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Negotiating in Distributive Bargaining Scenarios: The Effect of Sharing One's Alternative

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ABSTRACT

This study examined negotiation outcomes following a distributive bargaining task where individuals communicated in dyads for the purchase of a hypothetical product. We used an experimental manipulation to examine the impact of sharing one's alternative on bargainers' final negotiated price both directly and indirectly through their partners' one-sided negotiation tactics. After negotiating, participants in 92 dyads reported their results and provided information about their communication behaviors while bargaining. Using a dyadic mediation model, results revealed that when Buyers shared their alternatives with Sellers, they settled for higher prices compared to when Buyers did not. This outcome was the function of a direct effect of sharing on the final price, and an indirect effect through Sellers' use of one-sided bargaining tactics.

KEYWORDS

Dyadic mediation; BATNA; alternatives; one-sided bargaining; distributive bargaining; power

Negotiation is a communication process whereby people exchange information and engage in strategic maneuvers to reach an agreement that benefits both parties by providing outcomes that could not be achieved absent the focal interaction (Lax & Sebenius, 1985; Putnam & Jones, 1982a). Crucially, one factor that is known to influence these outcomes is power (Kim & Fragale, 2005). Power is widely understood to be an important factor in negotiation insofar as it influences the allocation of value in these interactions. Specifically, “the greater one's power relative to the power of others, the more resources one should be able to claim” (Kim et al., 2005, p. 799). Considering the importance of power, it is no surprise that scholars have been interested in studying mechanisms that influence the balance of power in negotiation scenarios (Kim & Fragale, 2005; Kim et al., 2005; Wong, 2014). Although there are several ways to study power in negotiation contexts, it is often operationalized and investigated through negotiators' alternatives (Pinkley, 1995; Thompson et al., 2010).

Despite the fact that several alternatives to a negotiated deal might exist, scholars assert that one's best alternative to a negotiated agreement (BATNA) is particularly important because it reflects the best results a person can obtain outside of the principal interaction and therefore provides information to negotiators about what they should do if they fail to reach agreement under the current circumstances (Fisher et al., 2011). As such, BATNAs provide specific criteria for evaluating a deal by helping negotiators make comparisons between a current potential agreement and one that is possible to secure elsewhere

(Sebenius, 2017), while also setting limits for negotiators by indicating the worst possible outcome they should be willing to accept in a bargaining scenario (Fisher et al., 2011). Considering this, scholars argue that “BATNAs constitute a form of power for negotiators since a good BATNA reduces a negotiator’s urgency to reach an agreement and therefore reduces the likelihood that the negotiator will make concessions” (Mannix & Neale, 1993, p. 120).

Because of its effect on bargaining, some negotiation scholars argue that “disputants who possess attractive alternatives should make this information salient to the other party” (Pinkley et al., 1994, p. 112) insofar as it communicates one’s power which is important for managing the perceptions of the other negotiator, and can lead to higher final outcomes for individuals who reveal this information (Pinkley, 1995; Pinkley et al., 2017, 2019). In fact, Pinkley et al. (2019) explicitly argued that “most negotiators are missing an opportunity to improve their position and ‘leaving money on the table’ by keeping information regarding potential and real alternatives to themselves” (p. 43). But, is it always helpful to reveal one’s BATNA? It may be possible that, compared with keeping it secret, revealing one’s BATNA has the potential to reduce one’s outcomes to the extent that it provides information the other side can exploit during negotiation. More specifically, we argue that although having an alternative might be helpful to negotiators by creating high(er) standards for agreement, sharing the exact nature of this alternative may prove costly if one’s counterpart can use this information to limit their own concessions.

Though scholarship regarding negotiators’ BATNAs and their effects on bargaining outcomes exists, researchers have yet to thoroughly examine the potential negative impact of revealing the specifics of one’s BATNA to the other party while negotiating. To help fill this gap in the literature, we conducted the current study to examine if sharing information about one’s BATNA would negatively influence the outcomes negotiators received in a distributive bargaining scenario. We also examined a potential mechanism through which revealing one’s BATNA might influence this outcome.

Alternatives to Negotiated Agreements

BATNAs are important to negotiation because they have been found to influence final outcomes in favor of individuals who have strong alternatives compared with people who have weaker options, or people who have no alternatives (Pinkley et al., 1994). In fact, because of their impact on negotiation, scholars have long been calling for negotiators to secure strong personal BATNAs in order to bolster their positions (Fisher et al., 2011). But, should negotiators communicate these to their partners? Some researchers argue that negotiators might want to do so because knowledge of one’s BATNA can reduce a partner’s aspiration levels and increase one’s ability to claim instrumental value (Pinkley, 1995; Pinkley et al., 2017, 2019). Furthermore, knowledge of one’s BATNA can increase perceptions of the power that a bargainer may possess (Pinkley et al., 2017, 2019). Therefore, as Pinkley et al. (1994) noted, perhaps negotiators should “communicate and use their BATNAs to push for better agreements – agreements that surpass their no-agreement alternatives” (p. 114).

Communicating one’s BATNA may allow a person to exercise power by mandating that, to reach a deal, a focal arrangement must be better than (or at least as good as) their next best option. That said, we argue that doing so might unwittingly give the other side an

advantage insofar as it may limit how far negotiators can push beyond this alternative once it is revealed. In fact, revealing the details of one's alternative might reasonably be interpreted as a mistake insofar as it provides one's counterpart with critical information. To this point, several scholars argue that it is important for negotiators to do their best to determine their counterparts' BATNA (Fisher et al., 2011; Malhotra & Bazerman, 2008) because knowing the other side's alternatives makes individuals better prepared to negotiate (Fisher et al., 2011). As Wong (2014) argued, knowledge regarding one's partner's BATNA "is probably the most important information negotiators can have in a negotiation" (p. 78). Perhaps this information is important because, as Malhotra and Bazerman (2008) suggested, knowing a counterpart's BATNA helps negotiators determine how aggressive they can be as they pursue their outcomes. In other words, just as knowledge of one's own BATNA sets a lower limit below which a negotiator might refuse to accept a deal, providing details about one's BATNA to a negotiation partner may not be advisable to the extent that it provides information about the upper limit they can reasonably hope to settle for themselves.

Based on the conclusion above, we might argue that although having a strong alternative can benefit negotiators by ensuring that individuals do better than their next best option, revealing the exact nature of this alternative could lead to detriments in potential outcomes because, absent an incentive for one's partner to capitulate, revealing one's BATNA may make pushing beyond this alternative challenging. This might be true for at least two reasons. First, by revealing the exact nature of their next best alternative, negotiators may give their partner information that can be exploited. Put simply, if a negotiator reveals their BATNA to a partner, the partner may be able to capture more value for themselves by making an offer that just beats this alternative without offering any further concessions. Second, revealing that one has a better alternative with an outside party might be interpreted as an ultimatum or threat to the current potential deal. As such, this behavior might be taken as a hostile act that may be met in kind.

Informational Advantage

Researchers have shown that when negotiators have unequal alternatives, the person with the stronger option usually claims a larger share of potential outcomes compared to the person who has the weaker alternative (Kim & Fragale, 2005; Pinkley et al., 1994). Although the balance of alternatives is important for claiming value in negotiation, keeping these alternatives secret may be helpful if this ambiguity leads negotiators to assume that their partner's alternatives are better than they actually are. This idea is important because the influence of an alternative quickly diminishes "once benefits that are at least equivalent to the value of this" potential option have been attained (Kim & Fragale, 2005, p. 379). As Kim et al. (2005) argued, once a partner's BATNA is known, a negotiator can reduce the benefits of a deal "up to the point where they barely exceed the counterpart's BATNA, while still making it worthwhile for that counterpart to remain in the negotiation" (p. 806). Moreover, crucially, once the benefits from a focal deal exceed the value of one's alternatives, "the threat of departure loses its credibility" (Kim & Fragale, 2005, p. 375). On the other hand, if a negotiator's BATNA is not known to his or her partner, then the perceived value of the alternative is left open to speculation. And, if the value is not known, negotiation partners' aspiration levels may remain artificially low (Wong, 2014). Thus, we might conclude that

although keeping a BATNA in mind can be an important way of claiming value in negotiation by demarcating the terms that need to be met in order for an agreement to occur, in all but the most extreme circumstances where one is simply trying to do better than the next best option, revealing that BATNA might be detrimental to one's ability to claim instrumental value beyond the alternative.

In summary, we argue that providing specific information about one's BATNA might mean that negotiators give up value that may have accrued beyond this alternative if they had kept this option a secret. In line with this reasoning, we predicted that revealing one's BATNA would lead to worse outcomes for negotiators compared with keeping this information to themselves. To test this prediction we offered the following hypothesis:

H1: Negotiators who reveal their BATNA will have lower instrumental outcomes compared with negotiators who keep their BATNA to themselves.

One-sided Bargaining

According to Ogilvie and Kidder (2008), negotiation styles fall into two categories including hard and soft, or positional and integrative bargaining. As the authors noted, these styles are identified by either negotiating aggressively to win for one's self or making concessions to build goodwill and pursue mutual gain. The authors argued that these negotiation styles are likely based on individual differences and characteristics of the situation. Although there is a wide range of variables that may influence the communication tactics negotiators choose to employ, we suggest that one aspect of the situation that might influence individuals' choices for bargaining tactics includes whether or not their partners reveal their alternatives.

Why should this be the case? We argue that in the course of communicating the specific nature of an alternative, negotiators may be perceived as engaging in hard bargaining tactics. Hard bargaining tactics include aggressive or conflict-oriented tactics (Dur & Mateo, 2010), and tactics that may be perceived as threats (Craver, 2011), or come across as being self-centered (Ogilvie & Kidder, 2008). That said, when negotiators reveal their BATNA to their partners, their partners might experience this information as a threat insofar as it may reflect a distributive approach to bargaining that impedes on their autonomy (Dupont et al., 2009). If this is the case, negotiators may reciprocate this behavior by reacting defensively to their partners' BATNA revelations and, consequently, respond by using one-sided bargaining tactics to pursue outcomes that benefit themselves.

The conclusions made above have support from research which has revealed that when people are suspected of behaving in a distributive manner, their partners tend to rate their intentions as less cooperative and they share less information about their interests and preferences (Tinsley et al., 2002). Moreover, bargainers who are perceived as being distributive have been found to earn lower instrumental outcomes compared to negotiators who have no such reputation (Tinsley et al., 2002). Based on this information, we contend that when bargainers reveal their BATNA it will trigger their partners to respond defensively in an attempt to claim more value for themselves. As such, we predicted that negotiators who revealed their BATNA to their partners would have lower instrumental outcomes a result of their partners' one-sided bargaining behaviors.

H2: Negotiators who reveal their BATNA will have lower instrumental outcomes compared with negotiators who keep their BATNA to themselves as a result of their partners' use of one-sided bargaining tactics.

Method

Participants and Procedure

After obtaining approval from the institutional review board, participants were recruited from large-lecture upper division communication classes at a university on the west coast. To ensure students had a basic understanding of negotiation scenarios, this investigation only drew from students enrolled in a course focusing on bargaining and negotiation. Data collection occurred about two-thirds of the way through the semester. Students who participated in this study were offered minimal extra credit in return for engaging in an in-class negotiation exercise and completing a brief survey about the experience. Individuals who agreed to take part in this study ($N = 210$; 105 dyads) were 79 men and 128 women (three unreported) with ages ranging from 19 to 48 ($M = 23.1$, $SD = 4.1$). Three participants were in their second year of school, 73 were in their third year, 96 were in their fourth year, and 35 were in their fifth year of school or beyond (three unreported).

Data collection occurred in the context of a classroom exercise. Specifically, students who agreed to take part in this investigation were told to select partners in class and to work with someone who they did not know personally. Once partnerships were formed, individuals were given their negotiation materials and were selected to participate as a Seller or a Buyer at random. For consistency across dyads, Sellers were instructed to start the negotiation by making the first offer. Included in this investigation were two Buyer scenarios and two Seller scenarios, these were also distributed at random. Students were given 10 minutes to read the directions for their position and to prepare themselves for the upcoming interaction. Negotiators were told that the bargaining interaction would take place for 15 minutes and if no agreement was made by that time, they would have to settle on a no deal impasse. In total, 12 pairs of negotiators reached an impasse. Only participants who were able to reach a deal were included in the analysis. Moreover, one pair of participants was removed from the sample because the price they agreed on was over three standard deviations away from the mean negotiated price. Thus, a total of 92 dyads were utilized from this sample.

Negotiation Scenario

Buyers. The negotiation scenario reflected a distributive bargaining opportunity for Buyers and Sellers to negotiate the purchase of a pair of sunglasses. Specifically, Buyers were told:

“You are on vacation and have stumbled across a local store that sells a variety of fashion apparel including jewelry, watches, and sunglasses to tourists. Most of the prices in the place you are visiting are flexible and it is common for you to negotiate a final sale price when interested in buying something from a store.

While in the shop, you notice a few things that interest you. After looking at a few watches, you turn your attention to sunglasses. You try a few glasses on and eventually find a pair that you like. That said, you decide to try to buy them.

As it pertains to these glasses, this is not your first time seeing them. In fact, you saw an identical pair and negotiated those down to \$60 at another shop across town – that was the lowest they would go. However, you won't be able to buy those until tomorrow and you would like to buy the glasses now that you have found them in this new place. Knowing that you have an alternative across town at \$60, you decide that you would like to buy this pair of glasses for less than that. Ideally, you only want to spend \$40. USD That said, \$50 seems fair, and because you have the other shop in mind you are not going to pay over \$60 at this time. Of course, the less you pay the better.

Now, you and the Seller have to negotiate together to reach an agreement. Of course, you do not *need* to reach an agreement . . . if you cannot, the both of you will simply go your separate ways. With all this in mind, you are interested in the glasses so you turn to the Seller and ask them for the price of the glasses."

The experimental manipulation in this project involved directions for the Buyers. In particular, Buyers in the *no share* scenario were told not to share the fact that they had an alternative for \$60. Specifically, in addition to the information provided above, they were told:

"One last thing, it is important in this negotiation that you do not reveal that you have another shop willing to let you buy the glasses at \$60. Be sure to keep that a secret."

Conversely, Buyers in the *share* scenario were explicitly told to reveal their alternative. These negotiators were told:

"One last thing, it is important in this negotiation that you tell the seller you have another shop willing to let you buy the glasses at \$60."

A manipulation check was included to ensure participants followed directions for revealing their alternative (or not). Five participants in the no share scenario did share their alternative, and two in the share scenario did not. These responses were recoded to reflect their individuals' participation in the categories that represented their behavior, not their directions. As such, a total of 43 dyads were coded as having participated in the no share scenario and 49 were coded as having participated in the share scenario. Participants who shared their alternative did so after a mean elapsed time of two minutes and 27 seconds ($SD = 92$ seconds).

Sellers. Sellers were also given directions for their participation, there were two scenarios that differed based on Sellers' alternatives as well. In one case, Sellers were told that they can usually sell the glasses for \$50 whereas in the other case they were told they can usually sell the glasses for \$70 (see the parenthetical notation below). As indicated in the directions, Sellers were instructed to provide a start price to Buyers in this scenario. In particular, sellers were told:

"You work at a local store that sells a variety of fashion apparel including jewelry, watches, and sunglasses to tourists. Most of your prices are flexible, and it is common for you to negotiate a final sale price when people are interested in buying something from your store.

One day, a Buyer walks in and looks around your shop. After looking at a few watches, the Buyer turns their attention to sunglasses. The Buyer tries a few on and eventually finds a pair that they think they like.

As it pertains to these glasses, you paid \$20 for them – that is the wholesale price. That said, in order for you to make a profit, you have to sell these glasses for \$40 at the minimum. That is the

lowest you will go. Usually, however, you can sell these glasses to tourists for \$50 (\$70). Still, you would like to get \$90 for these and, of course, the more money you get from the Buyer the better.

Now, you and the Buyer have to negotiate to reach an agreement. Of course, you do not *need* to reach an agreement . . . if you cannot, the both of you will simply go your separate ways. With all this in mind, the Buyer turns to you to ask what the price is for the glasses. What will you tell the Buyer?"

Instrumentation

Final Price

In this study we were interested in the relationship between sharing one's alternative and the final agreement reached by both parties. Therefore, participants were asked to write down the final price they agreed on for the glasses. In general, participants reported agreeing to a mean price of approximately \$56 ($SD = 8$).

One-sided Bargaining

One-sided bargaining tactics were measured using three items created for this study based on the work of Dur and Mateo (2010) and Craver (2011). Response options ranged from (1) *completely disagree* to (7) *completely agree*. Items in this measure included "I made unrealistic demands," "I tried to maximize my own points at their expense," and "I strived for extreme outcomes favoring myself." Scale reliability was determined using Hancock and An's (2020) method for estimating coefficient omega (ω) with 5000 bootstrap confidence intervals (Goodboy & Martin, 2020; Buyer $\omega = .82$, CI: .76, .89; $M = 2.70$, $SD = 1.48$; Seller $\omega = .84$, CI: .79, .89; $M = 2.98$, $SD = 1.62$).

Start Price

Sellers were tasked with starting the negotiation by providing Buyers with an opening offer. Opening offers were entered into our model as a covariate to account for their impact on negotiators' outcomes (Gunia, 2017). Results revealed that the average start price was \$108 with a standard deviation of \$34

Results

To test our first hypothesis, we examined mean prices for buyers in the *no share* and *share* conditions. For Buyers who did not reveal their alternative, the mean price they agreed on was approximately \$54 ($SD = 8$). For Buyers who did reveal their alternative, the mean price they agreed on was approximately \$58 ($SD = 7$). In support of Hypothesis 1, the difference in mean price between the two experimental conditions was significant ($t(90) = -2.67$, $p < .01$, $d = .56$) indicating that negotiators who revealed their alternative to their partners paid more for the hypothetical product compared to negotiators who did not. See Table 1 for correlations between study variables.

To test our second hypothesis, we conducted a mediation analysis using dyadic data with distinguishable pairs in MEDYAD with 5,000 bootstrapped samples and 95% confidence intervals (Coutts et al., 2019). Specifically, we examined a dyadic mediation model to

Table 1. Correlations between variables.

	1	2	3	4	5
1. Share					
2. Final Price	.27**				
3. One-sided (B)	.13	-.02			
4. One-sided (S)	.19	.36**	.30**		
5. Start Price	-.02	.34**	.17	.35**	
6. Alternative (S)	.14	.11	-.04	-.14	-.18

Note. (B) = Buyer, (S) = Seller. Share is coded as 0 for Buyers who did not reveal their alternative and 1 for those who did. The Seller's alternative is coded as 0 for those with a \$50 alternative and 1 for individuals with a \$70 alternative. ** = $p < .01$ (two-tailed).

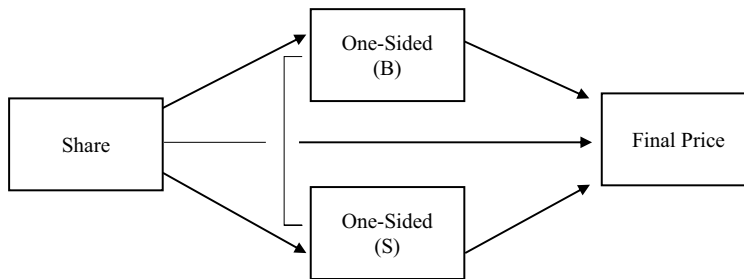


Figure 1. Dyadic mediation model. Note. (B) = Buyer, (S) = Seller. The line connecting Buyers' and Sellers' one-sided bargaining tactics represents a correlation between error terms. Covariates (Start price and Seller's alternative) are not pictured.

investigate the impact of Buyers sharing their alternative on the final price through the impact this had on Sellers' one-sided bargaining tactics. We also included Sellers' start price and designated alternative (coded as 0 for the \$50 alternative and 1 for the \$70 alternative) to control for the confounding effects these variables might have on the final negotiated price (see Figure 1).

First, results indicated that Sellers' use of one-sided bargaining tactics increased when Buyers revealed their alternative (see Table 2). Second, we found that the final negotiated price was significantly affected by the use of Sellers' one-sided bargaining tactics (see Table 3). Finally, we examined the effect of Buyers revealing their alternatives on the final price of the agreement through the indirect path of Sellers' one-sided bargaining tactics. In support

Table 2. OLS regression: One-sided tactics.

	Coefficient	SE	t	p	LLCI	ULCI
Buyer						
Constant	1.73	.59	2.95	< .01	.57	2.90
Share	.39	.31	1.26	.21	-.23	1.01
Start Price	.01	.00	1.59	.12	.00	.02
Alternative (S)	-.07	.32	-.23	.82	-.70	.56
Seller						
Constant	1.07	.60	1.78	.08	-.12	2.26
Share	.68	.32	2.15	< .05	.05	1.31
Start Price	.02	.00	3.34	< .01	.01	.03
Alternative (S)	-.35	.32	-1.08	.28	-.99	.29

Note. Buyer: $F(3, 88) = 1.43$, $p = .24$, $R^2 = .05$. Seller: $F(3, 88) = 5.99$, $p < .01$, $R^2 = .17$. (S) = Seller. Share is coded as 0 for Buyers who did not reveal their alternative and 1 for those who did. The Seller's alternative is coded as 0 for those with a \$50 alternative and 1 for individuals with a \$70 alternative.

Table 3. OLS regression: Final price.

	Coefficient	SE	t	p	LLCI	ULCI
Constant	43.94	2.78	15.80	< .01	38.41	49.46
Share	3.37	1.44	2.34	< .05	.51	6.22
One-sided (B)	−.95	.49	−1.93	.06	−1.93	.03
One-sided (S)	1.40	.48	2.90	< .01	.44	2.36
Start Price	.07	.02	3.03	< .01	.02	.11
Alternative (S)	2.54	1.43	1.78	.08	−.30	5.38

Note. $F(5, 86) = 7.03$, $p < .01$, $R^2 = .29$. (B) = Buyer, (S) = Seller. Share is coded as 0 for Buyers who did not reveal their alternative and 1 for those who did. The seller's alternative is coded as 0 for those with a \$50 alternative and 1 for individuals with a \$70 alternative.

of Hypothesis 2, results revealed that there was a positive indirect effect between Buyers sharing their alternative and the final negotiated price through Sellers' use of one-sided bargaining tactics which materialized as an approximately one-dollar increase in price (indirect effect = .95, bootstrap CI: .05, 2.26). These results confirm Hypothesis 2 and indicate that when Buyers revealed their alternative, Sellers bargained in a more one-sided manner and, as a result, Buyers ended up with a more expensive deal for themselves.

Discussion

We conducted this study to examine the impact of sharing one's alternative with a negotiation partner in a distributive bargaining scenario. In line with our hypotheses, our results revealed that doing so was detrimental to a negotiator's ability to claim instrumental value. In particular, Buyers who revealed their alternative to their partners paid approximately seven to eight percent more for a hypothetical product compared with Buyers who kept this information secret. Our explanation for these results stems from two sources: one of these represents a direct effect and the other represents an indirect effect.

Regarding the direct effect, we found that providing information to one's partner about one's BATNA has the potential to provide them with an informational advantage. BATNAs reflect minimally acceptable outcomes for negotiators (Kim & Fragale, 2005; Kim et al., 2005) and represent the boundaries at which negotiators will terminate their efforts to secure a deal (Blount White & Neale, 1991). As such, we argued that when Buyers revealed their alternative, Sellers knew the point at which Buyers would likely walk away from the agreement. That said, to be competitive, Sellers simply had to beat this price to secure an agreement, but they did not need to do so by much. In fact, our results showed that, on average, Buyers who revealed their alternative paid about \$58 dollars for the product: a number just shy of the \$60 alternative.

As several authors noted, people who know their partner's next best option may be able to secure a deal that favors themselves if they can commit to a position that is even slightly better than their partner's next best option (Kim et al., 2005; Lax & Sebenius, 1985). However, typically, one factor that holds people back from doing so is that negotiators do not always know the other side's best alternative, or the minimum value the other side would accept (Lax & Sebenius, 1985). Thus, when negotiators shared their alternative, they gave their partners informational they could exploit. As Kim et al. (2005) stated, in the absence of perfect information about the other side's position, the perceived value of that position will influence negotiation outcomes. That said, it appears that one way to increase

power in negotiation is to allow one's partner to believe that one's alternative is better than it is by withholding this information and bargaining with terms that are better than one's minimally acceptable offer.

In addition to the direct effect, we also revealed an indirect effect between Buyers sharing their alternative and the price they negotiated as a result of Sellers' one-sided bargaining tactics. The indirect effect demonstrated that the messages people share as negotiators can influence the way their partners respond and, subsequently, the outcomes they receive. In particular, we found that when Buyers shared their alternative, Sellers were more likely to bargain with the intent of benefitting themselves. Perhaps the reason for this behavior stems from the notion of reciprocity. As Putnam and Jones (1982a) argued, "the extent to which bargainers perceive a situation as distributive or integrative hinges, in part, upon the interaction between them" (p. 172). To this point, we argued that revealing one's BATNA might be perceived as a threat or an ultimatum and may therefore be interpreted as reflecting a one-sided approach to bargaining. If this is the case, then sharing one's alternative might be considered to reflect an adversarial stance which may trigger a response in kind. In support of this conclusion, Putnam and Jones (1982b) argued that flexibility when negotiating can lead to reciprocal concessions and accommodation whereas firm commitments may risk escalating conflict. Similar to sharing one's BATNA, Putnam and Jones provided examples of firm commitments in the form of offers that communicate "finality, specificity, and explicit consequences" (p. 272).

In addition to triggering reciprocal distributive tactics, providing information about one's BATNA might be interpreted as an ultimatum that damages the goodwill or the relationship between negotiators. If this is true, we might find that recipients of this information are more willing to pursue their own interests at the expense of their partners. Loewenstein et al. (1989) reported results that support this conclusion. According to these authors, the desire to benefit from a deal when negotiating was highest when participants felt negatively about the relationship. Specifically, in positive and neutral relationships, people disliked advantageous inequality. However, when negotiation relationships were negative, people were not concerned about what the other side received, and in some cases they even sought out results that provided themselves with advantageous inequality. Thus, if providing information about one's BATNA is interpreted by negotiators as an aggressive tactic that damages the rapport experienced when bargaining, this behavior may harm the negotiation climate and trigger the employment one-sided tactics from one's counterpart.

Implications and Practical Applications

Typically, researchers examining the impact of alternatives in negotiation have studied how having a strong alternative impacts negotiation outcomes compared to not having one, or to having a weaker one (e.g., Pinkley et al., 1994; Schaerer et al., 2015). In this project, we took a different approach in order to investigate what happens when individuals with identical alternatives communicate this information to their counterparts (or not). Results from this study help fill a gap in the literature by providing initial evidence supporting the conclusion that although having an alternative can help negotiators claim value, having one and not revealing it may be beneficial compared to making others aware of this information. That

said, our results should help readers understand the importance of communication in negotiation contexts influenced by power.

Ideas regarding best practices for building power in negotiation are often articulated from the standpoint of helping individuals bolster their alternatives in order to secure more concessions from their partners by raising the lower boundary for negotiated agreements (Kim & Fragale, 2005; Kim et al., 2005). In this paper, we argued that knowing the other side's position with regards to their alternatives might build power too. This is because learning about when one's partner will terminate the focal interaction to pursue other options gives negotiators the ability to take a more informed approach when bargaining (Fisher et al., 2011; Malhotra & Bazerman, 2008) which can influence their strategies for interaction (Schaerer et al., 2015). Considering this, we argued that providing information about alternatives to a counterpart can unintentionally empower these individuals to the extent that doing so helps them to know the highest outcome they might aspire to and allows them to determine when they can stop offering concessions.

Based on the results from this study, readers might conclude that providing information about an alternative when negotiating is a risky endeavor – one that should be avoided. In fact, negotiators might sense this is the case considering researchers have found that most individuals do not reveal their alternatives to the other party when they bargain (Pinkley et al., 2019). But, is it always risky to reveal one's BATNA? Perhaps not. We argue that providing information about one's BATNA can be detrimental insofar as it gives one's negotiation partner key information about the worst possible outcome that he or she would accept in a bargaining scenario (Fisher et al., 2011). That said, providing this information could potentially be helpful under certain circumstances. For example, when bargaining with somebody who has unrealistic expectations favoring their own outcomes, providing information about one's BATNA might be beneficial if it works to adjust these expectations in order to secure a deal. As shown in our results, most Buyers revealed their alternative relatively quickly in the process of negotiating. We suppose that this was the case because Sellers opened with a high price and Buyers were likely trying to reign in their expectations.

Considering the above, we may find that providing information about one's alternative can be helpful if negotiators deem it essential to provide information to their partners regarding the parameters they must meet in order to secure a deal. As an example, this might work well in cases where securing a focal deal is necessary and providing information about one's alternative functions to facilitate an agreement that is just better than the next best option, perhaps as a last resort. To this point, it should be noted that the average agreement price for the glasses was below Buyers' alternative of \$60 in the condition where Buyers did not share their alternative and also in the condition where they did. Of course, this means that, regardless of the experimental manipulation, Buyers who shared their alternative might consider the negotiation a success to the extent that they were able to secure a better deal than they could have elsewhere.

Practically speaking, our advice to negotiators is to be considerate in their decision to reveal their alternative to a focal interaction. Doing so provides information to one's partner about minimally acceptable outcomes, and thus in situations where one's alternative is relatively strong and one's partner does not realize it, providing this information might be helpful. In these situations, we might follow the advice of scholars who assert that if negotiators have a particularly attractive BATNA, or if their partners incorrectly perceive them to have a weak BATNA, then disclosing this

information could be beneficial (Fisher et al., 2011; Pinkley et al., 2019). In this case, even if disclosing an alternative creates a distributive bargaining environment, negotiators may be able to force a deal that benefits themselves due to the power they possess by way of their superior bargaining position. However, disclosing one's BATNA can also weaken a negotiator's bargaining position by informing one's partner about a minimally acceptable offer and therefore limiting the concessions one can push for. Because negotiation encounters typically unfold without perfect information, individuals might not know at what point their partners will walk away from an offer. That said, giving away details about one's next best alternative may be risky to the extent that it provides information that a counterpart might use to limit a negotiator's ability to claim value.

Limitations and Future Directions

The results of this study should be considered in light of its limitations. One limitation includes the artificial nature of the bargaining scenario. Participants in this project did not, in fact, bargain for sunglasses and their own resources were not on the line as it pertained to the final result. Thus, we might expect that the outcomes people experience in bargaining scenarios occurring in more natural settings may differ from the results we reported here. In the future, researchers may choose to verify the results we reported in actual bargaining encounters.

Readers should also consider that our study is limited by what we measured in our survey. In this investigation we did not measure perceived power, perceptions of one's partner's reservation prices, perceptions about the relationship, or perceptions about a partner's negotiation tactics, among other things. That said, moving into the future, researchers may consider verifying the indirect effects of these variables to confirm that they operate in the manner we purported. Researchers might also consider potential moderator variables as well. In this study, we simply reported that Sellers took advantage of their knowledge of Buyers' BATNAs to secure a deal that benefitted themselves. But, perhaps Sellers' approach to the negotiation would moderate this effect. For example, negotiators who are more interested in the relationship compared with their own outcomes might utilize this information differently, or not at all.

Finally, it is important to note that we did not measure exactly how negotiators provided their BATNAs to their partners. This revelation could have been made in a friendly manner, as a matter of fact, or it could have been revealed with a hostile attitude. Thus, as researchers continue to pursue this line of inquiry, it may be wise to consider specific aspects about how this information is communicated to determine if differences in delivery make a difference in negotiators' perceptions of the bargaining experience.

Conclusion

Our study indicates that revealing one's BATNA carries with it several potential downsides. For one, it provides information to one's partner they might exploit. Second, it influences negotiation partners' use of one-sided bargaining tactics that ultimately reduce the value negotiators can claim from their counterparts. Although revealing one's next best option might be beneficial in

certain cases where a partner's expectations need to be managed or when one's position is superior to their counterpart's, this project demonstrated that doing so does not necessarily guarantee superior instrumental outcomes.

Disclosure Statement

No potential conflict of interest was reported by the author(s).

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