Survey Design - Negotiations

Using Qualtrics, program a survey where a subject negotiates over the price of a product. The negotiation will begin with an initial offer (I_O) made by the computer which can take one of the four possible values from the Table below (column I_O). The subject will have one out of three options:

1. Accept the offer – In this case, the next screen displays the agreed upon price (I_O) and the negotiation terminates, survey ends.
2. Reject the offer - In this case, the next screen displays that an agreement could not be reached and the negotiation terminates, survey ends.
3. Counteroffer – Subjects makes a counteroffer. Allow subject to make an offer. The offer should be greater than 0 and less than I_O.

In case of counteroffer:

1. If the subject's offer is greater than the acceptable offer (A_O), then the seller accepts the offer and the next screen displays the agreed upon price (subject's offer) and the negotiation terminates, survey ends.
2. If the subject's offer is less than A_O, then compute the average of the subject's offer and I_O. Let's call this second offer (S_O). Show the subject the higher value between S_O and A_O as the second offer from the computer. The subject will have one out of two options:
   a. Accept the offer – In this case, the next screen displays the agreed upon price (maximum of S_O and A_O) and the negotiation terminates, survey ends.
   b. Reject the offer - In this case, the next screen displays that an agreement could not be reached and the negotiation terminates, survey ends.