point in the sequence in which the insult occurs, however, the power unit distribution is close losing or equal.

However, insults can also be used in order to prevent future power unit losses in a sequence. When sales sequences which contain insulting activity are examined to determine the outcome of any power negotiation

after the insult is expressed, most sequences either become balanced or the auctioneer achieves an advantage through additional intangible resource use. In 95 sequences, or 90.48% of the 105 sales sequences in which insult is used strategically (67.86% of the total number of insult sequences), post-insult relative power positions are either balanced or to the auctioneer's advantage, as indicated in Table 6.

A matched pairs t-test was used to compare each auctioneer's overall power position (total percentage of (+) or (0) sequences) to the percentage of strategically used insult sequences in which post-insult relative power positions are either balanced or to the auctioneer's advantage. Auctioneers' strategic use of insulting activity results in a significant increase in their likelihood of power maintenance or reapportionment after insult expression in the sales sequences in which the insult occurs ($t=9.253$, $p<.001$). Use of insult, then, has a damping effect upon the audiences' potential for reapportioning power within a sales sequence after an insult appears.

TABLE 6

POST-INSULT POWER REAPPORTIONMENT IN SALES SEQUENCES

	Damping of Audiences' Potential to Redistribute Power in a Sales Sequence After An Insult	
Auctioneer	Percentage of Power Reapportioned Insult Sequences	Percentage of Total Insult Sequences
C	93.33	66.67
A	90.91	62.50
ME	87.50	63.64
V	100.00	78.57
FK	90.00	81.82
R	86.67	68.42
B	75.00	50.00
F	75.00	60.00
G	100.00	64.29
P	92.86	76.47
TOTAL	90.48*	67.86**

*s=8.25

**s=9.06

Insults therefore appear to be highly successful mechanisms for gaining or maintenance overall power in a sales sequence, even when they have just been produced to redistribute power immediately within a sales sequence.

There are many close losing or equal points within sales sequences in which insults could be used to reapportion power in line with the strategy outlined in the testing of

Hypothesis 3, but in which they are not used. Auctioneers do not immediately express insults as soon as an opening for them exists. To begin with, they may not always monitor effectively, but more importantly, there are a series of additional strategies which may also be used. Insult is not a required intangible resource, but, as pointed out earlier, it is a frequently used one, and when used, it is designed to have an advantageous effect on the power unit distribution.

That a recurrent rule for the use of insulting activity was found in testing Hypothesis 3 provides support for the proposition that a user of intangible resources monitors his own intangible resource expression in order to strategically reapportion power units. If he did not do so, the degree of regularity in the use of insult would appear to be highly unlikely. It seems that in some manner the auctioneer intuitively tracks his performance, developing a professional feel for when a situation warrants an insult. An actual demonstration of this monitoring is impossible with the data at hand. The regularity, however, of the strategy behind insult use provides indirect evidence for this tracking activity.

Data have already been presented which provide evidence that power attributions are part of the auctioning process. Auctioneers who are concerned with their techniques might learn very quickly to adopt a third party perspective to evaluate their own relative power unit positions, and

not appear to be aware of doing so.

Hypothesis 4

H4: The more insulting activities are used, the more often other intangible resources are used to accumulate power.

The purpose of Hypothesis 4 is to discover if insult use is indicative of power in general throughout the auction.

In order to test this hypothesis, the rate of insulting activity per hour was correlated with the cumulative power of each auctioneer. Cumulative power is defined as the percentage of sales sequences in which an auctioneer has an equal or advantageous power unit distribution, compared to that of his audience. Since the purpose of this hypothesis was to examine the usefulness of insulting activity in predicting the creation of other intangible resources which lead to power, sequences in which insulting activity occurred were excluded from the cumulative power measure.

The rate of insulting activity and the cumulative power measure of each auctioneer are displayed in Table 7. Pearson's product moment correlation = +.46 ($t=1.464$, $p>.05$). Auctioneers with a higher rate of insult per auction hour accumulate more power over time via the use of additional intangible resources. This trend, however, is not statistically significant, probably because of the small number of auctioneers used in this study.

As a second test, the data were also reduced to ranks and a Spearman's r_s computed. The rank order correlation is +.72. This correlation is larger and significant ($z=2.185$, $p<.05$).

The trend indicated in both correlations is interesting because it points again to the necessity for continually active expression of intangible resources. Most auctioneers either gain or maintain power in most sales sequences through intangible resource use. Therefore, most auctioneers have some degree of cumulative power, the lowest power score being 49.18. This means that even the auctioneer with the weakest power, gains or maintains power in just about half of the sales sequences which don't contain insults. To rely on this cumulative power however would cause one's power to be undermined. A higher degree of cumulative power tends to occur in auctioneers who use the resource of insulting activity actively.

Since the trend indicated is that those auctioneers who use insults more than others often gain power in a higher percentage of sales sequences, there is indirect evidence that those auctioneers who use more insults than other auctioneers will earn money; the testing of Hypothesis 1 has demonstrated that power is related to money in this fashion. Logically, it would seem, then, that the most strategic action an auctioneer could perform would be to use insults in every sales sequence. However, a nonroutine resource used in this manner would quickly

lose its ability to solicit attributions as its novelty wore off. Scattered insults, though, in even as much as 42.00% of an auctioneer's sales sequence (auctioneer A) apparently do not cause insulting activity to decrease in value over time. No auctioneer observed in this study appears to use insults so excessively that their expression loses its ability to be transformed into power units.

Auctioneers then, who use more insulting activity are more likely to be professionally successful through the use of other intangible resources as well. This trend is not due to more talk by auctioneers who use insults than by other auctioneers, thereby accidentally causing the use of more intangible resources. A crude index of the average length of time an auctioneer spent talking in each sales sequence (number of sales per minute) indicated that the sheer amount of talk per sales sequence was inversely related to cumulative power ($r=-.38$, $t=1.15$, $p>.05$) although this trend was not significant. It is not, then, the amount of talk, but rather the monitoring of attributions that permits talk to be efficiently used to realign power distributions.

TABLE 7

RATES OF INSULTING ACTIVITY AND CUMULATIVE POWER

Auction	Number of Insult Sequences Per Hour (in order of frequency)	Cumulative Power* (Insult Sequences Removed)
F	5	54.05
FK	11	49.18
ME	11	52.73
B	12	65.46
V	14	60.00
G	14	68.52
A	16	55.00
P	17	66.13
R	19	63.12
C	21	78.00
TOTAL	140	61.22**

*The Base Number of sequences upon which percentages are calculated for each auctioneer excludes insult sequences.

**s=8.29

VI. SUMMARY AND CONCLUSION

In reviewing previous literature on exchange theory and its relationship to the study of interpersonal power, the necessity for three major changes became apparent. These changes focused around the resources upon which power was based. Many of these resources were intangible. Exchange theorists had generally treated tangibles and intangibles in a similar fashion. Therefore: 1) the role of intangible resources in the creation of social power needed to be conceptualized more clearly as something distinct from that of tangible resources, 2) an indicator of intangible resource use was necessary in order to empirically examine the role of intangible resources in the creation of social power and 3) an indicator of power attributions was called for which would be conceptually distinct from the expression of intangible resources, but which would support the view that these intangible resources were meaningful to participants in the social setting.

Conversation was focused upon as one of the major vehicles for intangible resource use. The auction setting was chosen as a location to examine conversation primarily because the whole activity of auction selling

was reflected in the normatively controlled talk occurring there. In addition, recording problems which otherwise occur in a large natural aggregation of people were reduced, because a single individual or small group generally dominated the conversation at any one time.

A model of the role of conversational intangible resources in the creation of power in the auction setting was proposed. Intangible resources through conversation were viewed to be more accessible to an individual than tangible resources. This model suggested that attributions transformed the use of intangible resources, or language category expression, into power units. These power units would benefit the person who used the resource rather than the target at which they were directed. Therefore, most intangible resources could not be conceptualized as exchanged. This was an important way in which they were distinct from tangible resources. Rather than being material, they were interactional phenomena. As such, their expression had no discernable social existence apart from their transformation into meaningful events, in this case attributions of social power. Intangible resources would exert an influence on the exchange of tangible commodities, because attributions of power would induce compliance.

An attempt was made to test selected aspects of the model proposed by examining conversation in more detail as an indicator of intangible resource use. Intangible

resources were tracked through a conversation scoring scheme. This categorization system was specifically directed to the bargaining process between an auctioneer and audience members which lead to the gain and loss of power. It revolved around three major job-related problems of an auctioneer: to let others know that he is knowledgeable about auctioning and what is being sold, to maintain the flow of auction activities so that intrusive events are not allowed to monopolize the floor, and to achieve fair and "moral" selling prices on items up on the block. These activities provided the bases for interactional power grounded in displays of knowledge, ability, control, cleverness, and focusing on characteristics of items up for sale. These latter categories appear generalizable to settings such as education, marriage, and possibly other market activities.

In order to demonstrate that the use of conversation as an indicator of intangible resource expression had a basis in social reality, it was important to uncover a relationship between power scores based upon intangible resource use and tangible resource gain, as stated above. With this relationship demonstrated, it could be assumed that people made attributions concerning power positions. Although these attributions were never directly measured, they could be inferred from the compliant actions of the less powerful in a trade of tangible goods. The trade of items for money is the tangible exchange which

occurs in the auction setting. An auctioneer's power through the expression of intangible resources was found to be related to audience compliance, or amount of money gained in sales sequences, not only within each sequence but over time. Over time, however, the relationship is less strong. This implies that conversational resources have a greater effect on tangible exchanges when they have been freshly expressed. Perhaps it is this advantage of and need for newly expressed intangible resources which has confused exchange theorists in the past. If the use of an intangible resource is not as effective over time, it is not that it is being spent, but that the power attribution connected to it diminishes in strength. The expended intangible resource would otherwise have to turn up among others in the social environment. There appears instead to be an expiration point for the usability of power attributions which accompany intangible resources which is as yet undetermined.

The nonroutine intangible resource which the auctioneer uses most frequently is insulting activity, a form of cleverness display. This resource is most often used to achieve high selling prices on items. It serves as an instructional or moral reminder that the audience is not being "fair" in the prices that it is offering.

Insulting activity was examined in detail in order to determine if intangible resources are used

strategically by auctioneers as a power reapportionment mechanism. In addition, since the conversation scoring scheme was rough, it was hoped that insults could be used as a predictor of overall power position, an auctioneer skilled in one form of intangible resource creation being skilled in other forms as well. Auctioneers appear to intuitively monitor their relative power unit distribution. Insulting activity is often used to gain or maintain a power advantage at a point in a sales sequence in which an auctioneer would otherwise lose slightly in power. In addition, insulting activity is often used to gain a power advantage at a point in a sales sequence in which an auctioneer would otherwise break even. Once this advantage is gained, it appears to dampen the audience's ability to renegotiate power positions for the rest of the sales sequence.

There was a trend that suggests that auctioneers who use insults are those most skilled in intangible resource use in general, as they are likely to create a larger amount of cumulative power.

Intangible resource use and subsequent power gain, then, are not random events, but a highly strategic form of interaction. The strategy is not one based upon social exchanges, but rather on intangible resource management by an individual who is the recipient of the benefits of his own access to resources. That aspects of the

theoretical model presented can be demonstrated to work in an empirical situation gives it credibility, even though the nonexchangeability issue is never directly tested. It is not known how that could be directly tested. The issue of nonexchangeability, however, is confronted in the determination of what constitutes an intangible resource coding category. If the intangible resource categories studied were exchanged, they could not be conceptualized as power resources only for their conversational user. Even if a few intangibles appear to possibly have exchange features to their use, e.g., help, there are so many exceptions to an exchange model that one is led to the conclusion that it may not be the most fruitful means for examining intangible resources.

The evidence presented here has generally supported the hypotheses selected to test features of the model of intangible resource use proposed. Additional lines of inquiry might be to take the same form of analysis to other settings. Ethnic clothing industry personnel and the stand-up comic, for instance, are two types of individuals who frequently use insulting activity as a vehicle for power negotiation. Another question for future research might be the context of insult use. Different types of insults may subtly fill different needs in social interaction. It would be useful to also apply the above analysis to more common situations of everyday interaction as well, in which insult is not necessarily a frequently used intangible resource. The present study

also has implications for socialization. If some individuals are more adept at intangible resource expression than others, the question arises as to how these differences are learned.

Information gathered in the present study has uncovered aspects of the way in which use of language categories is transformed into power and the relationship between intangible language categories and actual material exchanges. As the examination of intangible resources from an exchange perspective has resulted in so many methodological problems in the past, the material gathered here is persuasive and encouraging. It suggests that the method outlined can contribute to a better understanding of the processes through which interpersonal power will result from social interaction.

Appendix A: Illustrative Excerpts of Intangible Resource Categories Used to Code Transcripts

Knowledge displays and knowledge failures:

A: Quarter is bid.
AM*: 75
A: 75 - $1 - $1 - Bruce. I could see the whole operation now. (R, p. 16)

AM: How many posters are there?
A: That's a rough question. Er - (Fk, p. 1)

Ability displays and ability failures:

A: Alright - $2 apiece - buck apiece - and a quarter - and a half - 75 - 2 - 2 - and a quarter - I start it off the correct thing and I go back up again - 2 and a quarter - sold to th- to Bob (G, p. 9)

A: Half - half - you bidding against him?
AM: Yeah - 75.
A: What are you bidding against him for?
AM: I like him. (R, p. 16)

Control displays and control failures:

A: How do you like that? Isn't that beautiful?
AM: Yes - its gorgeous.
A: Okay - a beautiful mother of pearl - er - now you folks, you folks have a lot - have these prices been - it's - it's
AM: It's - it's - you wouldn't believe it -
A: It's nauseating - (laughs) it's nauseating - // it's nauseating - here's
AM: It's nauseating
A: ladies that have all kinds of turquoise on them and they know it too - it's nauseating - that's right (laughs). (ME, p. 19)

A: $400.
AM: Two hundred - // three hundred -
C: If you pay him more now, you'll pay less later.
AM: Sixty - forty. Alright?
A: Alright. (A, p. 4)

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*AM=audience member
Asst=assistant
For a review of other abbreviations, see footnote p. 70.

AM: Twenty dollars.
2nd A: How much?
AM: Twenty.
2nd A: Forty?
AM: Twenty.
2nd A: What did you say? (ME, p. 25)

A: I said sold dear - I'd like to help you, but -
AM: I thought I had five - that's why -
Asst: Alright - from 5-49 to 7-99
A: Let me make the announcement now, so we don't have any problem - you got them Danny, but the next time - // if there's a discrepancy
AM: I thought I had it.
2nd AM: Give it to her - alright - give it to her - give it to her for five and a half -
A: Given that there's a discrepancy we'll put it up again - alright - $5 is the last word - yours is 5-50 then, - (G, p. 4)

AM1: 32½
A: 32½. Any more than 32½?
AM2: No - it's 33 - he didn't do // it to me -
AM1: Ah - take a half a cent -
A: Yours over there -
AM2: It is 33 // got to go 33.
AM1: No.
A: With the half cent - I got -
AM2: No - you didn't do that before to me - 33 -
C: Let it be. (A, pp. 3-4)

Focus on characteristics of items (positive and negative):

A: ...missed the boat - you'll see that in a show for several - four hundred dollars - September, October - uptown in an art gallery - lady says fifty dollars - (B, p. 8)

A: Alright - half a dollar
C: Aahhh - come on - sell it
AM: It's ruined. (P, p. 13)

Cleverness displays:

1. Positive:

A: Sold - boy - that's a buy.
AM1: That's a buy.
AM2: Sure. (FK, p. 22)

A: Ten dollars is bid - are you all through at ten dollars? Goldstein - you won again you lovely girl - yeah - you're so lovely (F. p. 21)

A: Your initials dear?
AM: JL
A: JL - and your phone number?
AM: You never stop, do you? (C, p. 4)

2. Insulting:

AM: Dime a yard.
A: That's very nice of you - how much a yard?
AM: It's tender.
A: The only thing tender is the price. (A, p. 1)

Asst: "Beginner's Guide to Archaeology" - all the same.
A: Too high class for me - Mr. Conductor - could I read such a book? Alright - how much apiece for these?
AM: You know how to dig. (R, p. 13)

A: Lot eight thirty-four.
AM: Eight dollars - eight dollars.
A: If you say ten - I might give it to you, but if you're gonna chisel, I won't give it to you.
AM: I'll take it for ten. (F, p. 20)

Appendix B: Inter-Rater Reliability

A reliability check was undertaken with a trained individual having some prior experience with auctions as an audience member. Training in the application of the coding scheme to the transcripts took approximately fifteen hours.

A ten percent sample of sales sequences were selected for the reliability check. Seven sales sequences were chosen from each of the ten auctions. The number of intangible resources created in each seven-sale sample ranged from thirteen to thirty. Altogether, a total of 228 intangible resources were produced in the ten percent sample.

Table 8 indicates the inter-rater reliability figures for each auction. Reliability was calculated by the percentage of agreement on the type of intangible resources produced over the whole seven-sequence segment per each auction. Reliability figures per auction range from .67 to .96. Overall reliability for the ten percent sample = .81, a fair amount of reliability. There is slightly better coder agreement with shorter sales sequences, although the improvement is small.

No consistent problem in agreement over any particular coding category could be found. Errors were spread over all categories of intangible resources.

TABLE 8

INTER-RATER RELIABILITY BY AUCTION

Auction	Number of Intangible Resources Produced	Reliability Per Auction
C	23	.74
A	30	.90
ME	24	.88
V	16	.70
FK	21	.83
R	13	.86
B	25	.96
F	30	.80
G	22	.79
P	24	.67
TOTAL	228	.81

When the reliability data were re-examined to determine the extent of agreement on whether the auctioneer had lost or gained/maintained power for each sales sequence, reliability = .91.[1] This is an important figure, because many of the calculations performed in testing the hypotheses presented in this study use an additive figure of intangible resource production ((-) versus (+) or (0)). Therefore,

[1]The sample contained 32 sequences in which an auctioneer had gained power, 16 in which he had maintained power and 22 in which he had lost it. Within these 70 sequences, there were 109 (+) codes and 119 (-) codes for intangible resource expression or loss.

in terms of the testing of the model proposed in this study, this higher reliability figure is also relevant.

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