

# Insincere Negotiations: Using the Negotiation Process to Pursue Ulterior Motives

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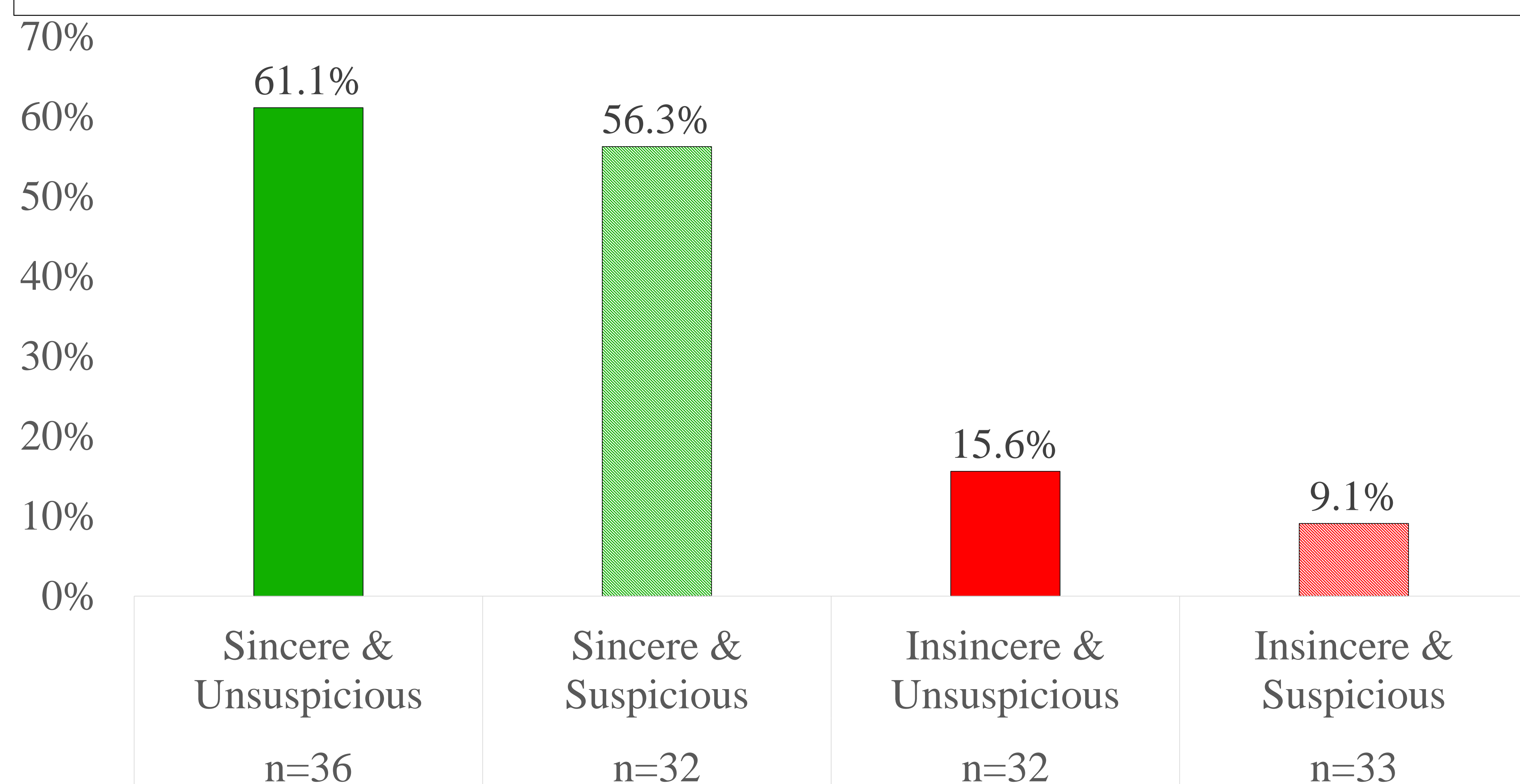
## ABSTRACT

Prior negotiation literature has predominantly presumed that participants approach negotiations with the intent of reaching a deal and that negotiation participants cannot be significantly harmed by the negotiation process. We challenge these assumptions. We introduce the term, insincere negotiations, to characterize negotiations that involve one or more negotiators who feign interest in seeking an agreement and enter negotiations without the initial intent to reach an agreement, but to pursue objectives that are separate from reaching an agreement (e.g., to stall for time or to gain information). We explore the implications of this broader conceptualization of negotiations both theoretically and experimentally. We demonstrate that merely assigning participants to the role of insincere negotiators changes negotiation behavior and outcomes. Furthermore, we also show that the mere possibility of encountering an insincere negotiator significantly changes actual behavior and equilibrium outcomes. We consider theoretical, prescriptive, and policy implications of these results.

## Study 1 Results

In our first experiment, we examine the behavior of negotiators with ulterior motives by using a multi-issue negotiation context in the behavioral laboratory. In prior negotiation studies, Buyers were always sincere in their intent to negotiate. That is, their primary goal was to reach an agreement. Sellers were always Unsuspicious that they may negotiate with an insincere counterpart. We expand this classic design into a 2 (Insincere vs. Sincere Buyers) x 2 (Unsuspicious vs. Suspicious) design in order to examine how behavior changes when we relax the classic negotiation assumptions.

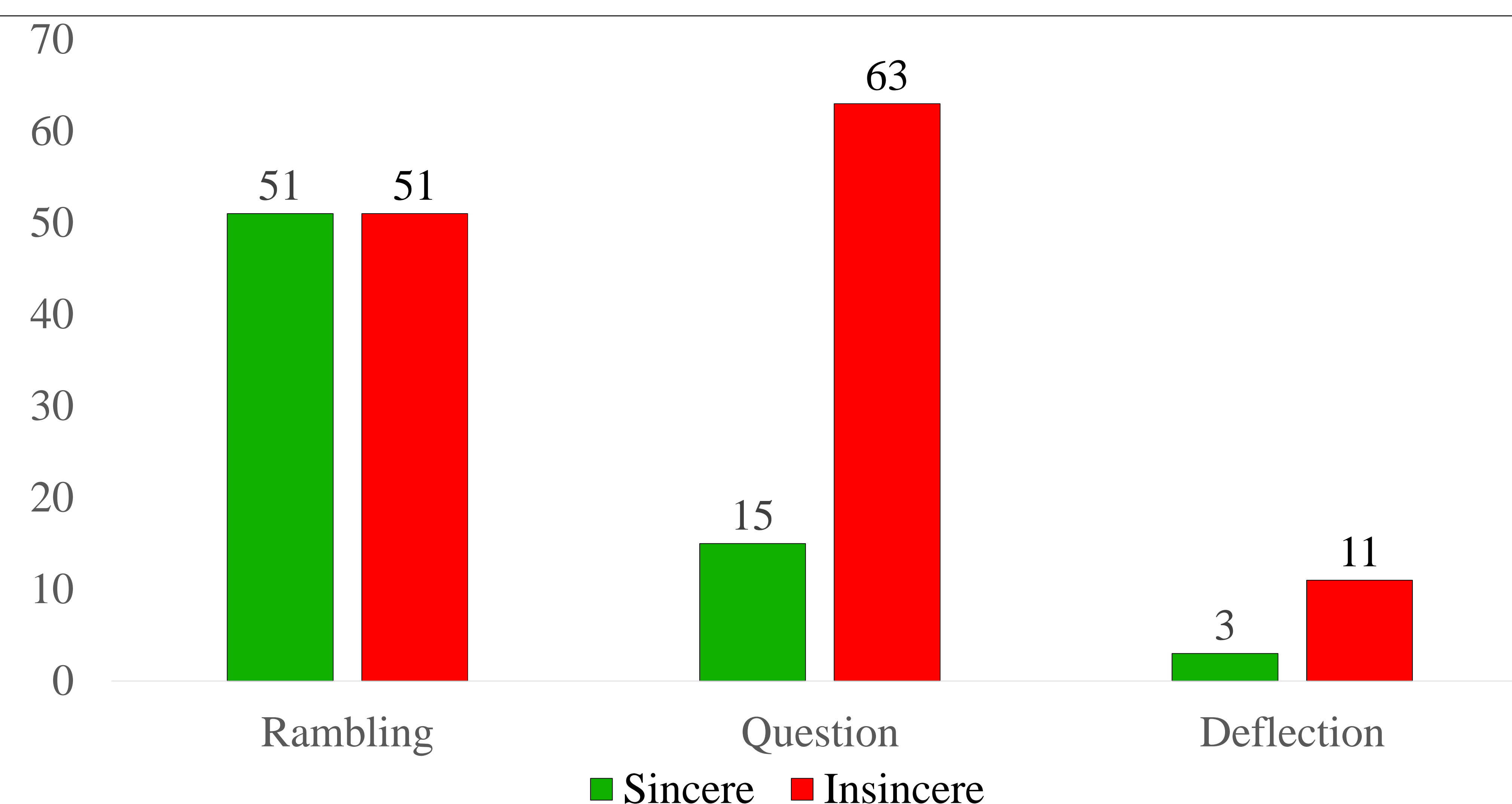
**Agreement  
across Conditions**  
(Wharton Behavioral Lab; n=133)



Agreement is highest when Buyers enter negotiations with a sincere intent to reach an agreement.

Significant differences in agreement between Sincere Buyers and Insincere Buyers ( $t(1)=2.43, p<0.001$ ); no significant differences between Seller conditions ( $t(1)=-0.80, p=0.43$ ) and no significant difference of the Buyer and Seller condition interactions ( $t(1)=0.12, p=0.91$ ) on total agreement.

**Stalling Tactics  
Across Buyer Types**  
(Wharton Behavioral Lab; n=65)



When buyers are strategic, they can exploit sellers by engaging in stalling tactics, such as rambling (speaking about irrelevant subject), irrelevant question asking or deflection.