Does Silence Matter? : Effect of Time Taken to Respond on Bargaining Outcomes & Evaluations

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This paper reports two studies that examine the effect of time taken by an opponent to respond to an offer on bargaining evaluations. Study 1 finds that bargaining evaluations were higher when an offer was accepted (rejected) after a delay (immediately) than when it was accepted immediately (rejected after a delay). Study 2 shows that bargaining opponent’s role moderates the influence of response time. Together the research suggests that negotiator interaction process factors that emerge from the bargaining environment, such as the time taken by an opponent to respond to an offer, are interpreted with respect to contextual factors such as bargaining opponent’s role.

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EXTENDED ABSTRACT
Bargaining, the decision making process through which buyers and sellers establish terms of trade, is a fundamental phenomenon in inter-firm exchange behavior (Perdue and Summers 1991). Extant research on bargaining can be categorized as either examining the influence of contextual factors or negotiator related factors on bargaining outcomes and evaluations (Neale and Northcraft 1991). While a relatively large literature examines the influence of contextual factors (e.g., Kim, Pinkley and Fragale 2005; Pinkley, Neale and Bennett 1994) and negotiator’s cognitions (e.g., Bazerman 1983; Thompson 1991) on bargaining outcomes, relatively few studies have examined the influence of negotiator interaction process factors on bargaining outcomes and evaluations (e.g., Galinsky, et al. 2002).

This paper examines how negotiator interaction process factor (hence forth also mentioned as ‘process factor’) that emerges from within the bargaining environment, such as the time taken to respond to an offer, affects bargaining evaluations and outcomes. Moreover, the influence of contextual factors and negotiator related factors on bargaining outcomes and evaluations has been studied in isolation. Thorough understanding of human behavior in social settings, however, is gained tremendously when, in addition to the main effects, the interactions between several predictors are taken into consideration (Beersma and De Dreu, 2002). Behavioral negotiation theory (Neale and Northcraft 1991) posits that bargaining outcomes are a product of the interaction of contextual and negotiator related factors (which includes interaction process between the negotiators). Accordingly, we examine how an interaction process factor such as time taken to respond to an offer, that emerges from within the bargaining environment affects bargaining outcomes and evaluations in presence of contextual factor such as opponent role.

Study 1 examines evaluations of bargaining outcomes as a function of time taken to respond when an offer is either accepted or rejected, and traces the relationship between bargaining evaluations and inferences about opponents’ bargaining position (e.g., reservation price). Study 1 demonstrates that the time taken by an opponent to respond to an offer affects bargaining evaluations in both positive and negative domains (i.e., when the first offer is accepted and rejected, respectively).

Study 2 tests the condition under which time taken to respond to an offer does and does not influence bargaining evaluations. Study 2 shows that evaluations of bargaining outcomes were perceived to be superior in the delayed versus the immediate acceptance condition only when the bargaining opponent was an individual bargaining on his behalf. In contrast, time taken to accept the offer had no impact when the opponent was a salesperson.

Overall, this research examines the influence of an interaction process factor that may emerge from within the bargaining environment on bargaining outcomes and their evaluations and highlights the interaction between a negotiator interaction process factor such as time taken to respond to an offer and a contextual factor such as opponent’s role. Together, our results suggests that silence does matter in bargaining setup, but does not always influence bargaining outcomes and evaluations as consumers do have mechanisms by which they guard falling prey to opponent’s silence as can be seen in the results of study 2.

REFERENCES


