

A technique used by price buyers that can drastically cut your gross profit if you are caught off guard

This trick has been used on you by retailers over and over again. It is a little more difficult to recognize when it is used by a skilled buyer. This lesson will show you how to be aware of it and how to handle it.

Retail stores often advertise fabulous but fake bargains just to get you to come in so they can sell you something more expensive. This scheme is commonly referred to as "bait and switch."

It is simple enough: they advertise some item at a price low enough to lure you into the store. But here is the switch: the advertised item is not for sale. The salespeople may give you any number of reasons why you cannot or should not buy it.

"There are not any left. . ."

"Many customers who bought it are dissatisfied . . ."

"The product is not any good . . ."

"You cannot get delivery for six months . . ."

The truth is that these salespeople never had any intention of selling the advertised special. They kill your desire to buy it and instead try to get you to buy the item they had in mind from the beginning.

"Bait and switch" is an unfair practice and is against the law. Although you cannot always spot bait ads in advance or know that the switch is going to follow, there are a few steps you can take to avoid the trap.

First, realize that a good salesperson may try to

persuade you to buy a better quality item or a different brand with more features at a higher price. There is nothing illegal or unethical about this. The important thing is that you are given a choice without undue pressure.

Keep in mind that if a product or service is advertised at a price that seems too good to be true, this may be a bait ad. Then, if the merchant refuses to show you the advertised item, to take orders for it or deliver it within a reasonable time, disparages it, or demonstrates a defective sample of it, take this as a sign that you are probably being "switched."

For example: You go into a store to buy a computer you saw advertised. It was out of stock, but when a salesperson tells you a faster model is available for an additional \$100, you purchased it because it was available immediately.

The deliberate use of stock outages of a featured, low-price bait brand in hope of persuading customers to switch to a more profitable substitute brand is a form of bait and switch.

If you want to see the bait and switch used, visit any car dealer. After you find the car you want you may be surprised to find your low offer immediately accepted. After getting you to commit yourself to a price the salesman will say something like, "Well this looks good." All I have to do is run this by my sales manager for approval and the car is yours."

Buyers use this by asking for a price on a large quantity and then order a smaller quantity trying to get you to agree to your first price.