



# Where the really big DISCOUNTS are hiding

The secrets to saving hundreds or even thousands of dollars on everything from furniture and flat-screen TVs to cars, doctor bills, and more!

You go out of your way to find a cheap gas station and clip coupons to shave pennies off grocery bills. But when it comes to big stuff like furniture and flat-screen TVs, you probably pay whatever the price tag says. OK, maybe you wait for a sale or shop around for a low price. Well, odds are you can save a lot more, maybe hundreds or thousands of dollars more. The trick is knowing how to ask for a better price.

In a survey by the Consumer Reports National Research Center, the vast majority of people who haggled over furniture, electronics, appliances, and even doctor bills said they had snagged at least one discount in the past three years. But in the same survey,

40 percent of respondents admitted that they rarely, if ever, even try to talk down a price.

In a new ShopSmart reader poll, nearly one in three women explained that they didn't haggle because they were worried about looking foolish. But many retailers expect you to try to negotiate, thanks at least in part to the Internet, where it's easy to research the price of just about anything. And with the economy slowing, sellers should be even more eager to give you a break in the months ahead.

We asked negotiating pros and haggle-happy readers for their success stories. Read on and learn how to rack up some great discounts yourself. As you'll see, you just need to learn a few tricks to get started.

ILLUSTRATIONS: JING AND MIKE CO.



## Appliances

**TRUE STORY**  
Saved: **50%**

Annamarie Kahl, an accountant from Carle Place, N.Y., had her eye on a \$1,350 fridge at Lowe's. It was part of a display kitchen that was being remodeled, so she asked the salesclerk for a discount, but he wouldn't budge. However, every time she came back, the price was lower. Finally, she told a salesman, "I notice the refrigerator has been here for a while and it's not moving. I'll give you \$550." They eventually settled on \$650—or more than half off.

**The lesson** If you can't get the price you want the first time, walk away and try again another time.

### Also try this

■ **Ask for a volume discount.** Redoing an entire kitchen? Ask what the salesperson can do for you if you buy two or more appliances. Or shop with someone who is buying similar items. "You increase your leverage," says Michael Soon Lee, an author of "Black Belt Negotiating" (Amacom, 2007), who recently got a big break when he and his brother bought a pair of chandeliers together.

■ **Seek happy haggling grounds.** National chains like Home Depot and Sears generally won't negotiate unless an item is a floor model or damaged, or advertised for less elsewhere. You'll have better luck at independent stores and regional chains like P.C. Richard and HH Gregg. But check prices online first to check the going rate. (Or you can try ShopSmart Mobile. See "How to Talk Down Any Price," below, for info on how to subscribe.)

■ **Ask for a break on delivery or installation.** You may find more wiggle room here than on the price, especially given a recent shift in antitrust law allowing manufacturers more ability to defend minimum retail prices, says Alex Cheimets, editor of ApplianceAdvisor.com.

■ **Another way to save** Sign up for alerts about promotions and rebates at manufacturers' sites, and at retailer-coupon sites like [www.keepcash.com](http://www.keepcash.com).

## Furniture

**TRUE STORY**  
Saved: **10%**

Wharton School professor G. Richard Shell was in a high-end custom furniture store one day arranging a gift certificate for his wife in the form of a picture of an end table and a prepared purchase order. As the saleswoman was drawing it up, Shell said, "I know you don't negotiate prices, but I know you have sales." He says she looked at him and said, "Now that you mention it, we are having a sale." That earned him a 10 percent discount.

**The lesson** Always ask about upcoming sales before you plunk down your money.

### Also try this

■ **Time it right.** You'll find the best haggling opportunities for furniture around Presidents Day and July 4, when stores need to make room for merchandise they order at the High Point Market, held each spring and fall in High Point, N.C., says Jaclyn C. Hirschhaut, a vice president of the American Home Furnishings Alliance, a trade group based in High Point. If you must have that sofa sooner, shop at the end of the month, when store owners are balancing their

books, says Steve DeHaan, executive vice president of the National Home Furnishings Association, another trade group. Just be sure to avoid late fall, when stores are swamped with shoppers upgrading their furniture for the holidays.

■ **Ask for extras.** When the price is non-negotiable, author Michael Soon Lee asks instead for freebies like a pad to protect a new dining room table or a gift certificate for his next purchase.

■ **Research online before you set foot in a store.** Use the Web to study style and price. When you're ready to order, keep in mind that some retailers, such as

JCPenney, allow you to buy online and then pick up at the store, which can save you shipping fees.

■ **Another way to save** Visit High Point, where dozens of furniture dealers have showrooms, and 10 percent off is possible after big trade shows in spring and fall. (Find out more at [www.highpointchamber.org](http://www.highpointchamber.org) and [www.highpoint.org](http://www.highpoint.org)) Because furniture once made in the High Point area is now largely imported, prices aren't as low as they used to be, says DeHaan. But you can still get deals at nearby outlets or local chains like Boyles Furniture.



## How to TALK DOWN any price

Always remember that the first price you see or hear isn't necessarily the bottom line. "The market has always had two prices," says G. Richard Shell, who teaches negotiation at the University of Pennsylvania's Wharton School and is an author of "The Art of Woo" (Portfolio, 2007). "There's the price on the tag, and the price you may get about 40 percent of the time if you negotiate." That's why you should never hesitate to haggle. Here are some rules to get started.

■ **NEVER buy anything major without first researching prices.** Go to sites like [www.bizrate.com](http://www.bizrate.com), [www.shopzilla.com](http://www.shopzilla.com), [www.pricegrabber.com](http://www.pricegrabber.com), [www.shopping.com](http://www.shopping.com), and [www.shopping.yahoo.com](http://www.shopping.yahoo.com). Also, look through store ads. You can take this info to local stores, which may be willing to match or beat the prices. (A cell-phone service that can help you get prices while you're out shopping is ShopSmart Mobile. Ask your carrier about how to subscribe.) And be sure to visit competing stores in the area. David H. Sternblitz, vice president of the Zales jewelry chain, says his stores allow salespeople to haggle with customers who

have checked prices at other stores. But don't fake it. Salespeople can see right through a phony price quote, says Erica Dawson, who teaches negotiating skills at the Yale School of Management.

■ **ALWAYS ask, "Can you do better for me?"** If the saleswoman doesn't immediately take the bait and offer you a lower price, you can ask, "Do you have a coupon, or a sale coming up?" She might let you in on another way to save.

■ **NEVER start with the price you're willing to pay.** That's a mistake a lot of people make, experts say. Start at a lower price, so you have room to maneuver.

■ **ALWAYS decide what you're willing to give up to get a better deal.** Once you know what you can't live without, you'll be able to focus on what's important and use the other stuff as negotiating points, says Dawson. For example, maybe you don't absolutely need heated seats in that new car, but you must have rear speakers.

■ **NEVER take "no" from someone who can't say "yes."** If you hit a roadblock, it may be because the salesperson doesn't have the authority to lower the price. So ask to speak with the manager or supervisor instead.

■ **ALWAYS remember to offer payment on the spot when possible.** This is especially effective with contractors and other service providers who don't want to

chase after clients for money.

■ **NEVER be afraid of silent pauses.** They can be uncomfortable, but sometimes provoke a better offer.

■ **ALWAYS take your time.** Ask a lot of questions and go back more than once. It's natural for a salesperson who has invested time to want to close a deal.

■ **NEVER overlook the power of observation.** ShopSmart reader Jo Oliver recalls falling in love with a vintage Victrola phonograph with a \$250 price tag, about \$100 more than she wanted to spend. After some discussion, the seller said he couldn't let it go for less than \$200. "I said, 'It's awfully dusty... it looks like nobody's looked at the piece,'" Oliver recalls. Then she offered \$150—cash. "He

said, 'OK, it is taking up a lot of space.'" Another way to save: Use product flaws that you can fix or live with to negotiate a lower price.

■ **ALWAYS try to get a break on something else if a salesperson won't lower the price.** Ask for a deal on delivery or installation, for example.

■ **NEVER give up.** "A little success breeds a lot of confidence," Shell says. Soon a one-shot experiment becomes a new way of looking at the marketplace. Sellers need to make sales, and you need to stay within budget. Remember: The worst that can happen is that someone says no. At least you'll know you're not missing out on any discounts that you could have nabbed.



## Clothing

**TRUE STORY**  
Saved: 20%

ShopSmart reader Sheryl Allen says she often shows up at department stores the night before an advertised sale so she can make nice with the salespeople and wrangle a night-before discount. She says she has gotten 20 percent off at Macy's and at Kohl's by asking for the sale price the night before the sale.

**The lesson** It often pays to make friends with salespeople.

**Also try this**

- **Look for imperfections.** It's easier to haggle if buttons are missing.
  - **Be a regular.** Boutiques can be more expensive than department stores, but it can pay to frequent one you like, says Frances Harder, a fashion-industry consultant in Los Angeles. Small stores are more likely to give a familiar face a friendly break.
  - **Offer cash.** This is another good strategy at boutiques. Hammered by fees paid to credit-card companies, they may be more willing to bend on the price if you offer cash. And shop at the end of the season, when stores need space for new inventory.
- Another way to save** Shop at discount sites like [www.6pm.com](http://www.6pm.com), which slashes prices on shoes by up to 75 percent. Tony Hsieh, CEO of Zappos.com, says that's where they send items at the end of each season, after they've stopped selling on Zappos. You can also score big discounts at the sale areas of fashion sites like Bluefly.com and eLuxury.com.

## Hotel rooms

**TRUE STORY**  
Saved: 75%

On their way to an inexpensive hotel in Maryland, ShopSmart reader Regina Smith and her husband stopped by a chic inn and ended up taking a \$600 room—at a 75 percent discount. It was 4 p.m. on a Wednesday, and the inn needed warm bodies. The clerk offered the room at half price. When the couple demurred, "the guy literally followed us out to the parking lot to say, '\$150 and it's done,'" Smith says.

**The lesson** Take advantage when timing is on your side.

**Also try this**

- **Ask the front desk for a price break.** "Do you have a room that's not quite so nice?" is a good way to start, says travel writer Chuck Thompson. You may also want to ask about out-of-order rooms that may have just a broken lamp or a carpet stain. But be discreet—the clerk probably doesn't want the whole lobby to hear about your "special deal." More than 70 percent of readers in a Consumer Reports survey said they were able to haggle their way to a discount or an

upgrade, especially if they negotiated face-to-face. It even worked at high-end hotels like the Ritz-Carlton.

■ **Offer to stay another night.** ShopSmart reader Wendy Grossmann says she once found a nice hotel, but the rate was too high. So she told the hotel that she had planned to stay two nights, but if the price were right, she might make it four. Guess what? She got a break.

■ **Book early.** Hotels are sometimes willing to give a good rate if you book far ahead to lock in business. To hedge your bets, find a decent unrestricted rate early, then call back 24 to 72 hours before you arrive. If the rate has dropped, you usually can cancel and rebook without penalty. Be sure you're canceling within the hotel's allotted time frame.

**Another way to save** Priceline.com and Hotwire.com offer heavily discounted rooms. The catch: Sometimes sales are final and the sites might not identify the hotel until you pay. For tips on bidding at Priceline, go to [www.biddingfortravel.com](http://www.biddingfortravel.com). Last-minute travelers should also go to [www.lastminute.com](http://www.lastminute.com). And check out hotel sites for special offers.



## Salons and spas

**TRUE STORY**  
Saved: 50%

Wendy Grossmann and her mother had spent the morning getting dolled up at a local spa and were preparing to leave when Grossmann had an idea. The place was empty, so she leaned across the counter and said, "We are having such a wonderful time, and we'd like to stay a little longer, but I am at the top of my budget. Would you have any discounted services this afternoon?" The desk clerk disappeared and came back with an offer: half off other spa services. Grossmann and her mom promptly signed up for massages.

**The lesson** Think like the business owner: A customer in hand is worth two in the parking lot.

**Also try this**

- **Ask for discounts for referring customers.** ShopSmart reader Kathleen Worley sent a friend to her hair salon and followed up by asking for a discount on her next hairdo. "A lot of times all you have to do is ask if discounts are offered for referrals," she says.
- **Go during the slow season.** If you dream of spending five days at a deluxe spa, call and negotiate a discount during a slow period.

## Cars

**TRUE STORY**  
Saved: 19%

Tamara Hubbard of Village of Hoffman Estates, Ill.,

researched car prices online and then used that information to negotiate with dealers via e-mail. The result: She saved a whopping \$5,700 off the \$29,595 sticker price on a 2008 Honda Odyssey minivan. She also got top dollar for her trade-in.

**The lesson** Information is power.

**Also try this**

- **Ignore the sticker price.** Find out what the dealer paid for the car and negotiate from there. You can figure this out by getting the "dealer invoice price" and subtracting any dealer incentives or rebates. Consumer Reports does this for you in its New Car Price Reports (\$14 per model; go to [www.ConsumerReports.org](http://www.ConsumerReports.org)). Also check out free auto-pricing Web sites, such as Cars.com. Once you know the dealer's cost, negotiate a price as close to that as possible. To see the latest deals that others are getting, go to the Community tab at Edmunds.com and click on More Forums and then go to Pricing and Leasing. You can also check

car forums at ConsumerReports.org. But keep in mind that you'll pay more for popular cars.

■ **Don't mention that trade-in—yet!** When you start negotiating, first focus on the price of the car. Once that's settled you can bring up your trade-in.

That way a dealer can't mix up the car price and the trade-in, making it difficult for you to figure out whether you're getting a good deal. Also avoid discussing monthly payments and financing. That can lead to an overpriced long-term loan. If you need a loan, shop at banks and credit unions first.

■ **Use e-mail to bargain.** E-mail the model and specs you want to as many dealers in your area as possible. Ask them for their best price. And let them know you're comparing prices.

**Another way to save** Skip extended warranties by buying a reliable car. Our latest car-buyer surveys indicate that warranties are rarely worth it.



You **CAN** do it! ShopSmart readers told us how they got discounts

**50%**  
requested discounts on damaged merchandise.

**48%**  
requested a price adjustment after things they bought went on sale.

**41%**  
requested discounts based on advertised prices at another store.

**38%**  
requested free delivery and/or installation.

**38%**  
always or often negotiate.



## Contractors, doctors, and other service providers

**TRUE STORY**  
Saved: 50%

When ShopSmart reader Nancy Winling went in for a blood test, she says her doctor agreed to cut the price in half if she paid on the spot. Wendy Grossmann says she always asks contractors, "Is there a cash discount?" They often knock off 10 percent, she says, because they don't want to wonder when they'll get paid.

**The lesson** Cash talks.

**Also try this**

■ **When shopping for a contractor, use various bids as negotiating tools.** Ask a high bidder to explain what he offers that the low bidder does not, and vice versa.

■ **Ask for the going rate.** If you're faced with medical bills not covered by insurance, ask what insurance or Medicare would have paid, which is likely to be much less than the amount billed to an individual. "Start there" and don't hesitate to negotiate, says Orly Avitzur,

M.D., associate medical editor of Consumer Reports. In our ShopSmart reader survey, nearly a third of respondents said they had successfully negotiated lower medical bills.

■ **Offer to make a big up-front payment on medical bills.** It can really sweeten and speed a deal. "They're always chasing people," says Kevin Flynn, president of HealthCare Advocates, which helps patients settle medical bills. "Cash up front helps."

■ **Another way to save** When it comes to prescriptions, opt for generics if possible, order your drugs online (to find reliable sites, go to [www.destinationrx.com](http://www.destinationrx.com)), and be sure to take advantage of discounts offered to members of alumni groups and clubs like AAA. To learn about the best drugs for many common conditions, go to [www.ConsumerReportsHealth.org](http://www.ConsumerReportsHealth.org) and then click on Consumer Reports Best Buy Drugs for recommendations.

## TVs, computers, and other electronics

**TRUE STORY!**  
Saved: 10%

ShopSmart reader Kathleen Worley saw a camera marked down 50 percent at Target and noticed it was missing its box and a cord. She found a manager and said, "I really like this camera. Is there some way you could take more off?" Right away he said yes to an extra 10 percent off.

**The lesson** Use a flaw that doesn't bother you to get a better price.

**Also try this**

■ **Come armed.** Don't leave for an electronics store without newspaper ads and printouts of the product information and prices you find online. Some stores may be willing to beat an online price. And most stores will match or beat a price in a newspaper ad. If you're at Best Buy, the company says you'll have to speak with a store manager to cut a deal.

■ **Know what's hot and what's not.** It's easier to get a deal on product that may be last year's model or isn't a best-seller.

■ **Save on accessories.** Once you've zoomed in on a well-priced TV or computer, focus on other stuff you'll need. If you're buying a flat-screen, ask for a break on installation, extra cables, or cleaning products.

Often that's where the bigger markups—and greater wiggle room—lie.

■ **Look around.** Check out items similar to the ones that are on sale. There's more room to bargain on these. Just remember that you'll have more haggling leverage if the advertised item is sold out.

■ **Another way to save** Skip the extended warranty. Most electronics will probably outlive the extended warranty period without a problem. And if there is a glitch after the manufacturer's warranty expires, the repair costs aren't likely to be much more than the amount you'd pay for extended coverage.



## The BEST TIMES to buy

Knowing when to shop for certain items can boost your odds of finding great sales, and it can also give you leverage when you're looking to haggle.

### COMPUTERS

July, before the back-to-school rush, and December are good months for sales.

### JEWELRY

Bargain all year round for this highly marked-up item—except around the December holidays and before Valentine's Day.

### DIGITAL CAMERAS

Shop in February and April.

### CELL-PHONE PLANS

Shop around when it's time to renew your service plan and use your existing plan and competing offers as leverage.

### NEW CARS

November and December are generally good times to negotiate because they tend to be slow months. Late summer is also good because that's when new models come out and dealers are trying to clear out last year's models. Or aim for the end of any month, when salespeople are trying to meet sales quotas.

### TVs

Shoot for the post-holiday lull in January or in March, after the Super Bowl rush.

### HOUSES AND CONDOS

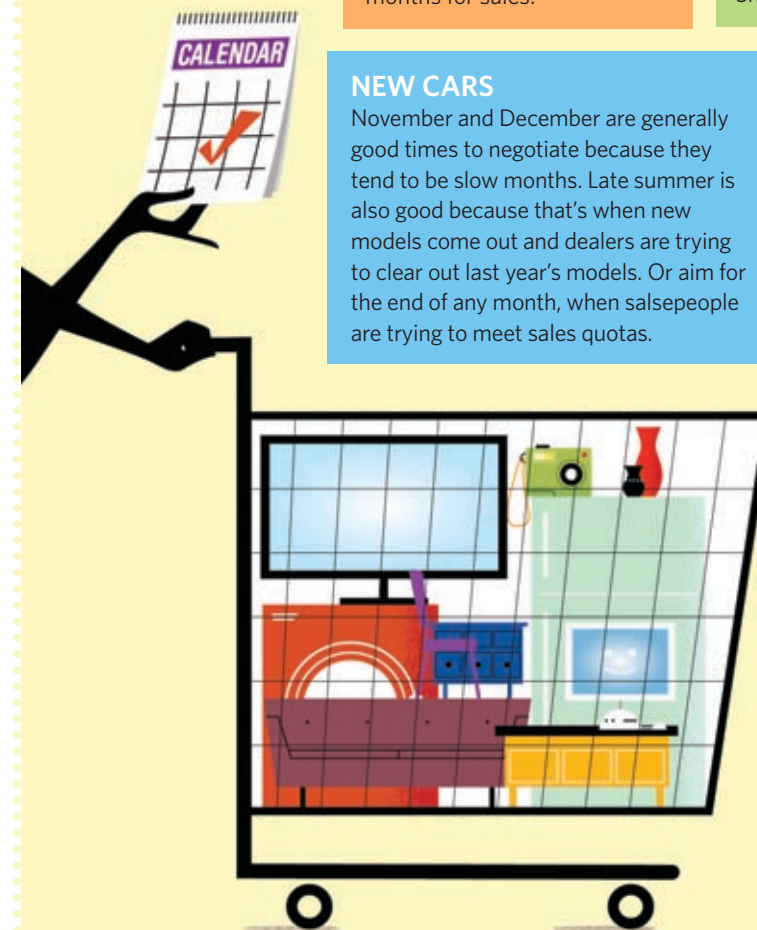
Start in February, before the spring home-buying season begins.

### FURNITURE

Shop in February, before stores unpack their spring collections.

### APPLIANCES

There are often sales in January, and stores are open to haggling in December, when other shoppers are busy preparing for the holidays. Fridges are one exception: In May and June the old ones must go out to make room for the new models, so that's the time to nab sales and get discounts.



## Meet your haggling mentors

SOME OF THE NEGOTIATING EXPERTS AND HOW-TO GUIDES WE CONSULTED FOR THIS STORY:

Erica Dawson, assistant professor at the Yale School of Management; Chuck Thompson, travel writer and the author of "Smile When You're Lying"; Mary Greenwood, labor negotiator and consumer mediator; G. Richard Shell, professor at the Wharton School and an author of "The Art of Woo"; Michael Soon Lee, author of "Black Belt Negotiating"; Leonard Greenhalgh, professor at Dartmouth's Tuck School of Business; Bruce Newman, a former antiques dealer and author of "Don't Come Back Until You Find It"; Peter B. Stark and Jane Flaherty's book "The Only Negotiating Guide You'll Ever Need"; and Ed Brodow's book "Negotiation Boot Camp."