

Lowering One's Price to Get a Customer

HaRav Chaim Weg

Question: I own a housewares store, where some of my popular items for sale are plates and dishes. I received a phone call from a customer who told me that my competitor was charging \$100 for a particular set of dishes. He asked if I could beat that price. My questions are as follows: If my price is cheaper, am I permitted to tell him that, thereby luring him away from my competitor? If my price is more expensive, am I permitted to lower it just for him in order to get this sale?

Answer: This question hinges on the halachic concept of *ani mehapech becharara*, which means that one may not grab a deal away from someone else once it is almost finalized; one who does so is called a *rasha*. Accordingly, a seller may not interfere and offer a buyer a lower price once the buyer is already close to finalizing a sale with another seller. This is also true by a buyer, he may not interfere and offer a seller a higher price in order to grab a deal away from another buyer who has almost finalized the deal with the seller. The question here is whether undercutting a competitor and offering the customer a better deal is a transgression of this prohibition.

The halacha is clear that the rule of *ani mehapech becharara* only applies when one buyer tries to take away a deal from another buyer by offering more money, or a seller tries to steal a deal from another seller by offering a cheaper price. A seller, however, may look for another buyer even if he already is in negotiation with one potential buyer who has already exerted efforts to make the purchase. If he feels he can get a better deal elsewhere, he is allowed to try to find another customer. Similarly, a buyer is not beholden to the seller even after negotiations have begun, and if he wants to look for a cheaper deal, he may do so freely.

Therefore, it would be forbidden for you, as a store owner, to call a buyer who is close to making a purchase in another store and suggest to him that he purchase from you instead for a lower price. The buyer, however, has the right to call you and ask if you offer a lower price than the store he is already considering purchasing from. If he does approach you, you are allowed to sell to him.

Whether you are allowed to lower your price specifically for him would depend on what your motives are. If your intentions are simply to make a sale and gain a customer, that would be permitted. If, however, your intentions are to undercut your competitor with a goal of putting him out of business, it would be forbidden for you to sell below your regular price.