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Why People Reject Advantageous Offers – Non-monotone Strategies in Ultimatum Bargaining

Evaluating a Video Experiment Run in PR China

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I. Quotations from the text protocols

(Numbers 1 – 3 stand for group members)

CATEGORY 1a: *Mutually unacceptable allocations* (Group 1.07)

2 因为如果处于极端的话可能没有谁愿意。 Nobody wants to accept the extremes.

CATEGORY 1b: *Injuring bilateral fairness* (Group 1.03)

1 现在就是说，再往上我们根本就不去考虑对方是怎么考虑的，而应该本着一个比较公平的原则去按照这个判断来判断下来。比如说，6比14和14比6。[...] Then let's decide according to the principle of fairness. 6, 14 and 14, 6 are unacceptable and stay unacceptable. [...]

CATEGORY 1c: *Allocations to the disadvantage of either player are unlikely* (Group 1.10)

2 这0到20和20到0都不选。 They won't choose 0, 20 and 20, 0
1 哎，这两头又绝对不能出现。 Both ends will certainly not come out.
2 那就叉掉这两个呗。 Let's simply reject.

CATEGORY 1d: *Rejecting all but middle (balanced) allocations* (Group 3.01)

3 我就同意中间这3项，4项，好了，其它的我都不同意。 I am only in favour of the middle 3 or 4 options.
That's it. I object to all others.

CATEGORY 1e: *Extensive responder's profit* (Group 1.07)

2 发送组接收的点数19。发送组得到的点数为1。 The responder receives 19. The proposer gets 1.
...
2 不同意这个。 Reject.
1 不同意? Reject?
2 这是他们发送的，他们得1点的话，他们分的好少，我们分的好多。 This is what they send. They get only 1. This is such a small amount for them and so much for us.
3 不同意，不同意。 Reject.

CATEGORY 2b: *Going for risk* (Group 1.07)

2 发送组分给接收组的点数为11点。发送组得到的点数为9点，这个可以同意，因为是他们发送出来的嘛。 [...] Sender gives responder 11. Sender keeps 9. We can accept. If they send it... [...]
1 但是如果他们的话拒绝怎么办? What if we reject?
...
2 同意还是拒绝? Accept or reject??
3 拒绝吧。 I am in favor of rejection.
1 我赞成拒绝。 Me too
3 拒绝。 Then let's reject.

- 2 好。 O.k.
1 我觉得可以博一下，是这么想的。 We can risk something.

CATEGORY 2c: *Group specific systems, methods for acceptance or rejection*. Group 3.03 uses the random decision mechanism “rock, paper, scissors”.

CATEGORY 2d: *Point matching of advantageous offer and accepted allocation* (Group 2.05)

- 2 我们接收，那就是我们不一致嘛，不一致那我们就得不到分，他们得到8点，对不对？ If we accept we don't match. We won't receive anything and they get 8 points, right?
1 对。如果我们一致的话，那我们就得20点，对不对？ Yes. If we match we will receive 20 points?
2 对。 Yes.
1 那我们打叉算了。 Then let's reject.

MAIN CATEGORY 3: *Unlikeliness of high offer* (Group 2.07)

- 3 但是下面还可以考虑一下。他们肯定不会给我们啊，肯定不会给我们这么多。 We also have to think about offers down here [i.e. advantageous offers]. They certainly won't give us that much.

CATEGORY 4b: *Face damage* and CATEGORY 4c: *Refusal due to other emotional, ethical, moral reasons* (Group 1.06)

- 2 如果你真的给我20分之19，我会不会接受？ If you actually gave me 19 out of 20, would I accept?
1 他给我那么多，反而让我感到有点内疚，与其这么内疚。 Too much for me gives me a bad conscience. I would prefer ... [2c]
3 很注意形象。 Face damage? [2b]
1 好象损失比我得到19还大。 The loss is even larger than losing 19.
2 反正我觉得我不能接受这一个。 I can't accept.
1 我也不能。 Me neither.
2 3的意思呢？ What about you?
3 我也不能接受。 I cant' accept either.

MAIN CATEGORY 5: *Unpleasant numbers* (Group 3.06)

- 3 划叉，划叉，我看著不舒服。 Reject, reject. I feel uncomfortable when looking at it [the number].

Uneasy feeling vis-à-vis an advantageous offer is not a category in our coding system. Yet it was discussed by one group (Group 1.06)

- 2 其实那样，天上掉馅饼，肯定是陷阱。 A piece of cake falling from heaven can be nothing like a ploy.
2 这个，我觉得肯定也是拒绝。 Yes, reject.
3 他是先给我们一点小恩小惠。 First they give us a small gift...
...
3 还是有一点陷阱的味道。 It smacks of trickery.

Instructions (*Original in Chinese*)

You are taking part in an interactive **decision experiment** between **two groups of students** in which you can **earn money** according to the decisions you take. The amount of money you earn will be **paid** to you **in cash** at the end of the experiment.

In this experiment **2 types of players** are involved: **Senders and Responders**. You have been randomly chosen to be a **Sender / Responder**. The role of either player group will be explained in a minute.

Each Sending group is endowed with an amount of **20 tokens**. The Sending group has to **decide how to split these 20 tokens** between their group and the receiving group. The decision must be an **integer between 0 and 20**. The Sending group's decision has to be written down and **marked in the corresponding box on the decision sheet** for the **sender** (see sheet attached). The decision has to be taken **unanimously**. All group members have to confirm the entry by his/her signature.

The **receiving group can accept or reject** the decision. At the same time the receiving group has to **indicate for any number of Tokens** that the sending group may allocate to them whether they accept or reject the decision. This has to be done by **marking the corresponding boxes on the decision sheet** for the **receiving group** (see sheet attached).

In case of rejection

* **both player groups receive nothing. (Treatment 1)**

[* *The sending group receives 8 (8) Tokens. (Treatments 2 and 3)*]

[* *The receiving group receives 0 (2) Tokens. (Treatments 2 and 3)*]

In case of acceptance

* **both player groups receive the amounts as they have been allocated** by the **sender**.

For every Token your group earns **each group member** will be paid **2 RMB**. Independently of the amount of money you earn during the experiment, you will be given a **show up fee of 10 RMB**.

The other group receives the **same information** as you do and knows that you also get this information. I will now hand the decision sheet over to you. For your information I will show you a **sample** of the **decision sheet** for the **sending/receiving group**. You have up to **15 minutes** to make your decision.

Do you have **any questions**?

III. Decision Forms (*Original in Chinese*)

Session:

Date:

Decision Sheet for SENDERS

Endowment of SENDER	SENDER allocates to RESPONDER	SENDER receives	MARK decision
20	0	20	
20	1	19	
20	2	18	
20	3	17	
20	4	16	
20	5	15	
20	6	14	
20	7	13	
20	8	12	
20	9	11	
20	10	10	
20	11	9	
20	12	8	
20	13	7	
20	14	6	
20	15	5	
20	16	4	
20	17	3	
20	18	2	
20	19	1	
20	20	0	

We allocate to the receiving group Tokens.

We as the sending group receive Tokens.

.....
Signature

.....
Signature

.....
Signature

Session:

Date:

Decision Sheet for RESPONDERS

Endowment of SENDER	SENDER allocates to RESPONDER	SENDER receives	Mark here to ACCEPT	Mark here to REJECT
20	0	20		
20	1	19		
20	2	18		
20	3	17		
20	4	16		
20	5	15		
20	6	14		
20	7	13		
20	8	12		
20	9	11		
20	10	10		
20	11	9		
20	12	8		
20	13	7		
20	14	6		
20	15	5		
20	16	4		
20	17	3		
20	18	2		
20	19	1		
20	20	0		

.....
Signature

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Signature

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Signature