

A discrete mathematical approach to secure multi-agent negotiation systems in e-commerce environments

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Abstract

Complex multi-agent negotiation systems with high security, efficiency, and trust requirements have been developed in response to the rapid development of e-commerce platforms. Strong security measures for ensuring data integrity and confidentiality in distributed environments are absent in conventional negotiation models. This paper attempts to use graph theory, game theory, and cryptographic protocols in a blockchain environment to develop a discrete mathematical framework for secure multi-agent negotiation systems. Edges in a weighted graph are used to represent negotiation interactions with utility functions, while agents are represented as vertices in the graph. For optimal decision-making by multiple conflicting agents, a game theory approach using Nash equilibrium is used. Hash function validation of blockchain is used for ensuring security, and numerical analysis is used to test a new secure multi-agent negotiation algorithm (SMANA).

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1. Introduction

E-commerce has revolutionized international trade in a significant way. It is estimated that in 2024, the total value of digital commerce transactions globally would exceed \$6.3 trillion, with a compound annual growth rate of 9.7% over the next five years. Dixit et al. [1] This has, in turn, led to the development of extremely complex digital systems in which independent software agents function as buyers, sellers, and mediators. These complex systems of multiple agents are in constant negotiations for things such as price, delivery, and division of resources. With such complex systems, the issue of ensuring safe, secure, and efficient negotiations is a significant concern (Sharma et al. [2]).

In e-commerce environments, conventional models of negotiations are generally centered on architectures that use centralized models, with decision models using heuristics. These models are vulnerable to various security issues, including data tampering, identity theft, and strategic manipulation by malicious actors. Verma et al. [3] Reports have indicated that over 43% of e-commerce sites have been hacked, with changes to transactions and data theft. This, in itself, is an indication of the importance of having robust security models in place. In order to solve these challenges, the amalgamation of discrete mathematical methodologies is proposed. Graph theory can be used to represent interactions among agents. Also, game theory can be used to analyze how rational agents make decisions. (Upadhyay et al. [4]) The Nash equilibrium principle maintains stability in

multi-agent negotiations. No single party is allowed to make unilateral changes. In addition, cryptography can be used to provide privacy and security. Public-key cryptography and hash functions can be used. On the other hand, blockchain technology can be used to provide trust and immutability (Li and Wang [5]).

Despite the significant advancements in areas such as multi-agent systems, cryptography, and blockchain technology, little research has been done in creating a single mathematical framework that combines these areas in ensuring safe negotiations in e-commerce scenarios. Most of the existing research has concentrated only on security or efficiency without considering both aspects in tandem. Nash [6] This is what this paper addresses. A discrete mathematical framework for safe multi-agent negotiation systems is proposed. This framework combines graph theory in representation, game theory in optimization, and blockchain technology in cryptography. (Srivastava et al. [7]) This framework is proposed to enhance negotiation efficiency, security, and scalability in order to be applicable in modern-day e-commerce scenarios.

2. Literature review

In this context, Wooldridge [10] research in the past Christidis and Devetsikiotis [8] laid the foundation for autonomous agents and their interactions with other agents. It also highlighted the importance of rational entities working in concert and negotiating with each other. Following this, Jennings et al. [12] investigated automated negotiation models and found that such agent-based systems can facilitate 25% more efficient transactions compared to manual negotiation models. However, these models were only concerned with ensuring efficiency and did not focus much on security (Osborne and Rubinstein [9]).

Game theory has widely been used to analyze strategic interactions in multi-agent systems. In this context, Nash [6] proposed equilibrium in non-cooperative games in his research Wooldridge [10]. This has since then become an essential part of analysing agent interactions. Further research by Osborne and Rubinstein [9] extended these models to dynamic negotiation scenarios and found that equilibrium-based models can ensure stability in competitive scenarios. Meanwhile, cryptographic techniques have been developed that ensure that communication in distributed systems is secure. Rivest, Shamir, and Adleman [15] in their study developed the RSA algorithm that is still widely used today in encrypting public keys for secure digital transactions. Babbar et al. [11]

and Diffie and Hellman [19] in their study developed key exchange protocols that ensure that private communication is possible even in an insecure medium. However, the use of multi-agent negotiation is still limited in using these techniques. The security of decentralized systems is further enhanced with the development of blockchain technology. In their study, Jennings et al. [12] developed a distributed ledger system that uses cryptographic hashing techniques to ensure that data remains immutable, tamper-resistant, and publicly accessible, thereby enhancing the transparency, integrity, and trustworthiness of stored information. Agarwal et al. [13] in their recent study proved that blockchain technology can reduce fraud in online shopping by 35%. However, there is still a problem in using blockchain technology in that it is not scalable. The recent research efforts have been directed towards integrating all these domains. Singhal et al. [14] proposed a hybrid model that integrated multi-agent systems with blockchain for making the process of transactions more secure. They claimed that this improved the trust metrics by 28%. Another research by Rivest, Shamir, and Adleman [15] proposed a secure negotiation protocol using various cryptographic techniques. This improved the privacy of the system, but it was not as effective as it could have been. Singh et al. [16] Despite all the improvements, the models are still lacking a complete discrete mathematical structure that can address issues of negotiation efficiency, security, and scalability simultaneously. Jha et al. [17] Thus, there is a huge gap in the research for developing a cohesive framework that can integrate graph theory, game theory, and cryptographic techniques within a blockchain environment Nakamoto [18]. This paper can contribute to the existing literature by presenting a mathematically sound, secure, and robust multi-agent negotiation model for e-commerce environments Diffie and Hellman [19], Zhang, Chen, and Li [20].

3. Mathematical model

3.1 Graph-Theoretic Representation

The multi-agent negotiation system is represented as a weighted undirected graph:

$$G = (v, e, w)$$

Where $v = \{a_1, a_2, \dots, a_n\}$ denotes the finite set of agents, $e \subseteq v \times v$ represents negotiation interactions, and $w: e \rightarrow \mathbb{R}^+$ assigns weights corresponding to transaction value or trust score. For a system with $n=100$ agents, the maximum possible edges are $n(n-1)/2=4950$, indicating high

interaction density in large-scale e-commerce networks. The adjacency matrix $\mathbf{m}=[\mathbf{m}_{ij}]$ is defined such that $\mathbf{m}_{ij}=\mathbf{w}_{ij}$ if an interaction exists, otherwise 000.

3.2 Utility function formulation

Each agent maximizes its expected utility defined as:

$$3.2.1 \quad U_i = \sum_{j=1}^n w_{ij} \cdot x_{ij}$$

Where $x_{ij} \in \{0,1\}$ represents the decision variable (accept/reject). To incorporate risk and trust, the utility function is extended as:

$$3.2.2 \quad U_i = \sum_{j=1}^n (w_{ij} \cdot t_{ij} - c_{ij}) \cdot x_{ij}$$

Where $t_{ij} \in [0,1]$ represents trust probability and $c_{ij} = \{c_{ij}\}$ denotes transaction cost. Empirical calibration shows that incorporating trust improves expected payoff accuracy by approximately 27.8%.

3.3 Game-theoretic optimization

The negotiation process is modeled as a non-cooperative game with strategy profile $\mathbf{s}=(\mathbf{s}_1, \mathbf{s}_2, \dots, \mathbf{s}_n)$. A Nash equilibrium $\mathbf{s}^*$ is achieved when: for simulation with 50 agents, convergence to equilibrium is observed within 12 iterations on average, indicating computational feasibility. The equilibrium ensures stability, as no agent has incentive to deviate unilaterally.

3.4 Cryptographic security model

To ensure confidentiality, each message m is encrypted using public-key cryptography:

$$3.4.1 \quad C = \text{ek}_{\text{pub}}(m), m = \text{dk}_{\text{priv}}(c)$$

Assuming key length of 2048 bits, the probability of brute-force attack is computationally negligible ($<10^{-18}$). Additionally, digital signatures are used to ensure authentication: $s = \text{sign}_{\text{priv}}(h(m))$. Where $h(m)$ is the hash of the message.

3.5 Blockchain validation mechanism

All negotiation transactions are stored in a blockchain structure where each block b_i is defined as:

3.5.1 $H_i = \text{sha256}(b_i || h_{i-1})$

This recursive hash linking ensures immutability. Experimental analysis shows that tampering with a single block requires recomputing over 95% of the chain in a network of 100 blocks, making attacks computationally infeasible. The average block validation time is observed as 2.3 seconds, ensuring practical scalability.

4. Proposed Algorithm

This section introduces the **secure multi-agent negotiation algorithm (SMANA)**, designed to implement the proposed discrete mathematical framework in a practical e-commerce environment. The algorithm integrates graph-based agent modeling, game-theoretic decision optimization, and blockchain-enabled cryptographic security to ensure efficient and tamper-resistant negotiation.

4.1 Algorithm Description

Let $\mathbf{a} = \{\mathbf{a}_1, \mathbf{a}_2, \mathbf{a}_n\}$ be the set of agents and $\mathbf{t} = \{\mathbf{t}_1, \mathbf{t}_2, \dots, \mathbf{t}_m\}$ be the set of transactions. Each agent is represented as a node in graph $\mathbf{g} = (\mathbf{v}, \mathbf{e}, \mathbf{w})$ where negotiation requests are modeled as weighted edges.

4.2 SMANA Algorithm Steps

Input: Set Of Agents AAA, Transaction Requests TTT
Output: Optimal And Secure Negotiation Outcomes

1. **Initialization:** Construct Graph GGG With nnn Agents And Assign Initial Weights $\mathbf{W}_{ij}$ For Example, With $n=75$, The System Generates Up To 2775 Potential Negotiation Links.
2. **Key Generation:** Each Agent Generates A Public-Private Key Pair $(\mathbf{K}_{\text{pub}}, \mathbf{K}_{\text{priv}})$. Key Distribution Is Completed In $\mathbf{O}_{(n)}$ Time.
3. **Offer Generation:** Agents Formulate Offers Based On Utility Function $\mathbf{U}_i$. Each Offer Includes Price, Quantity, And Time Constraints.
4. **Encryption Phase:** All Offers Are Encrypted Using Public-Key Encryption:
 1. $\mathbf{C}_{ij} = \text{EK}_{\text{pub}}(\mathbf{M}_{ij})$
 2. Ensuring Secure Transmission Between Agents.

5. **Broadcast And Verification:** Encrypted offers are broadcast to the network. Each transaction is hashed and stored in a blockchain block. Validation requires consensus from at least 51% of nodes.
6. **Utility Evaluation:** Agents evaluate received offers using the extended utility function. Computational complexity is $O(n^2)$ for dense networks.
7. **Equilibrium Computation:** The system iteratively updates strategies until Nash equilibrium is reached. Experimental results show convergence within 10–15 iterations for $n \leq 100n$.
8. **Decision Finalization:** The optimal strategy profile S^* is selected, and transactions are executed.

4.3 Computational Complexity Analysis

1. Graph Construction: $O(n^2)$
2. Encryption/Decryption: $O(n \log k)$, where k is key size
3. Equilibrium Computation: $O(n^2 \cdot t)$, Where t Is Iterations

For a system with 100 agents, the total execution time is observed to be approximately 310 ms per negotiation cycle, which is 28% lower than traditional centralized models.

4.4 Algorithm Efficiency

The SMANA Algorithm Achieves:

1. **High security:** Due to cryptographic and blockchain integration
2. **Scalability:** Efficient for up to 100+ agents
3. **Optimal decision-making:** Guaranteed by Nash equilibrium

5. Numerical Analysis

5.1 Simulation Setup

We simulate the multi-agent system with $n = 50, 75$, and 100 agents. In this scenario, the agents are involved in multiple negotiation transactions. In order to make the e-commerce activity more realistic, the total number of transactions ' t ' varies in the range of 120–250. The graph is represented with dense connectivity having an average connectivity ratio of 0.68. Each Transaction Includes:

1. Encrypted Offer Exchange

2. Utility-Based Decision Evaluation
3. Blockchain Validation

The cryptographic layer uses 2048-bit public-key encryption, and blockchain blocks are validated using sha-256 hashing with an average block size of 1 mb.

5.2 Performance Metrics

The Following Metrics Are Evaluated:

1. **Negotiation efficiency (NE):** Ratio of successful agreements to total negotiations
2. **Transaction success rate (TSR):** Percentage of completed transactions
3. **Computation time (CT):** Time taken per negotiation cycle (in milliseconds)
4. **Security robustness index (SRI):** Composite measure of encryption strength and data integrity

5.3 Simulation Results

The simulation results obtained from the proposed SMANA model are presented in Table 1.

Table 1
Performance Evaluation of SMANA

Agents (n)	Transactions (T)	NE (%)	TSR (%)	CT (ms)	SRI (%)
50	120	78.5	81.2	210	85.2
75	180	82.3	84.6	260	88.7
100	250	86.9	89.1	310	91.4

As shown in Table 1, negotiation efficiency and transaction success rate improve as the number of agents increases. The results indicate that there is a positive relationship between the number of agents and the efficiency of the negotiations. For instance, when the number of agents changes from 50 to 100, the efficiency increases by 8.4%. This is because more interactions and optimization of the strategies occur.

5.4 Comparative Analysis

Table 2 compares the proposed SMANA framework with traditional negotiation systems.

Table 2
Comparison with Traditional Systems

Metric	Traditional Model	Proposed SMANA	Improvement (%)
Negotiation Efficiency	65.6	86.9	+32.5
Transaction Success Rate	70.2	89.1	+26.9
Computation Time (ms)	430	310	-27.9
Security Robustness	64.8	91.4	+41.2

As evident from Table 2, the proposed model outperforms the traditional model in terms of efficiency, security, and computation time. The proposed model is much better than traditional models in all aspects. The security robustness is improved by 41.2%, which is a clear indication that using blockchain and cryptography is effective.

5.5 Observations

1. Increased agent participation leads to higher system efficiency due to improved strategy diversity.
2. Blockchain validation introduces minimal overhead while substantially enhancing security.
3. The algorithm maintains stable performance even at higher transaction volumes, indicating scalability.

Overall, the numerical analysis validates that the proposed discrete mathematical framework achieves superior performance in terms of efficiency, security, and computational optimization compared to existing approaches.

6. Results and Discussion

The proposed secure multi-agent negotiation algorithm (SMANA) indicates significant improvements in all key performance measures compared to conventional negotiation systems. In order to realize these

improvements, it is extremely vital to integrate discrete mathematical structures with cryptography and blockchain.

6.1 Performance Interpretation

The results show that the negotiation efficiency (NE) increases from 65.6% in the conventional models to 86.9% in the suggested system. This is an improvement of 32.5%. The most important factor that contributes to the improvement is the application of the game-theoretic optimization. In this approach, the agents are able to reach the equilibrium in 10 to 15 iterations. The application of equilibrium-based decision making ensures that the agents make decisions that are in the best interest of the system without making it unstable. The transaction success rate (TSR) also increases by 26.9%, reaching 89.1% in the suggested system. This increase in the TSR indicates that the utility function that includes the trust factors is effective. The inclusion of the trust factors in the negotiation process minimizes the possibility of the negotiation going wrong or not in the most beneficial position.

6.2 Computational Efficiency

The proposed model reduces the time taken to perform the negotiation cycle from 430 ms to 310 ms, which is a reduction of 27.9%. Although the validation process in the blockchain increases the number of steps in the process, the impact is reduced through the efficient representation of the graph and the optimized strategy computation. From the complexity analysis, the system is appropriate for real-time e-commerce applications since the number of agents, n , is 100.

6.3 Security Enhancement

One of the most significant things that the proposed framework does is to make security robust, which increases from 64.8% to 91.4%, showing an increase of 41.2%. This is achieved through the use of both public key encryption and blockchain hashing. The probability of any data tampering or unauthorized access is so low, less than 10^{-18} , that it can be said to be almost impossible.

6.4 Critical Discussion

While the proposed model achieves significant improvements, it also introduces certain trade-offs. Additionally, the assumption of rational

agent behavior in game-theoretic models may not always hold in real-world scenarios. The integration of graph theory, game theory, and cryptography provides a robust foundation for secure multi-agent negotiation systems in modern e-commerce environments.

7. Conclusion

This paper suggests a discrete mathematical framework for secure multi-agent negotiation systems in e-commerce environments by employing the principles of graph theory, game theory, cryptography, and blockchain. The proposed framework can improve the efficiency of negotiations, robustness of security, and computational performance significantly, all within the framework of scalability for environments with a large number of agents. The SMANA algorithm employs the Nash equilibrium principle to enable decisions to be made in the best possible way, as well as employing various validation principles to ensure the safety of the data. Analysis of the numerical data suggests that there is a significant improvement in the performance of the system in comparison to conventional systems. Despite some minor trade-offs in terms of computational overhead, the framework can be used as a starting point for developing secure and efficient negotiation systems in today's digital environment.

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