

How to save money by negotiating a discount

Two coaches from Money Coaches Canada offer tips for getting discounts on electronics, vehicles, bills and more.

By Jackie Middleton

Everyone loves a good deal, right? Bagging a bargain is easier than you might think. First things first: If you don't ask, you won't get. Many shops and salespeople have the power to offer a discount—but if you never ask for a deal, you'll never get one. Next up: Mind your manners. **For Steve Bridge of Money Coaches Canada**, the key to negotiating a better price is all in the approach. “Haggling—or negotiating—is a discussion, not an argument,” he says. “It's two people finding an agreeable price.”

All too often, shoppers think they have to strong-arm a salesperson into a deal, but that attitude can backfire. **Karen Richardson, also of Money Coaches Canada**, recommends another tack. “As Canadians we're polite and friendly, and going into negotiations with those qualities is smart,” she says. “People don't like to negotiate with bullies.” Maintain your Canadian cool; you're more likely to get a bargain if the seller feels valued.

Whether you're shopping for a big-ticket item or paying your cable bill, here's how to get more bang for your buck:

Electronics and furniture

Start the conversation with... “I noticed your competitors are selling the same product for \$100 less.”

“Know what you want to spend, and what other places are

selling the product for,” says Richardson. “It gives you the power to walk away.” The possibility of losing a sale will encourage the seller to offer an additional discount. Bridge also recommends asking up front about price matching (when a retailer meets a rival shop’s lower price of the same product). “One store gave me a five-percent discount under the advertised price,” he says.

If that doesn’t work...

Offer to pay in cash; you might get a better deal. Stores have to fork out a fee to credit card companies for every sale made with plastic, so when you pay in cash, you actually save the store money. “It’s a handy negotiation tool,” says Richardson. You might also get a lower price if you mention that you’re a frequent customer, or if you purchase a floor model.

Banking and credit cards

Start the conversation with... “I understand you may not be able to give me a better rate, but is there someone else who can?”

Talk to the person who can give you a price break. “The person in front of you, like the teller, only has so much wiggle room,” says Richardson. “The bank manager has more clout or, if you’re on the phone, the supervisor can make a better deal.”

If that doesn’t work...

Mention your credit rating, if it’s top notch. The company will want to keep you as a client if you have a good credit score and aren’t late with payments. Then ask for a better rate; banks and credit card companies want your loyalty. And if you have RRSPs or a mortgage with the institution, let them

know—a customer with multiple assets is more likely to be offered a deal.

Use this script to negotiate a lower interest rate on your credit card

Internet, phone and cable bills

Start the conversation with... “What kind of bundles do you offer?”

Bundling your services with a single provider is an easy way to save money. “Negotiate by saying, ‘If you can get me a better deal on my cable, I’ll bring in my cell phone or transfer my landline,’” says Richardson.

If that doesn’t work...

Keep your eye on the calendar. Internet, phone and cable companies often offer six-month deals, but then the price bounces back up. “Put a reminder in your phone before the discount is over and call them,” says Richardson. “As long as you stay on top of it, you can get a good deal.” If your provider is still hesitant to give you a price break, ask about free add-ons such as additional minutes on your phone, a faster download speed or a phone upgrade.

Follow this script to negotiate a lower rate on your phone or cable package

Vehicles

Start the conversation with... “I like this car’s fuel efficiency, but I’m not sure I like the look as much as X car at X dealership.”

Both Richardson and Bridge agree that getting a bargain on

your next vehicle hinges on doing your homework. Visit at least two dealerships and check out Internet forums and listings to get an idea of how much negotiation room you have. “Look at features on different brands and take test drives,” says Richardson. “When you mention a competitor, the salesperson will know you’re a savvy shopper.”

If that doesn’t work...

“Buy last year’s model,” says Bridge. “Dealers have incentives to get rid of them, so you can usually get a good deal.”

Follow this script to get the best price when buying a car!