

PAGTAWAD: HAGGLING BEHAVIOR

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The commonly employed strategies of "pagtawad" by Filipino consumers were revealed with the use of two indigenous non-reactive research methods called "pagtatanong-tanong" and "paggmamasid". "Pagtawad" or haggling is the heart of an economic bargaining relationship between a buyer and a seller — the arranging of an exchange of goods in a given market. The elaborate art of "pagtawad" was analyzed within the context of bargaining by the identification and explanation of the prominent features of this basic social interaction. In conclusion, an exposition of the importance of studying the social psychology of bargaining, particularly in the Filipino setting, was briefly presented.

"Magkano ho ang gusto ko?"

"Oo. Turingan mo. Hindi tayo magtatawaran."

Napakagat labi siya.

"Eh, sa palagay ko hindi ko maaaring gawing mura kahit gustuhin ko man . . . Ibibigay ko ho sa inyo sa halagang bente pesos."

Nakahinga ako nang maluwig. Mas mataas na presyo pa nga ang aking inaasahan. Maging siya man ay waring nabigla — napamura yata ang bigay niya kaya bigla niyang inihabol:

"Eh, trenta ho pala."

"Trenta!"

"Trenta ho."

"Magtawaran muna tayo," sabi ko.

Ngunit nang imungkahi ko ang bente y singko pesos, na sa aking palagay ay mas magandang numero kaysa trenta, matamlay siyang umiling, at dahil sa mas magaling siyang tumawad sa akin, nagkatapos kami sa trenta y singko. Iyon ay hindi isa sa mga mabubuting araw ng aking pagtawad.

The above mentioned passage is a Filipino translation of a passage taken from P. G. Wodehouse' *Aunts Aren't Gentlemen* (1974). It illustrates a typical haggling scene. Haggling is a behavior, perhaps as universal as helping itself. It is a product of man's economic nature: the desire for efficiency at the least cost. Although it is universal, the specific circumstances surrounding it may vary from culture to culture. For this reason, this paper attempts to present an analysis of haggling in its local color among the Filipino consumers. It will look into the reasons for engaging in this behavior and explore some of the common haggling strategies employed by Filipino consumers.

Before delving into this topic, an inspection of the language used in relation to this behavior may prove helpful to further understanding. The Tagalog term for haggling is *tawad*. Panganiban (1972) in his *Diksiyunaryo Tesauru*, defines it in two ways: *tawad ay paghingi*

ng diskwento o paghiling ng bawas sa halaga (request for discount) and *tawad ay diskwento o bawas* (discount given or allowed). The first meaning signifies the act (the behavior of haggling itself); the second, the outcome or result of the act. Using prefixes and suffixes, different words can be derived from *tawad*.

Magpatawad is to allow a discount (*Ale, magpatawad ka naman sa tinda mo*). *Mapagtawad* or *palatawad* is a haggler. Its synonyms is *barat*. (*Si Aling Iska ay masyadong palatawad, kinayayamutan tuloy siya ng mga tindera at napagwiwikaang barat.*) *Tawaran* is to ask for a discount on (x). (*Tawaran mo yung bakya, baka pumayag ang tindera.*) Comparable terms for *tawad* are found in the following dialects: Hiligaynon — *ayo*; Ilokaño — *tawar*; Pangasinan — *tawal* and Cebuano — *hangyo*.

Reasons For Haggling

When the researchers went around asking various individuals, "*Kapag ikaw ay namimili, tumatawad ka ba?*" they received varied responses ranging from "*Hindi — nakakainis, eh, Depende, Paminsan-minsan, Siyempre o Dapat.*" A handful of respondents said that they find haggling not only time-consuming but irritating. After haggling, they experience a feeling of uneasiness and doubt — "*Tama ba ang tawad ko; baka lalo akong napamahal?*" (Did I haggle for the right amount? I might have bought the goods at still a higher price!) Thus, these people prefer to go to stores where prices are fixed and where they could leave feeling satisfied that they have obtained their money's worth.

However, a greater percentage of the respondents said that they do haggle; although the frequency of engaging in this behavior differs among them.¹ These people haggle primarily to economize — "*Siyempre, kailangang tumawad upang makabili nang mura at makatipid, mapakinabangan nang husto ang pera.*" One female college student commented that "*Nowadays a person who does not haggle whenever possible and necessary may be*

frowned upon by other people." When asked for the reason, she said emphatically, "*Aba! Sa hirap ba naman ng buhay ngayon, karamihan ay nagtitipid upang ingatan ang pera, tapos hindi ka tatawad, para kang nagtatapon ng pera.*"

Surprisingly, a number of the respondents gave some reasons other than economic for engaging in haggling. One middle-aged man, an engineer, married with three children remarked, "*Tumatawad ako para hindi ako maisahan ng tindera/o.*" (I haggle so that the seller will not put one over me). Clearly, this man views haggling situation as an avenue of deception and one has to be on the alert against this deception. This man is a suspicious haggler. Another interesting response came from a young lady elementary teacher. "*Kapag tumatawad ako at nakuha ko sa presyong gusto ko, nasisiyahan ako kasi ako ang nasunod.*" (Having made a successful haggle gives me a sense of satisfaction, because something has been done according to my way). Apparently, haggling is taken as a venue for satisfying the need for achievement. Other answers seemed more naive such as: "*Sabi kasi nila, kailangang tumawad lalo na pag namimili sa sidewalks o sa Central Market.*" Obviously, *nila* refers to the significant others that influence a person's decision to engage in a behavior or not. People usually seek the advice of more experienced persons to avoid making errors. "*Kailangang tumawad, kasi nakakahiya naman sa mga kakilala ko pag napamahal ako nang bill.*" Here, the desire is not to look too naive or stupid in the eyes of other persons because of the underlying need for positive evaluation from people.

People definitely have different reasons for haggling. Most are motivated by economic necessity but others by certain psychological satisfactions that they derive either from the

¹ Most of the respondents belong to the low-income and middle-income classes.

act itself or from its result. Pen (1952) called this the "ludic" element behind the economic ophelimity which is the satisfaction derived from the attainment of a certain price. Pen continued by citing an example: "The attaining of a certain result may have a certain value in itself, just as the hunter who shoots a rabbit will derive a certain satisfaction from it, quite apart from the expected pleasure of his dinner." Similarly, when and how to haggle depends upon certain personality variables plus a host of environmental determinants surrounding the act. The following section explains the factors affecting one's choice of haggling strategies when haggling is deemed necessary and possible. It also analyzes the common strategies employed by Filipino consumers using certain psychological concepts.

The Various Haggling Strategies

Factors Affecting the Choice of the Proper Haggling Strategy

Kurt Lewin (1936) has proposed that an individual's behavior may be considered as a function of two parameters: E (environment) and P (person). In relation to the present analysis, E consists of the set of external structural pressures that operate both to motivate and to temper the behavior of individuals in a haggling situation. P, on the other hand, consists of the individual's needs, beliefs, and values, the set of enduring predispositions he carries from situation to situation.

Individual differences in background (such as sex, age, status, etc.) as well as individual differences in personality (such as his inherent cooperativeness, authoritarianism, risk-taking propensity, etc.), may selectively shape the course of haggling. For instance, the interviews revealed that those individuals who are high risk-takers and aggressive tend to haggle more frequently because they regard the haggling situation as a challenge and an opportunity to put their mettle to a test. On the other hand, persons who perceive themselves to be easily persuaded (high on persuasibility)

tend to avoid haggling situations. "*Madali akong madala ng salita; baka maloko pa ako ng tindera.*" (I am easily convinced by words; the seller may fool me.) In terms of choices, the aggressive and persuasive individual would most likely choose rather bold strategies such as derogating the quality of the store or the commodity — ("*Wala ka namang binubayarang puwesto, para sidewalk lang naman ito.*" or "*Mukhang bulok na nga yang tinda mo.*") or "threat" appeal — ("*Sige pakaingatan mo yang tinda mo at mabubulok din iyan. Sa halip na maging pera, lalo kang nawalan.*"). The cool and calculating type of personality may resort to comparisons — ("*Di bale na lang; murami pa namang mabibilhang ibang tindahan — mas mura pa.*") which is often accompanied by the gesture of pretending to leave. While the soft-spoken sympathetic consumer may use the emotive appeal — ("*Ale, bawasan mo naman nang kaunti at baka wala na akong ipama-sahe.*").

Situational or environmental determinants also play an important role in the person's decision to haggle or not and his choice of haggling strategy. To the query, "*Tumatawad ka ba kapag namimili?*" many answered, "*Depende*" . . . which means "*depende sa lugar na binibilhan, sa bagay na bibilhin at sa taong binibilhan.*" The determinants cited include the place of buying, the object/item to be bought and the person from whom it is to be bought.

Haggling behavior is commonly observed in public markets such as Divisoria and Central, in *talipapa* and sidewalk vending places.² Stall owners or renters in public markets may price their goods relatively higher than sidewalk vendors do. This is primarily due to economic reasons such as they have to pay for

² Using the non-reactive method of *pagmamasiid-masid*, the researchers observed haggling in public markets (Divisoria, Trabaja and Quinta) and sidewalks of Quiapo and M. dela Fuente in Sampaloc.

the stall and license to operate. However, these sellers do not usually give initial prices that are too high ("*hindi masyadong mataas ang turing*"). Thus, they also settle for minimum discounts only ("*kaunti lang ang tawad*"). On the other hand, sidewalk vendors may sell out their goods at prices lower than those in the public markets. They may have economic reasons for this – they do not have to pay for the use of any stall and it is quite unlikely that they have licenses to operate, and – they want all their goods to be sold out (especially for easily perishable commodities) within the shortest time possible because they have to avoid unexpected police raids and confiscation of their goods. The researchers are referring to those sidewalk vendors who have neither licenses nor even temporary permits to sell along the sidewalks. Others do have, such as magazine stands, sellers of belts, bands of watches, and other items. In connection with police raids, how disheartening it must be for both buyer and seller that just after a successful haggle (maybe the goods has been paid for but the change has not been given yet or the buyer is just about to pay for the item), the policemen would so suddenly come to apprehend the vendors. Lucky are those who can flee and have their goods still with them. However, it could also be due to this high risk associated with sidewalk vending that these vendors would look for and grab all opportunities for maximizing their profit – "*Kung may maisahang customer, talagang iisahan nila*" (If they can get the most out of their customers, they will really do so). Thus sidewalk vendors assess their buyers (*kinikilatis*). If the buyer is perceived to be financially stable (*mukhang maykaya*) and seems to be inexperienced in sidewalk buying (*hindi sanay o bagito sa pami-mili sa sidewalk*), sidewalk vendors give him/her initial prices that are too high (possibly triple the true price). They do this because they perceive that these buyers think that prices of goods sold along sidewalks are definitely much lower. Due to this misconception, these buyers will most likely settle for

the initial price at once or may haggle but will ask for only a minimal discount.

Closely interacting with the place of buying is the type of commodity to be bought. Details will not be explained here anymore. It is sufficient to say that for food items and other easily perishable commodities, prices are fairly stable due to the characteristics of the commodities, price control measures and competition; while for luxury items and other non-perishable commodities, prices may fluctuate depending upon several factors such as the demand for the commodity, competition, etc.

Haggling in market scenes is basically a dyadic interaction between the buyer and seller. The buyer usually initiates the haggling but depending upon whether the seller will allow it or not. All respondents said that they tend to ask first the permission of the seller to haggle followed by, "*Kung tatawad ako, huwag kang magagalit.*" Some buyers even assess the sellers first before they ask permission to haggle. They are reluctant to do so if they perceive the seller to be *masungit* (cranky), *mainit ang ulo* (hot-headed) or *may sumpong* (in one of his bad moods). If the seller is perceived to be *mabait* (nice), then the emotive appeal may prove effective. If the seller looks *suplada* (snob), an aggressive buyer may be challenged to use derogation or threat appeal. This is because the mere appearance or image of the seller encourages hostile behavior from the buyer. It is not unusual that such haggling situation ends up in a tongue-lashing fight between the buyer and seller. Many of the respondents admitted having been in such unpleasant encounters with vendors; some however, were tempered by their strong self-control.

All the factors discussed above interact in influencing an individual's choice of which haggling strategy to adopt and they also determine the effectivity of such strategy. In the next section, specific haggling strategies will be described within the context of situations

in which they usually occur. Hopefully, this discussion will elucidate the interaction of both environmental and person-related variables.

The Different Hagging Strategies³

The specific strategies mentioned and claimed to be effectively used by the respondents are categorized into two: 1) cognitive approaches – most often employed by individuals who are cool, calculating, given to weighing advantages and disadvantages of any act; the appeal is rational, directed toward the seller's sense of judgment or evaluation, and 2) emotional approaches – most often employed by persons who are quite sensitive themselves; the appeal is effective, directed toward the seller's kind-heartedness, inherent cooperativeness, compassion and ability to sympathize.

Hagging strategies using the cognitive approach

Citing another source of the desired commodity which offers it at a lower price. "*Don nga sa isang tindahan binibigay na sa akin sa ganitong halaga, kaya lang nagbabakasakali pa tayong makamura.*" When a customer uses this strategy he informs the vendor that he has other alternatives that can offer comparable or even greater satisfaction. The vendor, realizing that he has effective competitors, accepts that he has less control of the situation. Thus, he gives in to the demand price of the buyer.

Citing another source of the desired commodity which is more reputable than the present source. Therefore, this reputable source can demand a higher price while the present source should not. "*Ale, ang presyo ng tinda mo pang-department store naman,*

hindi yata tama yon. Kaya nga ako nagtitiyagang makipagsiksikan dito e para makamura."

In this case the buyer resorts to comparison also but in a slightly different sense. He compares the status of the other potential source with that of the present source (like a department store is compared with a sidewalk vending corner). The customer can easily justify the high price demand of a reputable source but not the imbalance created by a less reputable source demanding the same amount (or even more). He wants the seller to realize this imbalance so the latter will charge a more reasonable price.

Derogating the commodity. "*Sige na ibigay mo na sa tawad ko; maliliit na nga iyang tinda mo at saka pinagpilian na lang iyan.*" This strategy is commonly used by buyers of food commodities (those that are perishable such as fruits, vegetables, etc.) who go to the market rather late ("*tanghali na o gabi na*"). Most likely, the only available commodities are practically "left-over alternatives" of early customers. The buyer directly attempts to change the vendor's attitude toward his goods. The vendor thinks that his goods are of a certain worth (in terms of money) based on his *puhunan* (investment) on these goods. So he says to himself, "*Puwede pang mabili bukas.*" By derogating the quality of the commodity, the buyer makes the vendor realize that his goods are not of that worth anymore. In fact, he will be at the losing end if his goods get rotten without being sold. Thus the vendor decreases the selling price of his goods just to sell them out. More often than not, in situations like these, the vendor is also in a hurry to end his business for that day. Therefore, little argument is necessary. The hagging situation will most likely be concluded with the buyer buying all the remaining goods at a considerably reduced price; we call this *pinakyaw ng mamimili*.

³ These strategies were derived using the method of *pagtatanong-tanong*, a non-reactive indigenous research method based on non-structured interviewing.

Pretending that one is not in great need of the commodity. "*Ang totoo marami pa akong*

"hanger" sa bahay kaya lang gagawin itong (binibiling hanger) "project" ng anak ko sa eskuwela." The vendor thinks that he is in great control of the situation if he perceives the buyer as having a pressing need for the commodity. Thus, the buyer using this strategy "plays it cool". He regards the commodity with a "matter of fact" attitude, informing the vendor that he is not serious about buying it. Because of this impression that the customer gives to the vendor, he gains greater control of the buying situation. Comparatively speaking, the vendor now has the greater need to make a sale and this need has to be satisfied. Of course, how salient the need of the vendor becomes depends on several factors like the general sales trend for that day or week, the characteristics of the commodity, the personality of the vendor, etc. Because of the greater need to make a sale, the vendor gives in to the price demand of the buyer. Along the same line of reasoning, it is not wise for parents to have their children tag along with them when they go on a shopping spree. These children would usually pout and cry, saying "Nay, gusto ko yon," while pointing to the items that they find attractive. Sellers see this as an opportunity for making a "good" sale. Some parents, embarrassed by the behavior of their children and wanting to pacify them, may immediately buy the item without haggling anymore, or if they do, it is only minimal.

Offering to buy more of the commodity if the seller gives it all the desired price of the customer. "Kung ibibigay mo sa presyong gusto ko, kukuha ako nang marami." This clearly is a strategy that makes the interdependence between the buyer and seller salient. The buyer attempts to influence the seller's decision by making a "promise." A "promise" is an expressed intention to behave in a way that appears beneficial to the interests of another (Rubin & Brown, 1975). By making a "promise", the buyer hopes to reward the seller for the latter's performance of a particular behavior that is beneficial to him (the

buyer). Again, if this strategy proves successful, the end result of the haggling situation is for the buyer to *pakyaw* the commodities.

Haggling strategies using the emotional approach

Pleading for sympathy. "Pare-pareho naman tayong naghihirap. Ikaw gusto mong kumita kahit kaunti; ako naman pinipilit kong pagkasyahin itong dala kong pera. Magbigayan na lang tayo. Bawasan mo nang konti ang presyo ng tinda mo." Filipinos are generally emotional people — "madaling mabagbag ang kaloban at maawain" (easily touched and feel pity readily). Many buyers capitalize on this Filipino trait. They plead for discounts claiming that they can afford only that much with their limited resources. Remarks such as: "Marami akong anak na pinapakain," or "Bed-spacer lang ako dito kaya ako nagtitipid" or "Kukulangin ako ng pamasaha," are often heard in public markets and sidewalks. These vendors who are also financially hard-up can easily sympathize with their not-well-to-do customers. Certainly, this is a manifestation of the Filipino's *paninindigan* of *pakikipagkapwa* (human concern and interaction as one with others, Enriquez, 1977). Some respondents said that when you shop in these places, you must look *pangkaraniwan lang* (ordinary and casual). "Naiinis ang mga tindera sa mga mamimiling kumtodo de ayos pero tawad nang tawad." (Sellers are irritated by customers who are well-dressed but keep on haggling).

Ingratiation tactic: a little amount of flattery. "Mamang pogi, sige na naman ho, bigyan na ninyo ako ng discount. Marami kaming bibilhin." This is not a very common strategy because of the obvious artificiality that it may connote and therefore may not be effective. However, depending on who uses this strategy and for whom it is used, it may also be effective. It has been employed effectively by some teen-age lasses or young women who make purchases in groups, particularly from a vendor who is a teen-age lad or young man. A closely similar concept to flattery in Tagalog

slang is *bola* or *pambobola* may be emotive because people may still respond to it favorably even if they are conscious of it — “*Sige na nga, magpapabola na lang ako sa iyo.*” This attitude to *pambobola* may explain the effectiveness of a little amount of flattery in haggling.

The division of the various haggling strategies just discussed is an arbitrary one, depending upon the researchers' frame of mind and focus of interest. The truth is, most haggling situations are best represented as mixture of the two approaches with the predominance of the emotional ingredient. In the heart of the economic world, where money and profits define everything, the Filipino *paninindigan* of *pakikipagkapwa* may still stand out particularly among these middle-income merchants and vendors whose living conditions may be aptly described as a hand-to-mouth existence. The simple and ordinary Filipino merchant or seller must certainly think of profits but not to the point of exacting too much from his *kapwa tao*. This Filipino value for personalism even in his business activities is best seen in the concept of *suki*. Panganiban (1972) in his *Diksiyunaryo Tesauro* defines *suki* as a long-standing customer or patron. Its synonyms in Tagalog are *parokyano* and *dating mamitnili*. But a *suki* is more than a customer for a Filipino merchant. At the very least, he is regarded as a *kakilala* (acquaintance); at the most, as a *kaibigan* (a friend).

Consider the following incident. In order to do *pagmamasiid-masid* for this study, one of the researchers went with her mother to the public market of Trabajo, Sampaloc, Manila. When they were almost through with their marketing, one woman fruit vendor called for the mother, “*Suki, halika bilhin mo na nga ang mga ito*” (pointing to the fruits). They approach her improvised stall. The mother replied, “*Kulang na ang pera ko para bilhin iyan.*” The woman answered, “*Basta kunin mo na at saka mo na bayaran. Palagi ka namang namamalengke dito.*” The mother complained,

“*Ang dami ko ng bitbit.*” Whereupon, the woman exclaimed. “*Hus, ikaw nagmamalaki na. Ibinibigay na nga sa iyo nang mura, utang pa, ayaw pa. Hayan, me kasama ku naman. Eh, anak mo ba iyan?* . . . And they exchanged the latest news about their children. According to the mother, similar incidents have happened many times before with different vendors (*mga suki rin niya*). Clearly, this would point out that a special relationship exists between the Filipino buyer and his *suki*. This relationship is marked by mutual trust and concern for each other. Thus, remarks such as, “*Suki, mukhang umu-unlad na ang tindahan mo,*” or “*Umaasenso na yata tayo,*” are not uncommon.

To summarize, this section has described the various haggling strategies commonly employed by Filipino consumers taking into account the surrounding variables (personality and situational) that determine their effectiveness.

In the next section, an attempt to integrate all these strategies will be made by citing the common elements that are essential to any haggling situation. For this matter, haggling will be analyzed within the broader context of bargaining.

The Social Psychology Of Bargaining

It was the economists who first studied bargaining experimentally. Buyers and sellers have to agree on price and quantity of goods exchanged, and bargaining constitutes an exchange of bids between the players. Agreements between the two parties may not always be reached easily. Thus, arguments and counterarguments may ensue between them. It is at this point that the elaborate art of haggling is employed. Thus, according to the OED, to bargain is “to haggle over terms of give and take” (Morley & Stephenson, 1977, p. 18). This definition focuses on the ideal end result of the process, that is, the benefit that each party ought to receive (give and take). This end result is usually achieved

through haggling. Thus, haggling is a process that takes place within a bargaining situation before an agreement is reached. Perhaps, a more detailed and informative definition will clarify this point. Brown (1964) said, "Bargaining denotes . . . the process of argument, persuasion, threat, proposal and counterproposal by which the potential parties to a transaction discuss its terms and possibly reach agreement on them" (p. 50). In this definition, the process of haggling has been broken down into the specific behavior of argument, persuasion, threat, proposal and counterproposal. Parties engage in such behaviors in order to discuss their terms and hopefully reach an agreement. In the light of this discussion, the process of haggling within the broader context of bargaining in which it occurs will be analyzed in the next section. This analysis will identify the antecedents and consequents of haggling.

A General Analysis of Haggling within the Context of Bargaining

In this study, bargaining is considered in its narrow sense; that is, of arranging an exchange of goods in a given market. Any bargaining relationship involves at least two parties. They may be individuals, small groups or more complex social units. Bargaining in a market scene usually involves two persons only, a buyer and a seller. Each of these persons is unique due to individual differences in background (such as bargainer's sex, race, age, status, etc.) as well as individual differences in personality (such as a bargainer's inherent cooperativeness, authoritarianism, risk-taking propensity, etc.). They also differ in the needs they have to satisfy and the resources they can offer. They come to the market place, each hoping to satisfy his own needs through the use of one's own resources. The seller has his goods to offer (resources) in exchange for money (need). The buyer has to buy certain commodities (needs) using his money (resources). Thus buyer and seller, by voluntary choice, engage in an interaction which can be viewed as a kind of exchange. Within certain

limits, each person supposedly seeks to maximize his positive outcomes from the interaction, that is, he will attempt to get as many benefits as he can with as little cost as possible. With the least amount of money (cost), the buyer seeks to obtain more goods of good quality (positive outcome or benefit). With the least amount of investment (cost), the seller strives to sell all of his goods at the price that will yield the greatest profit (positive outcome or benefit). Thus, the immediate result of bargaining activity is that each party receives some positive outcome. And it is a critical characteristic of bargaining activity that these outcomes be interdependent. As a consequence of their outcome dependence, the parties are confronted with what Kelley (1966) has referred to as the "dilemma of goals." Each party would like to come to an agreement which places him above his own comparison level (his minimum level of expectation). In pushing for such an agreement, he must follow a course between two risks. On the one hand, in driving too hard for an agreement which maximizes his own gain (in being too "tough and persistent"), he may provide the other party with so unsatisfactory an outcome that the other refuses to concede or leaves the relationship ("*Sige, hurwag na lang, sa iba na lang*"). On the other hand, in not driving hard enough for a desired agreement (in being too "soft and yielding"), each may end up providing the other with too good an outcome, thereby settling for less than necessary. This often leads to either a post-purchase dissonance on the part of the buyer, ("*Napamahal yata ang bili ko*") or a post-sale dissonance on the part of the seller ("*Napamurá yata ang benta ko*"). In resolving this dilemma, each party must decide on a reasonable settlement — one which will yield the most for him while, at the same time, having a good chance of being acceptable to the other side. Thus each party must seek a solution to the bargaining problem (the minimax solution) that represents the best he can obtain in the face of the other's opposition (Rubin & Brown, 1975, p. 11).

is in this search for this "minimax solution" that both parties have to engage in the elaborate "art of haggling." As has been discussed in the previous section, the choice of specific haggling strategies to be employed depends on both environmental or situational determinants (all the aspects and elements in the individual's physical and social environment) and the persons involved. As persons enter into a bargaining relationship, they bring with them variations in prior experience, background, needs, beliefs, values and outlook that may affect the manner and effectiveness with which they interact. Whether the buyer elected to use the cognitive or emotive approach, the haggling activity usually involves the presentation of proposals (demands, requests, pleadings) by one party, evaluation of these by the other, followed by concessions and counterproposals (counterdemands, counterrequests, counterpleadings). The activity is thus sequential rather than simultaneous.

In order to haggle effectively, each must acquire information about the other's preferences and the other's comparison level of alternatives (Thibaut & Kelly, 1959) defined as "the standard the member uses in deciding whether to remain in or to leave the relationship . . . the lowest level of outcomes a member will accept in the light of available alternative opportunities (p. 21)." But this is information that only the other party can provide. Each party is thus dependent on the other not only for the outcomes he receives but for information that will allow him to structure his own preferences and corresponding haggling stance accordingly. Kelley & Thibaut (1969) have called this characteristic as "information dependence." Ideally, each party would like to obtain maximal information about the other's preferences, while at the same time disclosing minimal (or even misleading) information about his own position. Kelley has clarified this point excellently: "How information is exchanged in these negotiations and why this exchange takes the complex and tortured form it does is ex-

plained by the shared conflict between the need for information and restraints against providing it" (p. 58). Kelley explains further these needs and restraints in terms of two related dilemmas.

First of all, in satisfying their need for information about the other's position, each party must resolve the "dilemma of trust." Kelley (1966) says: "To believe everything the other person says is to place one's fate in his hand and to jeopardize full satisfaction of one's own interest . . . on the other hand, to believe nothing the other says is to eliminate the possibility of accepting any arrangement with him" (p. 60). At some point in their relationship, each party is confronted with the critical problem of having to infer the other's true intentions, interests and preferences from his behavior. Thus, each party makes attributions about the causes of one's behavior. Where the relationship is predominantly governed by mutual trust (as in the seller and his *suki* relationship), the other's behavior can be taken as a true indication of his underlying disposition. In relationships ruled by mutual suspicion, on the other hand, the parties must each develop a translation scheme which permits them to decipher what the other really means. In either case, in deciding which agreement to push for and which to accept, each party must learn to make attributions about the other's true intentions in which he can have some minimal degree of confidence.

As a second consideration, in their reluctance to provide the other with the accurate information he needs and seeks, each must resolve what Kelley has described as the "dilemma of honesty and openness." Morgan (1949) described bargaining power as the power to fool and bluff, "the ability to set the best price for yourself and fool the other man into thinking this was your maximum offer." Schelling (1956) says there are two kinds of fooling. One is deceiving about the facts; a buyer may lie about his income or

misrepresent the size of his family. The other is purely tactical. Whatever it is, haggling always has some form of "cover story" or some form of deception scheme. Now, inasmuch as information must at least appear to be exchanged in order that haggling activity remains viable, each party is confronted with the problem of deciding how frank or deceitful he should be. Being completely frank may commit one to a position from which it is difficult to move at a later time. Moreover, to be frank in the face of a deceptive or exploitative other is to risk exploitation by him. Thus, there are real advantages to be gained by concealing information that could be turned against oneself at a later time. On the other hand, each party must be able to convince the other that he is being honest and open about his position. To sustain the bargaining relationship, each party must select a middle course between the extremes of complete openness toward and total deception of the other. Each must be able to convince the other of his integrity while at the same time not endangering his haggling position.

At the end of this intricate mutual attempt to influence each other, a satisfactory binding agreement is eventually reached (hopefully). The specific bargaining relationship is concluded. If the outcomes for both parties are primarily positive, each will regard the interaction as rewarding. Most likely, the buyer and the seller will look forward to entering into similar bargaining relationships with each other. Another *suki* relationship is therefore established.

An Attempt In Hypothesis Formulation And Testing

From the mass of data gathered through the use of the nonreactive methods specified in previous sections of this paper and from the related findings of other researchers, a simple hypothesis was formulated and a possible design to test it was proposed. The hypothesis can be stated thus: To the extent

that haggling requires that each party makes attributions about the other's intentions, it is expected that individuals who make dispositional attributions will differ from individuals who make situational attributions in their choices of the approach (cognitive or emotive) in haggling.

To test this hypothesis the following investigation may be undertaken:

The procedure will include two major steps. First: By setting up the appropriate experimental conditions, subjects (randomly chosen from a population properly described) will be classified into two categories: 1) those who tend to make dispositional attributions; and 2) those who tend to make situational attributions. Second: The classified subjects will be brought to the real market or bargaining situation. They will be asked to engage in haggling in as many situations as possible. Their preference for one approach over the other will then be determined.

Why Study Bargaining

The greater bulk of the content of this paper is a discussion of haggling within the context of bargaining. Thus, whatever insights can be derived from this endeavor will lead to further understanding of the bargaining relationship. What is the importance of examining this social psychological process?

The bargaining process has a direct relevance to the world of everyday events. At almost every moment of our lives, we are often engaged in some form of bargaining. Thus, when studied in its local color (indigenous), certain values, idiosyncracies, predispositions, etc. of a particular group of people may be revealed and identified or confirmed.

Bargaining is a clear example of social interaction. It is not only impossible but also insensible to discuss the psycho-social dynamics of a single bargainer. The primary requirement for a bargaining relationship to

Bargaining is a clear example of social interaction. It is not only impossible but also insensible to discuss the psycho-social dynamics of a single bargainer. The primary requirement for a bargaining relationship to exist is the existence of two parties who have voluntarily agreed to enter such relationship. The relationship between them is characterized by mutuality and interdependence. For these reasons, we can regard the bargaining relationship as a "microcosm within which many of the causes and consequences of social interaction and interdependence may be fruitfully examined (Rubin & Brown, 1975, p. 3)."

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