

The Trap That Skilled Negotiators Miss

When does an opening offer control the course of a negotiation, and can a simple reminder help negotiators break free from its influence?

First offers often become psychological reference points that shape subsequent counteroffers, concessions, and final agreements. Across seven studies with U.S. participants, Monica Wadhwa and Krishna Savani found that a brief reminder of the freedom to choose any counteroffer reduced this anchoring effect. The reminder prompted negotiators to generate more possible responses and move farther from the opening number. When participants generated eight potential offers instead of two, the broader range explained their reduced reliance on the anchor. However, the benefit disappeared under cognitive load, showing that the strategy depends on focused attention. The findings support a simple practice: pause, recognize the available choices, and consider several credible options before responding.

MAJOR TAKEAWAYS:1

- A simple choice reminder can reduce reliance on the other party's opening offer.
- Generating a broader range of possible counteroffers helps negotiators move farther from the initial anchor.
- The strategy requires focused attention and becomes ineffective when negotiators are distracted or under heavy cognitive load.

WHO NEEDS TO KNOW:

- Executives and managers
- Procurement and supply chain professionals
- Sales and business development teams
- Human resources and compensation leaders
- Lawyers, entrepreneurs, and strategic dealmakers

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