

I study the role of privacy in bargaining. A seller makes offers every instant, without commitment, to a privately informed buyer. Potential competing buyers (entrants) pay attention to the negotiation and can choose to interrupt it by triggering a bidding war. When bargaining in public (in view of entrants), the seller can, through her choice of offers, manipulate entrants' beliefs about the buyer. In equilibrium, the seller's lack of commitment reverses the seemingly intuitive effects of publicity. When entrants prefer a bidding war against low types of the buyer, the seller typically prefers bargaining in private, even though public bargaining enables her to lure in competition against the incumbent buyer.