

“Black Belt Negotiating – learning to bargain like a foreigner”
By Michael “Soon” Lee

Did you ever notice that some people just seem to be natural-born negotiators? They get discounts and deals wherever they go. We’re jealous, aren’t we? We wish we could be more like them, to have the confidence to haggle like they do, and also be able to spend the extra money they save by bargaining. Well, wish no more because good negotiators are trained, not born!

On a worldwide negotiating scale, Americans rank very low because we rarely get a chance to practice since there are only two items we regularly negotiate – cars and houses. We force ourselves to haggle on big-ticket items because if we could cut the price by a small percentage, we could save a lot of money. Since we normally only negotiate on two infrequently purchased items, we’re rather uneasy and inexperienced hagglers compared to people in other countries.

In Asia, Mexico, and the Middle East, for example, people negotiate just about everything from food to clothing. As a result, they’re master bargainers who are as comfortable with dickering as breathing.

Americans tend to be fearful about negotiating because we’re afraid to “lose”. But think about it, if you ask for a price reduction from a vendor and he or she says “no” are you any worse off than when you asked? No! You are in exactly the same position. Just remember, if you don’t ask for a discount the answer is always, “No”.

The biggest mistakes that Americans make when negotiating is to always be thinking, “What’s in it for me?” No one will discount their price unless there’s something in it for them.

If you think of negotiating as simply sharing information, it stops being so intimidating. Unfortunately, we Americans don’t negotiate enough for that fear to dissipate.

Here are some rules that can help you be a better negotiator:

1. Get out of the habit of thinking, “What’s in it for me?” Instead, ask yourself, “What’s in it for the vendor?” It goes without saying that if you help them get what they want you are more likely to get what you want.
2. Build a relationship with the seller. This requires being honest about your situation so he or she will know how to best meet your needs. Also, take the time to find out a little bit about the seller’s business. What could possibly motivate them to give you a discount? You may discover that they are closing-out some product you want or are in an overstocked situation.
3. Ask the vendor for help in meeting your needs. They may be able to think of ways that you might never have considered. During negotiation, appearing weak by asking for assistance is, in reality, a strength.

4. Have a clear list of what you need so you don't buy more than you really can use. A great price isn't a good deal if you really can't use the product in the near future.

You might be able to buy in larger quantities to take advantage of discounts by joining friends or family to make a purchase. Buying several new cars from a dealership at one time is almost guaranteed to get you a substantial discount.

Sometimes a seller will give you an ultimatum such as, "Take it or leave it". While this can be intimidating for newer negotiators, experienced hagglers know that ultimatums are actually a sign of weakness. Sellers who are confident in their merchandise and price will invite you to comparison shop.

Before *you* issue an ultimatum yourself, be sure that the item you are dicker on isn't something you absolutely must have or you could find yourself in the embarrassing position of having to crawl back on your hands and knees when they leave your offer on the table. Always allow room for compromise.

One of the most effective negotiating techniques is called "the flinch". As Americans, we tend to keep our real thoughts and emotions to ourselves, especially when a seller responds to our initial proposal with a ridiculously high counter-offer. We usually simply smile and nod, leading them believe we are agreeing. Is it any wonder they get somewhat angry when you don't accept their counter-offer?

Instead of being so poker-faced, do what master negotiators do – flinch. This means showing shock and surprise on your face when presented with an unreasonable counter-offer. By exclaiming, "What!" or "You're kidding" it clearly lets the other party know they need to lower their price if they want your business. Simply wincing can often result in a substantial price reduction because the other party feels guilty for having made such a high counter-offer.

Here are several strategies for more effective negotiating:

- Settle the least important differences first while working your way towards the most crucial issue of price. Try to get the seller to tell you what their bottom line is by refusing to tell them what you would pay. Instead, simply say, "You'll have to do better than that." This way you don't inadvertently offer a higher price than the seller was considering offering you.
- Some vendors are aware of this tactic and insist on asking what price it would take to get you to buy their goods. In this case, make them a ridiculously low offer. This is sometimes hard for novice negotiators to do because they find it "embarrassing". However, with practice you'll learn that offering a low price will force the seller to counter you with a price lower than they originally had in mind. Once you name your price you can now only go in one direction – up. Most savvy sellers recognize that when they counter your price, they can only come down.
- Another technique of master negotiators is "nibbling". When most Americans finally conclude the haggling process they are so relieved they

become vulnerable to nibbling. This is asking for small concessions to “sweeten the pot”. Some savvy buyers will nibble by asking for free shipping or to pay in 45 days or longer.

- Never become emotionally involved in the negotiating process or you will surely lose. Your ego can cost you big bucks in the bargaining game. Experienced negotiators will use your emotions against you by saying things like, “You know a successful person like yours can afford this.”

So how do you become an even better negotiator than you are now? Practice on small purchases where the stakes are low. For example, in my area the cost to launder a man’s dress shirt is about two dollars. However, I only pay 89 cents because I built a relationship with an owner over 15 years and I learned that the real profit is in dry cleaning. To get my discount, I agree to bring in at least three pieces of dry cleaning with my shirts.

The best way to get a discount is to patronize the same businesses consistently. Having a reliable base of customers like you reduces their cost of marketing so they should reward your loyalty. This can be done with restaurants, car washes, sandwich shops and any other establishments you frequent. Try it! What do you have to lose?

Look for opportunities to bargain every day to improve your skills. Happy haggling!

About the Author: Michael “Soon” Lee, MBA, is a nationally recognized professional speaker and author on negotiating and multicultural marketing. He has negotiated everything from multi-million dollar real estate transactions to major motion picture deals. Michael can be reached at (800) 41-SPEAK by e-mail at: Michael@EthnoConnect.com.