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Are there economic benefits to being polite? Experimental evidence from the Israeli rental housing market

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Abstract

In this paper, I perform a correspondence test to determine whether there are differential response rates to polite versus impolite requests to see apartments for rent. Being polite (impolite) can send a positive (negative) signal when the receiving party has limited information. Because showing apartments is costly, landlords may filter potential tenants by tenants' politeness. To conduct this test, I sent 1000 requests to view available apartments for rent, through email and text messages, half polite and half impolite. I find no statistically significant difference in the proportion of positive call-backs received based on politeness through both means of communication, demonstrating that in this context, manners do not matter.

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1. Introduction

Most kids are taught from a very young age to display good manners and say 'please' and 'thank you.' A simple Internet search on the benefits of being polite provides numerous results on the advantages of being polite, the importance of teaching it to our children, and how people are less polite today than they used to be. There are also examples of businesses who, fed up with the rudeness of customers, considered giving discounts to polite customers.[1] In this paper, I estimate whether there are economic benefits to being polite, which may send a positive signal, by testing whether there are differential positive response rates between 500 polite and 500 non-polite requests to see an apartment for rent. To isolate the effect of being polite, I perform a correspondence analysis where two fictitious individuals send a request to see an apartment for rent. The two requests are identical in every respect except that one is polite and the other is not. To examine whether differential responses depend on the means of communication, I perform the test through both email messages and text messages. I find no statistically significant differences in the rates at which landlords respond to polite and impolite requests, whether through text messages or email messages, showing that at least in this context, being polite does not seem to matter.

Showing apartments can be a time-costly endeavor for landlords who oftentimes know little about someone who requests to see an apartment. While landlords gain more information about the potential tenant after showing the apartment, the initial showing costs time. An impolite potential tenant can send a negative signal to a landlord with little else to inform his/her opinion. If a landlord receives many requests for an apartment, the potential tenant's politeness may be one of the signals used to filter the requests, in the same way that there are many studies showing differential call-back rates based on other tenant characteristics (Bertrand and Duflo, 2016).

The current literature on being polite or thankful is primarily focused on gratitude - what happens when one's effort is appreciated and thanked. For instance, Panagopoulos (2011) shows that expressing gratitude to voters makes them more likely to vote in subsequent elections, and Grant and Gino (2010) found that expressing gratitude prompted pro-social behavior not only to the person expressing the gratitude, but also to a third party. The difference with this study is that one is being polite (saying 'hello' and 'thank you') *before* a transaction has been made and not in response to the effort of another individual. As such, this study focuses on what signal, if any, being polite/impolite conveys about an individual.

I test for the effect of being polite through a correspondence study, where two candidates or applicants are similar in every respect except for the characteristic being examined. Correspondence studies are a popular way to test for differential treatment in the housing and labor markets, in particular with regards to discrimination (see Bertrand and Duflo (2016) for a review). I isolate politeness by sending short text messages and emails where the only difference is that half of the messages begin with 'hello' and end in 'thank you,' while the other half do not.

I find no statistically significant differential response rates to see an apartment for rent through the polite and impolite requests. Email requests receive 0.536 and 0.560 positive

[1] E.g. Austin (2013) for a café in Nice, France; Moses (2017) for a coffee chain in Israel.

responses from polite and impolite requests, respectively, while text messages receive 0.804 and 0.820 positive responses from polite and impolite requests, respectively.

2. Experimental Setting

The experiment was performed through a large housing search website in Israel between November 2016 and January 2017. To ensure the wording of the requests sent to see an apartment for rent are typical, advertisements for three fictitious apartments for rent were posted. The requests to view these fictitious apartments were received through phone calls, emails, and text messages. The modal request through email and text message was very short and almost solely to determine when the potential tenant can view the apartment. Nearly all requests included 'hello', or some variation like 'good evening', and then a short message regarding when the individual can come see the apartment or whether the apartment was still available. Most messages ended with 'thank you' and the individual's name, and a few ended with just the individual's name. Therefore, not including 'hello' and 'thank you' represents a deviation from the usual polite request a landlord receives. With these requests in mind, I constructed the following two messages, one 'polite' and one 'impolite':

Polite:
'Hello,
When is a good time to come see the apartment?
Thank you,
Yogev'

Impolite:
'When is a good time to come see the apartment?
Yogev'

Because the two requests above were identical in every respect except for the words 'hello' at the beginning of the message and 'thank you' at the end of each message, I interpret differential response rates as the causal effect of writing 'hello' and 'thank you' – that is, being polite.

Only one type of polite/impolite request was sent to each advertisement to decrease the chances of revealing the experiment. Not sending the two types of requests to the same advertisement has the advantage of being able to send an identical request (other than the characteristic being examined), and not have to worry about whether the messages are of the same quality. On the other hand, it is not possible to determine if the same landlord responded to one request and not the other. To ensure that landlords who have more than one apartment for rent do not appear in the sample multiple times, the phone number for each advertisement was recorded. Advertisements were only applied to if the phone number was not one which had been

used before. There were only a few instances where an advertisement was skipped due to this issue.

To examine whether context is important, the experiment was performed both through text messages and email messages. One-thousand requests were sent: 250 polite texts, 250 impolite texts, 250 polite emails, and 250 impolite emails. Viewing requests were sent to one in every four ads to avoid selection bias. All relevant information in the ad was recorded, including the price per month,[2] number of rooms, when the apartment is available, floor, and gender of the contact person. For every apartment that a request was sent to, I recorded as '0' or '1' whether a response was received. A '1' was recorded when the landlord called, texted, or emailed to set up a time to see the apartment. A '0' was recorded when there was no response at all to the request or when the landlord stated that the apartment was no longer available. Requests were politely and quickly turned down to limit the inconvenience to landlords.

3. Methodology and Results

In Table I, I compare the observable characteristics of the apartments to ensure that the two types of requests were not sent to different types of apartments as there may be correlation between apartment characteristics and the probability of a positive response, independent of whether a polite or impolite request was sent. As shown in the table, there are no statistically significant differences in the apartments applied to when examining the price of the apartment, the number of rooms, the floor level, and whether the apartment is available immediately or at a future date.

Table I: Comparison of Apartments Receiving the Two Types of Requests

Apartment Characteristic	Polite	Non-polite	Difference (s.e)
Price (1000s of NIS)	4.649	4.642	0.006 (0.083)
Rooms	3.099	3.091	0.008 (0.044)
Floor	2.611	2.539	0.072 (0.152)
Availability (0 = immediately, 1 = future date)	0.423	0.423	0.000 (0.031)

Notes: Apartment characteristics by type of request sent. Standard errors in parentheses. ** significant at 1%; * at 5%.

[2] Prices are in New Israeli Shekels (NIS). At the time of the experiment the exchange rates were roughly $ = 3.75 NIS and € = 4.05 NIS.

In Table II, I show the unconditional response rates to the two types of requests, through both texts and email, and then the pooled results combining both types of messages. There are no statistically significant differences in the response rate to the two types of requests, although text messages receive greater response rates overall than email messages. The response rates to the email requests are on par with response rates in other correspondence studies in the rental housing market (e.g. Ahmed and Hammarstedt (2008) in Sweden, Hanson and Hawley (2011) in the United States, and Sansani (2017) in Israel).

Table II: Unconditional Differences in Probability of Receiving a Positive Call-Back

	Polite Request	Non-polite Request	Difference (s.e.)
Text Message	0.804	0.820	-0.016
	(n = 250)	(n = 250)	(0.035)
Email Message	0.536	0.560	-0.024
	(n = 250)	(n = 250)	(0.045)
Pooled	0.670	0.690	-0.020
	(n = 500)	(n = 500)	(0.030)

Notes: Unconditional differences in positive call-back rates by whether message is polite or impolite and whether message was sent via email or text message. ** statistically significant at 1%; * at 5%

In Table III are the results of the following linear probability model that controls for apartment characteristics:

$$Y_{ic} = \alpha + \rho Polite_{ic} + \beta X_{ic} + \sigma_c + \varepsilon_{ic} \quad (1)$$

Where *i* represents each advertisement and *c* the city the apartment is located within. *Y* is equal to 1 if the request received a positive response, and 0 otherwise. *Polite* is a dummy variable indicating whether 'hello' and 'thank you' were used in the request, *X* represents a vector of apartment and landlord characteristics, apartment and landlord characteristics interacted with a polite request, and city dummy variables interacted with a polite request. σ represents city fixed effects. When the gender of the landlord is included the number of observations decreases by about 20% due to gender-neutral names.

I run the linear probability model for the text messages, the email messages, and then for the pooled sample. I find that the point estimates on the polite variable are negative, but statistically insignificant, showing that at least in this context, there is no statistical difference in

Table III: Probability of Receiving a Positive Call-Back

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Email Message	Text Message	Pooled	Pooled	Pooled	Pooled	Pooled	Pooled
Polite	-0.026	-0.012	-0.020	-0.015	0.050	0.109	-0.038	0.189
	(0.045)	(0.035)	(0.029)	(0.032)	(0.052)	(0.111)	(0.060)	(0.202)
Rooms	0.014	0.016	0.008	-0.004	-0.004	0.010	0.010	0.010
	(0.041)	(0.031)	(0.026)	(0.030)	(0.029)	(0.026)	(0.027)	(0.027)
Floor	-0.001	0.008	0.001	0.006	0.005	0.002	0.001	0.002
	(0.009)	(0.008)	(0.006)	(0.007)	(0.007)	(0.006)	(0.006)	(0.006)
Price	0.025	0.029	0.020	0.019	0.019	0.036	0.018	0.040
	(0.030)	(0.024)	(0.020)	(0.022)	(0.022)	(0.023)	(0.020)	(0.026)
Availability	0.015	0.051	0.020	0.005	0.001	-0.011	0.021	-0.013
(0 = immed., 1 = future)	(0.045)	(0.036)	(0.030)	(0.033)	(0.033)	(0.042)	(0.030)	(0.043)
Male				-0.035	0.017			
				(0.033)	(0.046)			
Polite*Male					-0.108			
					(0.067)			
Polite*Price						-0.034		-0.043
						(0.022)		(0.032)
Polite*Availability						0.067		0.069
						(0.060)		(0.060)
Polite*City1							0.037	-0.008
							(0.089)	(0.096)
Polite*City2							0.022	-0.062
							(0.112)	(0.127)
Polite*City3							-0.073	-0.121
							(0.106)	(0.111)
Polite*City4							0.055	-0.036
							(0.104)	(0.123)
Polite*City5							0.019	-0.041
							(0.111)	(0.119)
Polite*City6							0.073	-0.055
							(0.105)	(0.144)
N	500	500	1000	819	819	1000	1000	1000

Notes: Linear probability model where dependent variable is equal to 1 if a call-back was received. Price is in thousands of NIS. All specifications include city fixed effects. ** significant at 1%; * at 5%

the positive response rate to polite and impolite requests. The point estimates on apartment characteristics, as well as the gender of the landlord, are also statistically insignificant. When including the interaction terms to test for the possibility that politeness matters with regard to certain apartment and landlord characteristics, or by city, I also do not find a statistically significant effect.

4. Conclusion

In a situation with limited information, such as initial requests sent to landlords to see an apartment for rent, individuals may view polite (impolite) language as a positive (negative) signal. In this study, I examine whether this is relevant in the Israeli rental housing market. I find that there are no differences in the response rates to polite and impolite text or email messages to see an available apartment. That is, even though potential tenants overwhelmingly are polite when inquiring about an available apartment for rent, I find that they are not penalized when they are not polite. The cost of not finding a tenant is high (4646 NIS/$1,239 per month), so impolite requests are overlooked. That said, it is not the case that landlords in Israel respond to all types of requests equally, no matter what the signal. Sansani (2017) finds that landlords are selective in who they respond to when it comes to attributes such as religious observance and ethnicity. Perhaps landlords do not place much weight on the initial request in terms of politeness because they know they will receive much more information about the candidate when showing the apartment. That is, there is no selection when it comes to politeness in an initial request as there is based on other tenant attributes, such as ethnicity.

It may be the case that impoliteness sends less of a negative signal in Israel than in other countries. Gazit *et al.* (2012) find that only half of the Israeli adult population are polite in verbal communication. Politeness is also related to the psychology literature that examines the issue of conformity, which includes politeness, obedience, self-discipline, and honoring parents and elders. Fischer and Schwartz (2011) find that there are significant differences in this measure across countries. Part of these differences can be explained by the level of religiosity as Saroglou *et al.* (2004) find a positive relationship between conformity and religiosity across countries and within religions (Christian, Jewish, and Muslim). Schwartz *et al.* (2001) find this relationship in Israel and Gazit *et al.* (2012) find that the more religious in Israel are more polite in general, but it is not clear if this holds regarding politeness in communication. These findings suggest that a penalty for impolite behavior may be found in countries and situations with greater levels of religiosity. Ethnicity may also play a role in what is considered polite and the reaction to (im)politeness in an economic setting. There are two major Jewish ethnic groups in Israel, Mizrahi (Jews who emigrated from countries like Iraq, Yemen, and Morocco) and Ashkenazi (Jews who emigrated from Europe and North America). Sasson-Levy and Shoshana (2013), examining the phenomenon of ‘acting white’ (Ashkenazi) in Israel, find that the individuals in their study view part of acting like an Ashkenazi (versus Mizrahi) as being more well-mannered and using proper grammar. The name used in the study (Yogev) is common to both of these groups, so it is not clear if the reaction to the different requests took the ethnicity of the potential tenant into account. Nor is it possible to determine the ethnicity of the landlord.

The different norms regarding polite communication across and within countries highlight that further research is needed to determine whether not finding a differential reaction based on politeness is robust to economic contexts other than the housing market in Israel. For instance, in cases where response rates are lower such as the job market, (im)politeness plausibly gives decision makers another factor by which to filter applicants.

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