

Can a Storeowner Lure Customers Into His Store With Sales and Discounts?

Rabbi Chaim Weg

Case: Someone who owns a supermarket is looking to attract customers. He has considered one idea of selling certain items below cost price, which would draw customers into the store, and they would then hopefully do the rest of their regular shopping there as well.

Another idea he has entertained is running a special event at which he gives out free cotton candy or other nosh for children, who would bring their parents as well. Once the parents are there, they would likely also do their shopping in the store.

Question: Do either of these ideas pose a problem of *geneivas da'as*?

Answer: The Mishnah (Bava Metzia 60a) states that according to the opinion of the Chachamim (whom the halacha follows)[EO1], a storekeeper may distribute nuts and roasted kernels to children (the equivalent of candy in Talmudic times) in order to lure them or their parents to shop in the store. This is not considered unfair competition because there is no element of deception involved, plus other competing store owners can use the same technique if they choose.

Based upon this, it is permitted for a store owner to attract customers by running a sale or special event, playing pleasant music, or using fancy lighting, provided these techniques can theoretically be used by other store owners as well and do not involve any sort of deception.

The Aruch HaShulchan does note that one may not sell products below cost price for an unusually extended period with the intent to put competitors out of business and then raise his prices. He explains that someone who does so is defined as *yoreid l'toch umanoso shel chaveiro* (ruining a competitor's livelihood), which is not allowed by the halacha.