

Taking time to seal a deal reveals insights into online buyers and sellers

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How much time bargainers take deciding whether to accept or reject an offer can reveal how much they think an item is worth—a discovery which may help online bargain hunters get the best deal.

Researchers have discovered that people purchasing [consumer goods](#), such as bikes, televisions and washing machines may be slow to accept low value goods or items with [high prices](#) but would act swiftly when the value is high or the price low.

Publishing their findings today in *The Economic Journal*, experts from the University of Birmingham and University of California Los Angeles (UCLA), U.S., reveal that savvy buyers or sellers may be able to manipulate their [response times](#) (RT) to get a better deal when negotiating their online transactions.

In experiments, buyers speeded up their rejections when they knew their RTs were being observed—indicating that RTs convey useful information, even when they are a strategic element of the bargaining process.

Co-author Arkady Konovalov, from the University of Birmingham, commented, "If someone hesitates when you are offering them a price for a bike you are selling, you might infer that they are willing to pay a price close to what you are offering."

"A strategic buyer may try to reject quickly, signaling less interest in the goods, but a quick acceptance may reveal to the seller that they could have set a higher price and still made the sale."

"What makes RT particularly interesting is that it's a natural by-product of the decision process and manipulating it is not without consequences. When 'deciding how to decide', buyers may erroneously accept a 'bad' offer or reject a 'good' offer by speeding up their decision-making."

The researchers conducted several experiments, using bargaining simulations where buyers and sellers interacted with each other—with and without access to information on RTs. They also conducted a survey

which posed the key question: 'If you bargain, what do you pay attention to when bargaining?' with nearly half of respondents saying they paid attention to timing.

The experts note that evidence points to people considering RTs as an important factor when evaluating moral character, job offers and housing offers among other transactional situations.

Co-author Ian Krajbich, from Ohio State University (now at UCLA), commented, "Those who are attuned to RT may gain a strategic advantage over those who are not. It may be beneficial to conceal response time—for example, an employer might not want to reveal their interest in a candidate (which would give the candidate an upper hand in the salary negotiations), and so the employer might announce the date of their decision in advance."

"Speeding up is not the only way to manipulate RT—a chess or poker player in a strong position might not want to alarm their opponent by moving too quickly, while in dating, it is common advice not to follow up too quickly after the first date, to avoid looking desperate."

More information: Arkady Konovalov et al, Decision Times Reveal Private Information in Strategic Settings: Evidence from Bargaining Experiments, *The Economic Journal* (2023). [DOI: 10.1093/ej/uead055](https://doi.org/10.1093/ej/uead055)

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