

HAGGLING WITH MERCHANTS

By

Charles B. Craver

Individuals who have been raised in the United States are not used to haggling with merchants over product prices -- as are persons who grew up in many other countries around the world. Most of us only bargain when we purchase houses or vehicles. In most other settings, we pay the listed prices or do business elsewhere. I have always had a different perspective because of my mother's background. She grew up in a small farm community in Bulgaria where bartering was expected. You asked merchants about the price of particular items, and then made counteroffers. You and the merchant haggled until you reached prices you found mutually acceptable.

My mother met and married my American father in Sofia, and they moved to the U.S. Because of her background, my mother did not hesitate to negotiate with American merchants. She went to the A & P and haggled with the produce persons. She indicated that the tomatoes were soft and got a 10 cent per pound price reduction. She noted several bad grapes and got a 15 cent per pound price reduction. In those days, the produce workers weighed the items in question and put the final prices on paper bags.

My mother went to stores like Macy's in New York City and haggled with the sales persons. She might note that an item of clothing had some marks on it and asked if they would reduce the price. She might alternatively ask if she could obtain a reduced price if she purchased two or three items. She almost always paid less than the listed prices. As a result of her upbringing, I frequently employ similar techniques to obtain price reductions, and am amazed how often this approach works.

When I teach my law school Negotiation course, I mention my personal background -- and encourage my students to barter. Over the past several years, I have heard interesting stories from different students regarding such haggling. Two had their mothers come to Washington to visit, and they went shopping at the Tyson's Corner Middle Eastern bazaar known as Nordstrom's. After finding outfits they liked, each asked the different salespersons "is this the best price you can give me?" Their daughters were quite embarrassed regarding their parents' seemingly inappropriate behavior -- until the clerks gave one a 25 percent price reduction and the other a 20 percent reduction. Another student was contemplating a long weekend break at a well-known golf resort. After he was told what the cost would be, he asked if there was any discount he could take advantage of. He got 40 percent off the stated price!

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When you go shopping, you should not hesitate to ask salespersons for possible discounts. It helps to provide them with rationales supporting your requests. You might mention a mark on the clothing you are examining or the possible purchase of multiple items.

Individuals who travel to countries where bazaars are common need to appreciate the cultures associated with those countries. Merchants in such locations almost always expect prospective customers to haggle, and are actually insulted if they do not. As an American, if I ask \$50 for something and a buyer accepts my offer, I am pleased to sell that to them. My only regret is that I probably should have requested a higher price. In other countries, however, if you accept the initially stated price, the merchant will not sell to you. Such behavior by a buyer is considered disrespectful. You are required to haggle and talk the merchant down. A perfect example can be found from a wonderful clip from the Monty Python movie “The Life of Brian.” If you go to YouTube and type in “life of brian haggle” you can watch the five minute segment in question. It is fascinating and humorous to watch the seller try to teach the naïve buyer how to haggle!

I can recall a visit to the wonderful city of Istanbul and a trip to the Grande Bazaar where everything is negotiable. My mother taught me to go to such merchants and casually explore the different items being displayed. You should look at two or three things you have no desire to purchase, and ask how much each costs. You then make counteroffers and barter. You reject the merchant’s final offer and head for the exit. Just before you depart, you casually pick up the item you really wish to purchase and ask the price. The merchant is disappointed by the fact he was unable to induce you to buy the items you examined earlier, and is more likely to offer you a better price for this commodity. You must then barter and talk the merchant down to a price you find acceptable. This shows respect for the seller, and provides you with a good deal.

If you are contemplating the purchase of an especially expensive item, like an old oriental rug or a painting, you may wish to have a friend go into the shop and haggle. They can suggest a particularly low price to see what the seller will say. They see how low the merchant will go, and then depart without accepting that price. That lets you know that the discounted offer made by your friend is insufficient. Later in the day, you can go to the same shop and barter for a price that is higher than the one previously rejected by the merchant, but lower than the one previously offered to your friend. Almost always you should be able to obtain beneficial terms.

When individuals shop for items in the U.S., they should not hesitate to barter with salespersons to see if they can obtain better prices. It is amazing how often such behavior generates more advantageous terms. When persons go to bazaars within this country – or especially in foreign countries – they should always haggle to show respect for the merchants and to obtain lower prices. Such behavior can be both enjoyable and rewarding.



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