

Clark Freshman, University of Miami  
Restaurant Check Negotiation

### **Restaurant Check Negotiation Common Facts**

This negotiation involves a common scenario: the check came – who should pay what?

Chris and Pat are classmates at the University of Miami. They have taken some classes together, maybe they spoke to each other at parties, but they otherwise haven't socialized together.

They run into each other in Atlanta in an office building downtown.

They both plan on practicing criminal law in Atlanta after graduation – and they still don't know if they'll be starting with the prosecution or the defense.

Since it's around lunch time, they agree to have lunch together at a local restaurant.

Chris just has the ribs for \$15.

Pat has the skirt steak for \$12 and a soda for \$2.

The total with tip (15% added on top) and 5% tax comes to \$37.70.

At the exact same time, both Chris and Pat say, "Do you mind if I charge this, and you can just pay cash?"

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### **Confidential Instructions to Pat**

You are interested in charging the entire amount of lunch because you have the exciting I-dine card. The "card" is just tied in to your regular looking Visa card. However – unbeknownst to anyone else, including Chris, you get 20% back when you use the card in a restaurant. At least, that's what you usually get back! At this particular restaurant, on this particular day, you get back 30% (except on tax and tip). No one knows. It just shows up on your credit card!

In other words, if you charge the whole amount of \$37.70, you get 30% off the base amount of \$29. That's a discount of \$8.70!

You don't get the discount unless you use your card!

What are you going to say?

What's your goal?

How much do you expect to pay?

Why?

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### **Confidential Instructions to Chris**

You are actually in Atlanta for a job interview.

The law firm that is having you interview is paying for all of your expenses.

The firm told you, "Have a nice lunch. Sorry everyone has to go to court at lunch today. Spend up to \$40, and we'll pay you back. Take a friend if you like. Just bring us the credit card receipt."

"There's just one strange thing," the office manager tells you, "you have to use your own credit card for any amount you get reimbursed on. I don't know why. The managing partner just has these rules. If someone pays you for their part of the lunch, don't worry about it – you can keep that money. Just don't spend more than \$40."

What are you going to do?

Why?

What's your goal?

How much do you expect to pay?

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