

INSIDER'S GUIDE



TO VEHICLE BUYING

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TAKE ON THE MINDSET OF A PRO

PRINCIPLE # 1. It's A Contest With A Big Prize.

Your object, as the buyer, is to pay as little as possible for the vehicle and the accessories that you want. The ultimate goal of the seller is to obtain as much of your money as they can possibly get and to acquire it today! To that end, the seller will use many strategies and techniques designed to sway you or convince you to buy a vehicle from them *today* at the highest price they can get. Although their techniques may be both legal and ethical, you can still be maneuvered into buying a vehicle that you didn't really want, at a price higher than you planned to pay. Remember, buying/selling a vehicle is an adversarial situation with big bucks on the table.

Taken as a group, women in the vehicle sales force have the same goals as men: to obtain as much of your money as they can possibly get and to acquire it today! When dealing with a salesperson who is a woman rather than a man, expect the same strategies and tactics.

The goals of the buyer and the seller are not necessarily mutually exclusive, since a middle ground exists for the two contestants. The ideal bargain occurs when both the buyer and the seller are reasonably happy with the agreed upon price of the vehicle and accessories. However, the range of prices where the bargain becomes ideal is usually a very narrow area.

Your concern should always be focused on attaining *your* goal - *the vehicle and accessories you want at the lowest possible price*. Keep your attention on your object, no matter how pleasant the salesperson nor how seemingly sincere they may be.

Are there exceptions to salespeople whose goal is to obtain as much of your money as they can possibly get and to acquire it today? The answer is a qualified "maybe". If they exist, they will probably not remain in the sales force for long.

Always remember *your* primary goal is to buy the vehicle and accessories you want at the lowest possible price.

PRINCIPLE # 2. Consider Price of Accessories Added

When setting and negotiating the price, remember that the price is more than the cost of the vehicle itself. Consider and add into your acceptable price, the cost of any and all accessories that are either already on the vehicle or that you would like to have. These can include such things as alarm systems, CD players, wheel covers, specialty wheels, seat covers, automatic ignition locking systems, and so forth. (See the section on consulting with your insurance company for the hidden value of some accessories.)

PRINCIPLE # 3. Use a Price Setting Strategy

You may want to consider the following strategy for setting the range of prices which are acceptable to you:

1. Determine the perfect/lowest price, keeping in mind that the dealer/salesman must make some profit or they will not agree to sell;
2. Determine the highest price you are willing to pay for the vehicle, keeping in mind the accessories as well as the vehicle;
3. Pick a price in between 1. and 2. that you will be comfortable paying.

A common strategy would be to accept an offer from the salesperson which falls somewhere between Price # 1. (your perfect/lowest price) and Price # 3. above (your comfortable in-between price)

YOU DON'T HAVE TO BE A GIRL SCOUT TO BE PREPARED

PRINCIPLE # 4. Check With Your Insurance Company

Check with your current vehicle insurance company to determine which features or accessories will give you an advantage on insurance rates. For example, you may find that a passive theft deterrent device, airbags, or anti-lock brakes will provide a reduction in your insurance rates. Other accessories may save, or cost you money on your insurance. Check with your insurance company now.

A California woman insured through AARP/ITT Hartford discovered that because her ignition lock system is time activated, rather than requiring human attention, she saves money on her insurance costs every year.

PRINCIPLE # 5. Research The Car and Prices

Before setting out to buy a vehicle, find out which vehicles and models are available and what prices are being asked for them.

The asking price, remember, is seldom the selling price.

This applies to both new and used vehicles.

One of the simplest ways to research which vehicles are available and their asking price is the local newspaper. You may find Sunday's newspaper ads in your local library, or on the internet. Some areas also have specialty newspapers that deal with vehicle sales. For example, San Diego California has a line of vehicle sales publications published by Trader Publications. These are also excellent sources of information. Another good source is the internet.

Lending institutions, such as a credit union or bank, may have a free service for valuation of the brand and model of vehicle, or vehicles, you are considering for purchase. You can request this information before you find a specific vehicle to buy. Other possible sources of information are organizations such as the American Automobile Association (AAA) and the online version of the Kelley Blue Book at <http://www.kbb.com>, which will give you both the value of a car you're purchasing and the value of your trade-in. Note: the values for a purchase appear to be higher than the actual price you should pay.

The internet also has many other resources to help you gather information. Carfax™ provides information, at a reasonable price, on specific vehicles using the VIN (vehicle identification number). Many dealers will provide the Carfax information free, when you request it. Carfax is found at <http://www.carfax.com>.

The local library may also be a resource for information on vehicles and estimated valuations.

PRINCIPLE # 6. Avoid the Pitfalls of Trade In Vehicles

Your current vehicle is probably not worth quite as much as you think it is. Sad, and true. While you are researching the vehicle you want to buy, include some research on the vehicle you are planning to either trade in or sell.

If you have a loan on your current vehicle, check with the lender and find out what the 10 day payoff amount is. This 10 day payoff amount is what the vehicle dealer will subtract from his appraisal (wholesale price) of your trade in vehicle.

As noted in the previous paragraph, the dealer's appraisal of your trade in vehicle will be based on a wholesale price. Since the dealer is in business to make money (as are all businesses who survive), he cannot give you a retail price for your vehicle and make any profit when he sells it. The dealer will often sell your trade in vehicle to another dealer, rather than keep it in his own inventory. This means the wholesale appraisal must be even lower to allow a profit margin on a wholesale price to another dealer.

Please note that the appraisal value that the sales person quotes you is very likely to be about \$500.00 less than he is prepared to allow. *Never accept the first appraisal.* Ask for more than you expect to get for your trade-in and leave room for negotiation.

PRINCIPLE # 7. Avoid Surprises! Get a Preapproved Loan

Make phone calls to various lending institutions, including the ones where you have an account. Find out if they make vehicle loans, at what rate of interest, for what length of time, how much of a down payment they require, the monthly payment schedule, and if they have any special promotion going on. Based on the information you receive, select the institution whose vehicle loan program best meets your needs.

If you finance your vehicle purchase at a vehicle dealer, they will quote you an interest rate (See section on "Everything Is Negotiable") and then they will shop around with several banks to find the best commercial rate. *The better the rate the seller can get from a bank, the more profit they can get from the loan to you!*

Learn this lesson from the vehicle dealer, and shop around for the best loan you can get (See section on "Three Good Reasons For A Blank Line")

Once you have selected the loan institution, apply for pre-approval for the maximum purchase amount you set in the section "Use a Price Setting Strategy". Getting pre-approval for the loan will help you avoid some disappointments and expensive emotional decisions which might occur later in the vehicle buying process.

As a rule of thumb, you can expect a lender to require one-third of the full cost as a down payment. Ouch! Look for special promotions from lending institutions to alleviate this stumbling block. (See the section on "Avoid the Pitfalls of Trade In Vehicles" if you are planning to use your current vehicle as the down payment)

PRINCIPLE # 8. Leave Title To Your Trade In Vehicle At Home

If you are trading in your current vehicle, not having the title with you will put up a natural barrier against an impulsive purchase. Listen carefully to the salesperson and, if he is worth his salt, he will ask if you have the title with you. A 'yes' answer to this question tells him that you are ready to buy, and puts you at a disadvantage in the negotiation to come. A 'no' answer to this question will cue the salesperson to be more cautious in negotiation.

PRINCIPLE # 9. Use the Buddy System

Even when you're only going to 'look around', take someone with you when you go to a vehicle dealership. 'Just looking' can turn into 'How did I end up buying that' in the hands and words of a good salesperson!

Select the buddy to accompany you based on these criteria: 1) the buddy is not one of the decision makers in the purchase (your spouse or 'significant other' is not appropriate as a buddy); 2) the buddy is not impulsive (they are there to dampen your impulses); 3) their opinion carries weight with you; 4) you are conditioned to respond immediately when they say "STOP" or "Let's go now".

Before you leave home, advise your buddy of his or her duties during this foray onto the vehicle lot. Your buddy needs to know that you are not going to get angry or miffed with them for doing what you asked them to do - help you avoid making an impulsive and expensive purchase.

INTO THE LION'S DEN

PRINCIPLE # 10. Take Control Of The Interview

This is your money we're talking about, and the vehicle you are going to drive and for which you will pay. It is your right to direct the buying process. It is the salesperson's privilege to assist you. The latter is something the salesperson will not understand.

Salespeople have a script in their head. Usually this one act play is supposed to climax with your purchase of a vehicle from them, at a price which will make a substantial increase in their income, and with the scalped buyer smiling happily at the scalper. You can safely ignore their script.

Interrupt the script. Interruption includes leaving before the play is over - before you buy, agree to buy or even before taking a demo ride.

Interrupting the script also includes asking the salesperson questions they didn't anticipate.

Have some fun! This is business and not a social gathering, so be outgoing. Ask them how they got into vehicle sales, how long they've been doing it, is it fun, are they planning to make a career of it, do they have children, where did they go to school, what did they study, and so forth. Keep them busy and off balance.

Do things in a different order than the salesperson wants. The salesperson's script calls for getting you into the vehicle on the passenger side so the salesperson can drive off with you for a demo. If the salesperson is very good they won't have asked you if this is okay. They will have simply maneuvered you into the vehicle, grabbed the key and started up the engine. If you have been manipulated this way, you can just say "Stop" in a forceful manner, or simply step out of the vehicle before it starts moving.

You can throw the salesperson off stride by bringing up the sales price immediately, and continuing to abruptly reintroduce the subject every time they pause for breath. Full purchase price is absolutely the last thing they want to discuss. Their play script calls for doing everything they can to push you into an emotional state of loving and desiring and needing this particular vehicle. The assumption, generally correct, is that in this state of emotion the buyer will lose virtually all sense of perspective and self preservation and strive to acquire the object of desire.

Don't let them get away with it. Stay focused on the goal you formulated while still at home: pay as little as possible for the vehicle and the accessories that you want.

PRINCIPLE # 11. Put Off Buying Until Another Day

Even a poor salesperson knows that they must not let any prospective customer off the vehicle lot without their making a purchase. A wise woman or man will take that alone as a good and sufficient reason to leave the lot without buying a vehicle.

If you leave the lot without buying, it gives you the opportunity to recover from emotional states such as "LOVE that CAR", "NEED that TRUCK", "MUST HAVE IT NOW!" All of the aforementioned states are costly in dollars and cents, and can lead to another state called "BUYERS REMORSE" or simply "REGRET".

Although a state of the United States, such as California, may have 'buyer's remorse' laws, you may find to your regret that the law does NOT apply to motor vehicles.

It is perfectly polite and legitimate to look, ask questions, get a brochure, test drive the vehicle and leave the vehicle lot without buying. It is also proper behavior to negotiate the price of the vehicle and the accessories you want, and then leave the vehicle lot without agreeing to buy or finalizing the deal.

The more anxious the seller is to keep you physically there at the dealership, the more important it is to you that you leave without buying. There are tactics that a truly sharp salesperson will use to ensure that you either remain at the dealership, or have to return. One of those tactics is to gain possession of something of yours, such as vehicle keys, drivers license, insurance card, etc.. Having acquired the item for some ostensibly legitimate reason, such as taking your keys to have your trade-in vehicle appraised, the salesperson then conveniently forgets to return the item. Sometimes the item is cleverly left in the sales manager's office. By this simple maneuver the sales person can tie you to continued contact with them. If someone else has your keys, you can hardly rush away or go to another dealership to buy a vehicle, can you!

PRINCIPLE # 12. Break Out Of The Procedure

Some people feel a sense of obligation or a need to complete a procedure once it has been initiated. This is a normal and natural human behavior...This is also a human behavior of which salespeople and dealers are acutely aware.

For example, some salespeople will get the buyer to do some simple innocent action, such as sitting in the vehicle, filling out a credit application, or filling out a general information form. The buyer may not see the need for such an action, but the apparent innocence of the step will disarm his defenses. The salesperson knows, however, that if the buyer is procedurally oriented in their behavior, taking this simple action will be translated into the first step of the procedure of buying a vehicle. When this happens, the buyer may feel a gentle and persistent internal pressure to move on to each subsequent step in the procedure, as directed by the salesperson. Eventually they reach the end of the procedure (possibly a bit bewildered or bemused) only to discover that they have purchased a vehicle from this salesperson, at a excessive price, on this day, at this dealership.

You are free of all obligations, social or business, to the salesperson or dealership.

You may complete the procedure on another day, with another salesperson, and at another dealership - or decide to keep the vehicle you already have!

PRINCIPLE # 13. Beware The Monthly Payment Trap

Whether or not you finance your vehicle purchase at a vehicle dealer, you can count on one thing: they will probably quote you the approximate monthly payments long before they will tell you either the full purchase price or the interest rate.

You may be asking yourself 'why would they do that?' Car dealers have learned from experience that the majority of vehicle buyers can be short sighted. The focus of these buyers is on fitting the vehicle payments into their monthly budget, to the exclusion of any thought on how long they must make the payments or how much money they are really paying for the vehicle. This is another one of the tools the seller can use to maximize both his profit and your cost.

If dangling a lower monthly payment under the buyer's nose will distract the purchaser from considering how high the full purchase price is, then it is in the salesperson's best interest to do so. This strategy is *not* in your best interests.

When the buyer finances through the dealership, the seller can increase the profit on the loan. Lowering the monthly payment and/or increasing the full purchase price will extend the period of the loan and the amount of interest paid.

If you are financing through a lending institution, the vehicle dealer will get the full purchase price immediately. Therefore it is once again to their advantage to sell the vehicle for as much as possible.

PRINCIPLE # 14. Used Vehicle: ALWAYS Check It Out

Always have a used vehicle thoroughly checked out by a mechanic you trust - before you negotiate, agree to buy, etc.. Although this service may cost you a small fee, it is likely to save you the hundreds or even thousands of dollars which you might otherwise pay for the privilege of repairing a problem vehicle.

Loving the vehicle when you buy it won't make you love it when an expensive repair comes due.

TALK ABOUT PRICE. POSTPONE BUYING

PRINCIPLE # 15. This Is NOT a Grocery Store; Everything Is Negotiable!

Most buyers recognize that they should not pay the sticker price on the vehicle. Few buyers consider, however, that the price of virtually everything else associated with their purchase is also negotiable. Remember to bargain with the salesperson for the cost of all accessories, including anti-theft/security systems and air conditioning.

You can congratulate yourself on doing a better job at negotiating than the front line salesperson when another salesperson or the sales manager steps in to take over the sales process. Pat yourself on the back, and then keep up the good work. It can be both fun and profitable to thwart the aims of a sales manager! Remember his aim: to obtain as much of your money as he can and to acquire it today!

If you are using dealer financing, the interest rate is also likely to be negotiable. The cost of an extended service contract may also be subject to bargaining.

To determine whether or not the price of something can be changed, make your lowest offer for that item. If the salesperson doesn't respond, make the same offer again. If they still don't respond, ask for a counter offer. By the time you have reached this step, it should be clear whether or not the price is susceptible to negotiation with this salesperson. This test may be run again when, and if, you are passed along to another employee of the dealership.

Be aware that negotiation for some things can be carried out by someone other than the front line salesperson.

Some dealerships have salespeople assigned specifically to "closing" the deal. This arrangement will give you another opportunity to bargain over the price of accessories, service contracts, interest rates, etc..

Some salespeople are thinly disguised as clerical or financial people, supposedly just there to complete the paperwork. They are *still salespeople*. They may catch you with your guard down and get you to agree to purchase a security system or service contract that you have already rejected when dealing with the front line salesperson or sales manager. Once again, if you decide to say "Yes" at this point, *negotiate the price*.

PRINCIPLE # 16. Three Great Reasons For A Blank Line

There are excellent reasons to refuse to give information for a vehicle dealer's credit application and to leave the signature line blank. You are under no obligation at all to give them the information for the form unless and *until* you have decided to use dealer financing.

Once the form is signed, someone from the dealership can request your credit report. The credit report gives the dealership immediate access to financial information about you, resulting in a stronger negotiating position.

This request is counted by the credit bureau as a request for information. Many lenders will deny a loan or credit card application based on "too many inquiries" about your credit. If you have completed the credit application at more than one dealership, you may find your loan denied by the time you get to the dealership where you really want to buy.

Completing and signing the credit application is another scene in the salesperson's play script, designed to further predispose you to follow through to the end of the play - purchasing the vehicle at their price.

PRINCIPLE # 17. Sidestep 'Qualifying' Questions

'Qualifying' questions are such questions as "How much will your initial investment (down payment) be?" This type of question is designed to determine which price range of vehicle you are able or prepared to buy. The salesperson will usually repeat your answer and then raise the amount. This same strategy is used with a question regarding the amount of monthly payments you are prepared to make. If you do not actively reject the proposed higher figure, the salesperson will assume that you are willing to pay the higher figure. Acceptance of this ploy will appreciably weaken your negotiating position.

The salesperson may also use this information to steer you away from your initial choice of vehicle and toward a vehicle whose price they believe better matches your finances (and not necessarily matching your requirements).

One woman in Tucson, Arizona was subjected to repeated attempts to sell her an economy car, when she really wanted a truck. When she told the salesman for the fifth time that she definitely wanted a truck, he called in the sales manager. The manager persisted in striving to sell her a car. She left and bought the truck somewhere else.

You can politely sidestep questions about your initial investment (down payment) and monthly payment. If the salesperson persists, it is appropriate to be more direct in your refusal to give them this information.

Forget the rules of polite social interaction for this time and remember the salesperson is a business adversary.

PRINCIPLE # 18. Keep Personal Information Private

Salespeople will guide the conversation or directly ask questions to determine such information as:

- Who else will be involved in the decision to buy
- Where is your spouse or 'significant other' right now
- Where do you have your current vehicle serviced
- How much gas is in the tank of your trade in vehicle
- Do you have the vehicle title with you
- What is your occupation
- Where do you live
- Which credit cards do you have
- What do you like or dislike about your present vehicle

- Did you buy your present vehicle new or used

The answers to these questions provide information to the salesperson that give him more tools to use to control the vehicle buying process.

Some of the ways this information can be used are quite creative. For example, learning that a spouse is also a decision maker in the purchase will lead to a subtle inquiry as to the spouse's present whereabouts. After the buyer volunteers the actual location, they may find themselves 'accidentally' in that vicinity during the test drive. The next step is to stop and show the vehicle to the spouse.

Information such as how much gas is in the tank of the trade in vehicle tells the salesperson whether or not you are ready to buy today. When the salesperson knows you are prepared to purchase today, it strengthens his bargaining position and weakens the your position.

Knowing which credit cards you have may lead a salesperson to suggest that you make up a deficiency in a down payment by putting the balance on a credit card. If you were initially unable or unwilling to provide the down payment amount the salesperson is asking, from current cash assets, this is an opportunity for the salesperson to direct you to make an impulsive and expensive decision.

PRINCIPLE # 19. Keep Your Feet On The Ground

Don't get into the vehicle until you've negotiated the price. Any halfway successful salesperson knows that getting a prospect to take a test drive will move them one giant step toward purchasing at a higher price. The thrill of driving the vehicle of your dreams can cloud your ability to think clearly. Unless you have a iron will and can cheerfully walk away from your dream vehicle, negotiate the price of everything first, then test drive the vehicle. At this point you still have no obligation to complete the process and buy. Buying is in the salesperson's play script, not yours.

WHAT'S IT REALLY WORTH

PRINCIPLE # 20. Handle The Appraisal Of A Trade-In

The first step in the dealer's appraisal of your trade in vehicle usually occurs at the end of the new vehicle demonstration drive. The salesperson will park the new vehicle next to your trade in vehicle, if he believes that the trade in vehicle will suffer by the comparison. This serves two purposes: increasing the buyer's desire for the new vehicle, and decreasing the perceived value of the trade in vehicle.

The salesperson has little or no input into the actual appraisal. For example, the most he can do is to notice that the air conditioning is not functioning correctly and mention it to the person responsible for the appraisal.

As the apparent second step in the dealer's appraisal, the salesperson will do a 'walkaround'. The salesperson will start at the front of the vehicle, move down the passenger side to the rear, open the trunk, then walk back up the driver's side, and finally open the driver's door and view the interior. The salesperson is not interested in the owner's explanations in regard to either features or flaws of the vehicle. At this time the best strategy for the buyer (who has suddenly become a seller in regard to the trade in vehicle) is to say nothing and appear cool, calm, and collected.

You can expect the salesperson to run his fingertips over any imperfections and say "hmmm". This is a tactic designed to put doubt in your mind as to the actual worth of your vehicle. (Since you have already read the section "Avoid the Pitfalls of Trade In Vehicles" and taken the appropriate actions, you will have no illusions to be destroyed by this scheme.)

PRINCIPLE # 21. Control Your Keys

When the salesperson is ready to take the vehicle for the real appraisal by the dealership, he will ask for your keys. Remove the single vehicle key from the ring and hand over that key alone.

Keep all your other keys and key ring. As noted earlier, possession of your keys can be used in a design to keep you on the lot and involved in sales tactics or negotiation. Minimize the potential power of that strategy by handing over only the necessary key.

When the salesperson returns with the proposed trade in value, get your vehicle key back immediately. The salesman may attempt to postpone giving the key back - "it's still in the vehicle", "it's in the sales manager's office", and so forth. Persist in getting the key back. Politely refuse to discuss the vehicle or continue negotiations until the key is returned to you.

PRINCIPLE # 22. Take Advantage Of The Appraisal Buffer

The appraisal figure that the salesman gives you for your trade in is not usually the appraisal value the dealership has set. There is generally a negotiating buffer subtracted from the actual appraisal.

A good rule of thumb is to assume that the amount subtracted from the actual appraisal is approximately \$ 500. Keep this information to yourself, and use it to enrich your bargaining position.

One strategy you can use is to request that the salesman show you the appraisal form. Although it is unlikely that he will show it to you, his refusal will verify the likelihood of the existence of the negotiation buffer. A common explanation/excuse that salespeople use in this case is "the sales manager has it".

If asked to initial the salesperson's statement of the appraisal value or to initial the negotiated trade in value, refuse politely.

There is no obligation to initial anything on the negotiation form, including the trade in value you may have verbally agreed to.

CHANNEL THEIR TACTICS TO YOUR BENEFIT

PRINCIPLE # 23. Say "No" To The Trial Close

Keep the salesperson on edge and uncertain of his progress in the sales procedure. The salesperson will test the status of the sale by using the Trial Close. The Trial Close is a statement that presupposes you will buy this vehicle from him today.

An example of the Trial Close is "I'll bet your friends will be impressed when you arrive at the party tonight in your new vehicle". Another example is "So, where are you going to drive your new vehicle first?"

Respond to the Trial Close with a negative, even if you have already decided to buy this vehicle today from this salesperson.

PRINCIPLE # 24. Hang Onto Your Money

Do not write a check or give any form of money to the salesperson, sales manager, or anyone else at the dealership until the deal is finalized.

Once common ploy is to ask the buyer for a check to “convince my manager you are serious about buying”. It’s a fib. The buyer should also resist such gambits as “No-one’s going to cash it until the sale is complete, it’s perfectly safe” or “I’ll tear the check up whenever you ask me”.

The real purposes of this tactic are to burden you with another instance of psychological commitment to the purchase and to physically keep you at the dealership. The more you perceive yourself as committed to the purchase, the weaker your bargaining power.

PRINCIPLE # 25. Skip The Tour Of The Dealership

It’s a waste of your time, unless you’re planning to rent a room there. For the salesperson, it’s an opportunity to learn more information about you to strengthen his bargaining position. The dealership may also benefit from the buyer’s tour, when the salesperson does his pitch for their service department. Decline politely, refuse to follow the salesperson’s lead, or move toward the exit. Convince him that a tour is going to do his sale more harm than good.

SUSPICIOUS CIRCUMSTANCES

PRINCIPLE # 26. You Can’t Always Believe Your Eyes

As you will have learned from earlier sections of this document, a salesperson doesn’t need to lie in order to mislead, manipulate, beguile, exploit, and influence the buyer.

You may want to consider adopting a suspicious attitude when the windows in the dealership allow you to see and not hear the interaction of the salesperson and the sales manager. The salesman may be saying “the deal is a honey and it’s in the bag” at the same time he’s pounding on the desk or waving his hands in the air in apparent frustration. Some successful salespeople, if they were in the movies, might win an Oscar for their performances. Your vote for this Oscar winning performance will cost you dollars!

PRINCIPLE # 27. Keep Your Options Open

The salesperson will attempt to get your verbal or written commitment to purchase. Barring a complete commitment to buy, he will try to gain agreement to some portions of the purchase. These may be such things as initialing the trade in value, or filling out a credit application. Keep your negotiating options open and politely and firmly refuse to commit to any portion of the negotiation, until all segments are negotiated to your satisfaction. A good salesman will say “If I do this, will you buy?” Don’t fall for this gimmick.

PRINCIPLE # 28. Ignore The Flattery

When the salesperson comments on what a good negotiator you are, smile and thank them and forget it. Flattery is another way of convincing you that the salesperson is on your side.

Remember the salesperson’s goal: to obtain as much of your money as they can possibly get and to acquire it today! That doesn’t look like they are supporting your desire to pay as little as possible for the vehicle and the accessories that you want, does it!

GRIN DOWN THE BEAR - NEGOTIATION TIPS

Negotiation is a time and energy intensive activity. *Schedule at least a half day for the negotiation* portion of your buying activities. Get a good nights sleep before negotiating. Only negotiate when you are feeling calm, trouble free and rested. Fatigue, worry, and an unquiet mood will each cost you money. Negotiation can be interrupted by the buyer. Tomorrow's deal won't be worse than today's deal; it may be better! It's your money; protect it.

PRINCIPLE # 29. Stay Calm And Quiet

During the negotiation, when the salesperson stops talking, do the same! Sit quietly, without any comments or conversation, and outwait the salesperson. Most people are uncomfortable with silence, and the salesperson is attempting to use that trait to propel the buyer into filling the silence - with an impulsive decision or with additional information the salesperson can use in the negotiation.

Quietly outwait the salesperson to see what impulsive action or costly offer he may take.

PRINCIPLE # 30. Discount Appeals To Your Sense Of Fair Play

When in doubt, refer to Principle # 1: your object, as the buyer, is to pay as little as possible for the vehicle and the accessories that you want. The ultimate goal of the seller is to obtain as much of your money as they can possibly get and to acquire it today!

When the salesperson suggests something along the line of "we've come down \$1500 and you haven't given us anything. How about splitting the difference?", keep Principle # 1 in mind. Splitting the difference is something that kids do with their friends. You're not a kid and the salesperson and dealership are not your friends.

PRINCIPLE # 31. Simple And Effective

The negotiation strategy that is the simplest to remember is the following:

- Negotiate near the end of the calendar month, when salespeople and managers are 'hungry' and pressed by an artificial month end deadline
- Select the final and full price you are willing to pay for the vehicle and accessories. Be realistic, not generous.
- Deduct a \$200 to \$500 negotiating buffer from that price
- Make an offer of the buffered price
- Stick to that price without wavering
- Accept the sales manager's offer only when it gets to the original price you wanted (without the buffer deduction).

This strategy almost guarantees that the salesperson will turn the negotiation over to the sales manager.

PRINCIPLE # 32. Fun For The Iron Willed

If you are iron willed or have nerves of steel and want to have some fun during the negotiation, use some of these tactics to liven the negotiations and keep the opposing party off balance.

- Fabricate an appointment that you must go to - in fact, you're already late for the appointment
- Say you have to discuss the purchase with someone not present

- Sound completely wishy-washy when they ask for a commitment to a number, or a commitment to buy
- Stand up to leave
- Pretend to be angry, even when you're not angry

YOU HAVE THE FINAL WORD

After purchasing a new vehicle, you may receive a survey from the manufacturer. This survey gives you the opportunity to make your opinions known to someone other than the salesperson and the sales manager you dealt with.

The ratings on your survey may also have an impact on bonus dollars paid to the salesperson, and the rating of the dealership itself.

BONUS SECTION

HOW TO GET MONEY from a salesman/dealer without buying a vehicle

Vehicle manufacturers and dealers spend *billions* of dollars each year in advertising. Despite that huge advertising investment, most salespeople cannot make the money they want, or the money the dealership requires, based solely on sales to people who drive onto the vehicle lot in response to advertising.

The successful salesperson uses other resources to contact potential buyers.. If you have leased a vehicle and the lease will expire in six months or less, you may receive a phone call from an enterprising salesperson who recognizes that you may buy a new vehicle at or before the end of your lease.

There are other resources that a salesperson uses, and among them are referrals from previous buyers, or other people. You are one of those 'other people'. If a friend, co-worker, or family member is ready to buy a vehicle, they can be a resource for you. Your referral of them to a specific dealership and salesman can mean money in your pocket.

People tell almost everyone they know when they have just purchased a new vehicle. They do not normally announce that they are looking for a new vehicle. In order to catch all the available opportunities, you will ask your friends, family, and co-workers about once a month if they are looking for a vehicle.

PRINCIPLE # 33. Money For The Asking

Here are the simple steps to money in your pocket:

- Ask your friend what brand of vehicle they are looking to buy.
- Ask which dealership(s) they are planning to buy from.
- Go to the dealership(s), interview some of the salespeople, and pick out the salesperson that you want to deal with.
- Tell the salesperson that you are looking for someone to refer a customer to.
- Ask if he and/or his dealership will pay for referrals, and how much they pay
- If the salesperson/dealership will pay for referrals, get several business cards from the salesperson
- Write "Referral from" and your name and phone number on the back of each card.
- Give one of the cards to your friend

- Tell your friend to call the salesperson before they go to the dealership, to ensure that the salesperson will be there. (a good salesperson, if he knows, will be there whenever you want them there).
- Tell your friend to request that particular salesperson when they arrive at the dealership and give the referral card to the salesperson
- If your friend buys a vehicle at that dealership, call the salesperson and request your bonus for the referral.

Simple, easy, legal, ethical - and money in your pocket for a few minutes work.

Go get it!