

Bid High and Retreat: Why Does It Works?

* Rule of reciprocation

We want to repay, in kind, what another person has provided us

→ We feel an obligation to make a concession to someone who has made a concession to us

* Contrast principle

If two things are presented to us one after the other, the way we see the second one is influenced by our perception of the first one

→ If somebody asks first for \$100'000 and then for \$50'000, the second amount does not seem that high to us anymore. (We even tend to perceive the second figure as less than half of the first one!)

* Feeling of greater control

Subjects facing an opponent who uses the bid-high-and-retreat tactics feel that *they* successfully influenced him to make concessions

(In effect: we feel proud...although we are being fooled!)

Source: Robert B. Cialdini, *Influence - The Psychology of Persuasion*, William Morrow & Co, revised edition, 1993