



How to be a psychological negotiator

What if you could use theories of psychology to influence the choices negotiators make? The good news is, you can! 'Framing' is a technique that looks at different ways to present information, and how people are likely to react. If I've framed this idea correctly, you could be feeling very positive about it already.

by Garry Britton

How questions are framed affects choices people make

The 'framing effect' describes how people decide between options, based on whether these are presented ('framed') in positive or negative way – in particular, what they may gain (**gain-framing**) or what they may lose (**loss-framing**). The options have an identical result but are described from different perspectives.

The theory claims that people do more to avoid pain than to seek gain, and prefer outcomes which are certain to alternatives which are uncertain (the 'certainty effect').

The framing effect comes from a 1979 theory of behavioural economics known as prospect theory, which was developed from the results of controlled studies (1). One example is an experiment in registering students for a PhD (doctorate degree). When a penalty fee for late registration was imposed, 93% registered early. When a discount for early registration was offered, only 67% registered early. The amount payable was the same in both scenarios. In this case what the students might lose proved to be a stronger motivation than what they might gain.

However, **both gain-framing and loss-framing** can be used in negotiations. If a 'certain outcome' is likely, gain-framed messages work well. If an 'uncertain outcome' is likely, then loss-framed messages are more effective.

Gain-framing in negotiations

Presenting information in a way that emphasises the gains to be had shapes the other party's perception in our favour. Let's look at an example. If I were negotiating a contract for a corporate language training programme, I would want to emphasise the many benefits to the trainees and the company:

- 'By investing in our language training, you will avoid misunderstandings and achieve more efficient communication between your subsidiaries. You will experience quicker results and higher productivity.'

I would also highlight my USPs:

- 'Our language training gives you a proven brand with excellent testimonials, well-known reliability and outstanding customer service.'

In this way I can frame all the gains to be had, without dwelling on any perceived losses (higher price, cancellation terms etc.).



Reframing is helpful in mid-negotiation

When the other negotiating party raises objections to a proposal, you may have to think quickly in order to reframe your offer positively.

- 'If the price is a little higher, that's a sign of quality and a reflection of the work that goes into our training. As results will be measurably better than with competitors, the price/quality ratio is very favourable.'

Loss-framing in negotiations

Emphasising the avoidance of loss (especially costs) can be a strong influencer, as we saw with the PhD students example. In the language training scenario, the result for the company will be the same, but here is how I could frame it differently:

- 'If you don't invest in our language training, you will continue to have serious misunderstandings. Communication between your international subsidiaries will be slow, resulting in delays to your service.'
- 'If you decide for a cheaper competitor, you risk having poor customer service and support when you need it. You could waste your budget on a weak, unproven programme which does not achieve all your goals. You will not have the security of our well-known brand.'

Are gains or losses best?

Deciding whether to gain-frame or loss-frame is the tricky part. Get to know the negotiating partners first whenever possible, even if only with some small talk at the start of the meeting. Be prepared to go in either direction, and judge which will be most effective using your own emotional intelligence. It's all about listening to and understanding people, so that using a little psychology brings you the desired results.

Vokabeltraining

to dwell on sth.
bei etw. verweilen

to mangle
*hier: verstümmeln;
falsch aussprechen*

penalty fee
Gebühr

to emphasise
etw. betonen

framing
*etw. rahmen;
hier: darstellen*

