



# THE COMPREHENSIVE GUIDE TO CAR DEALER INSIDE SECRETS



Buying a new or used car is a large investment that requires some thought and prudent decision-making.

# TABLE OF CONTENTS



Guide Introduction

04



Tips for Buying a Used Vehicle

05



Tips for Buying a New Vehicle

08



Pros and Cons of Leasing and Buying

11





How to Buy Your First Car

14



How to Find the Right Car Dealer

17



# GUIDE INTRODUCTION

Depending on the type of purchase you hope to make, you will need to choose a car dealership that is both honest and conveniently located.



Additionally, you will need to know the various tips and tricks for navigating the techniques used by car salespeople. Drivers purchasing a vehicle must also decide whether they want to lease or buy their car before reaching the dealership. Read on to find out more about the various car dealership inside secrets you should know when buying a vehicle.

# TIPS FOR BUYING A USED VEHICLE

Buying a used car can sometimes be a gamble, depending on the dealership you are visiting.

Some car dealerships throughout the United States employ shady selling tactics that allow innocent car buyers to purchase mediocre vehicles at exorbitantly high prices. Conducting your own research and finding the right dealership for you is key to getting a good deal on a used car. Before starting your car-buying journey, read the following tips and tricks.





## Figure Out Your Budget

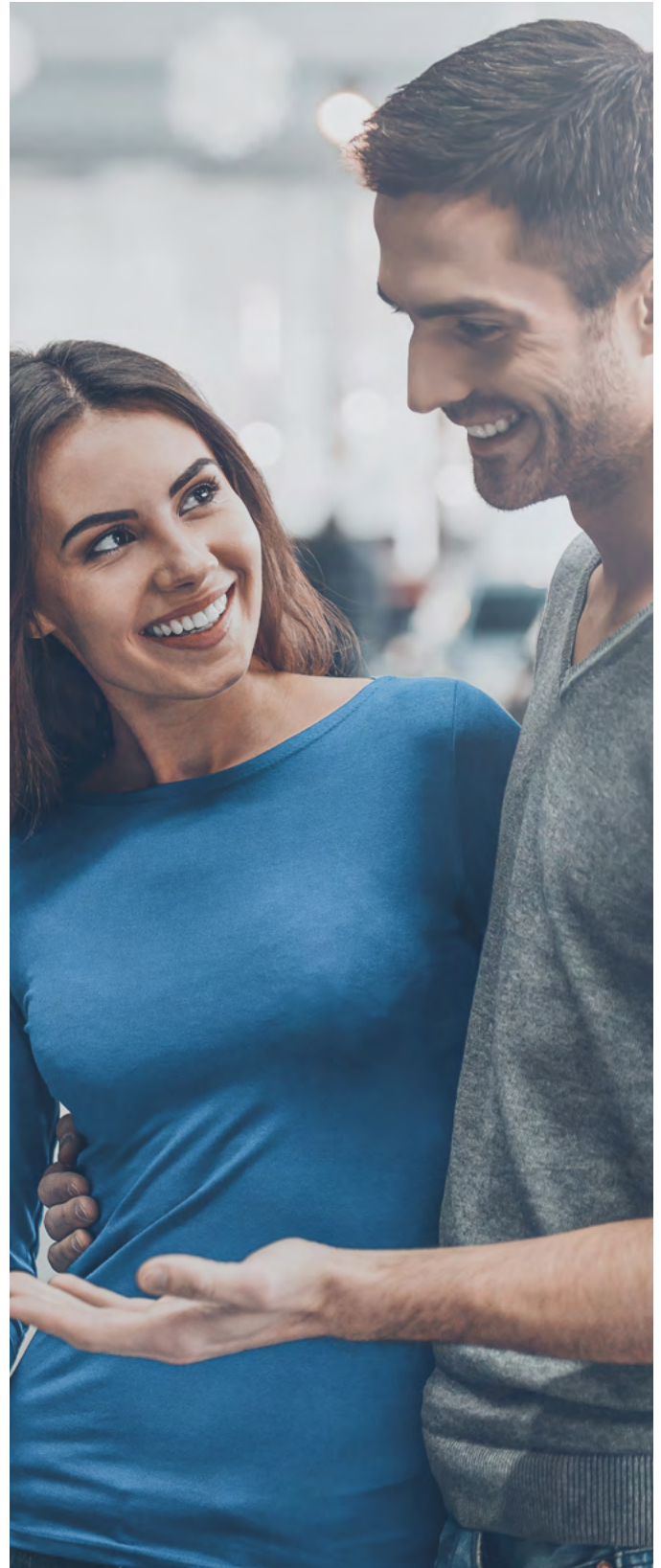
Before you visit a car dealership, make sure you know how much you can afford to put down on a used car. The common rule for purchasing a car is that your car payments should never be higher than 20 percent of your monthly income. Take into account that buying a used car is an investment that will likely cost you after your initial purchase as well (i.e. maintenance, tires, etc.). Used cars also tend to have shorter warranties, so plan to pay for maintenance costs in the future.

## Research Your Vehicle

Chances are there are a number of car dealerships in your area. This is great for a used car buyer, as the various dealerships in the area all create competition that you can leverage to get a better deal on your vehicle. Ideally, you should come up with a list of vehicles that match your criteria. From there, use the internet to find out how much those vehicles are being sold for on average in your area. Then use that number to negotiate down from the sticker price when you visit the various dealerships in your area. Car dealers will try to get you to pay as close to the manufacturer's suggested retail price (MSRP). However, the price that dealerships show on the car window and the lowest price for which they can actually sell the vehicle are often very different.

## Find Local Sellers

Once you know what type of car or cars you are looking for, research the dealerships in the area that have those vehicles in stock. Come up with a list of dealerships to visit and go to all of them. At each dealership, speak to a salesperson and tell them the price you are looking for. Make sure to make it apparent that there are other dealerships you intend to visit. It is in your best interest that the salesperson knows that you can walk out and go to another



dealership if you do not feel like you're getting the right price. Knowing this, dealers may be more incentivized to offer you the price you are seeking.

If you are buying a vehicle from a private seller, make sure to contact the seller prior to meeting with him or her in order to create rapport. Beware that private sellers are not regulated and therefore can sell you any condition vehicle at any price they set.

## Check Vehicle History Reports

Because you are buying a used vehicle, there is no guarantee that it hasn't seen any damage in the past. Therefore, order a vehicle history report for the vehicle you plan to purchase prior to placing your down payment. The vehicle history report will alert you to any accidents in which the vehicle has been involved, as well as any other registered activities (i.e. used as a rental car, etc.).

## Drive the Car

Before you pay for the car, make sure you test drive it. When driving the vehicle, pay attention to how comfortable you are in the driver's seat. Also pay attention to any sounds the car makes and its ease of steering, while also making sure all the mechanical components are operating smoothly. When in doubt, have a professional look over the car before you negotiate the price you want and buy your new (used) car.





# TIPS FOR BUYING A NEW VEHICLE

Though buying used vehicles in the United States is usually a good experience, there are very few situations that match the excitement of buying a brand new car.



However, prior to buying a new vehicle, drivers should make sure to do their research and approach the new-car buying process with attention. To find out more about how to buy a new vehicle, read on for valuable tips.



## Research

Before you buy a new car, you should figure out exactly what type of car you want. Websites such as Edmunds or Kelley Blue Book provide information on all years, models and makes of vehicles from all around the world. Sites such as these also allow visitors to use comparison tools to compare different vehicles and find their right match. Regardless of how you go about researching, make sure you do so and come up with a list of two or three vehicles that fit your criteria.



## Pre-Approval

To reduce the amount of hassling you receive during the new-car buying process, you should secure financing prior to visiting the car dealership. Getting pre-approved for a car loan allows drivers to see how much they can afford before deciding on their car. Additionally, you will have an additional financing option to compare to what is being offered by the dealership.



## Consider Trading In

While some new-car buyers are purchasing a vehicle for the first time, others are coming to the negotiation while still owning their previous vehicle. If you do not have any need for two cars, consider trading in your old vehicle as part of your down payment. When trading in, car dealerships will assess the value of your old vehicle and add that amount to your down payment, lowering the amount needed for financing.



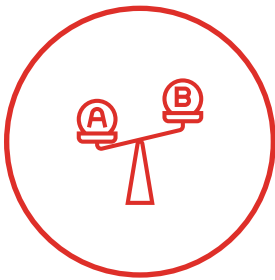
## Find Your Cars

Once you have narrowed down the list of vehicles in which you are interested, find dealers that carry those vehicles and visit them. Make sure the car dealerships are conveniently located. Once inside, ask to test-drive the vehicle of your choice before negotiating any purchase deals. Always make sure the car feels right for you before making a final decision.



## Get the Right Price

Drivers who do their research well will already know what the average final sales price is for their car in their area. Many times this will be a much lower price than what is on the sticker of the car at the dealership. Negotiate with the car dealer until you get them to lower their asking price to either equal or lower than your pre-defined target price.



## Comparison Shopping

During the car purchase process, make sure to always keep your options open. Compare all sales numbers between multiple dealerships to find the one offering the best deal for your purposes. Sticking to only one car dealership can cause many drivers to miss out on deals they could have had with just a little bit of negotiation.





# PROS AND CONS OF LEASING AND BUYING

When a driver in the United States decides they need a personal vehicle, one of the biggest decisions they must make in that regard involves the length of time they want to own the vehicle.



Drivers have the option of choosing between leasing a vehicle—which is a form of long-term rental—and buying the vehicle as their own. The decision to lease or purchase a vehicle is largely dependent on the driving and purchasing habits of the car buyer. To find out more about the pros and cons of leasing versus buying, read on.

## Pros of Leasing a Car

Leasing a vehicle occurs when a buyer pays a down payment and then receives a vehicle for a monthly price. At the end of the agreed upon lease period, the leased vehicle is either returned to the dealership or the lease is renewed. The advantages of leasing a car include the following:

- Lower monthly payments than buying a vehicle, with either a low or minimal down payment.
- Good for car buyers who would like to drive a nice car but cannot afford to buy it outright.
- Repair costs on leased vehicles are lower, as leased vehicles are always under factory warranty.
- Drivers get to drive a new car every couple of years.
- Sales tax for leases is less than it is for bought vehicles.

## Cons of Leasing a Car

Though there are numerous benefits to leasing a car, there are also many disadvantages. The cons of leasing a new car include:

- You do not own the car, and therefore must treat it almost like a rental.
- Leased vehicles typically have mileage restrictions (i.e. 12,000 miles a year with extra charges for going over).
- Leasing is more expensive in the long run than buying a car and keeping it running for an extended number of years.
- Leased vehicles come with a number of possible charges at the end of the lease term, including excessive wear-and-tear and mileage-surplus charges.
- Terminating a lease early can be expensive.





## Pros of Buying a Car

Though leasing a car gives drivers more leeway on the types of vehicles they can drive each year, buying a vehicle comes with some added security. The pros of buying a car include:

- You can do whatever you want to the car, as it is yours.
- Buying a vehicle is cheaper in the long run than leasing every year.
- Dealerships don't charge car buyers for driving over a certain amount of miles each year as they do with leased vehicles.
- Sell or trade-in the car whenever you want.

## Cons of Car Buying

Buying a vehicle is usually more prudent in the long run. However, there are some disadvantages to buying a car versus leasing it. The cons of buying a car include:

- Buying a car requires a high down payment to avoid owning a vehicle that is worth less than the amount you owe on it.
- Monthly payments for purchased cars are higher than for leased cars.
- Warranties on purchased cars eventually expire.
- Negotiating trade-ins and new vehicle purchases can be a hassle.

Take all the pros and cons of leasing and buying a vehicle into account when making your decision.





# HOW TO BUY YOUR FIRST CAR

One of the most exciting moments for any new driver in the United States is when they take a seat inside their own vehicle for the first time.

However, prior to purchasing your first vehicle, there are many things you should know. Researching prior to visiting a dealership is key to getting a good deal. Additionally, you will need to set a realistic budget for your payment plan, in addition to negotiating a price on the vehicle of your choice that fits your budget. To find out more about how to buy your first car, take a look through the suggestions below.





## Budget

Before buying your first car, assess your financial situation and come up with a number that you can afford to pay per month. When coming up with this number, make sure to factor in all other expenses such as rent/mortgage, food, health insurance and socializing. Don't forget to account for gas money and tolls. The number left over is how much you can work with when negotiating financing at the car dealership.

## Pick the Right Car for Your Needs

Though buying that new luxury SUV on credit may seem like an enticing idea, you could unnecessarily put yourself into higher debt by overreaching your means and buying a vehicle with features you don't need. If you will be using your car for numerous long drives, then purchasing an expensive sports car with a small interior may be less practical than buying a full-size sedan with more space and better fuel economy. Remember that the vehicle you purchase will theoretically be in your possession for years to come, so think practically.

## Research

Before heading to the car dealership, it is in every first-time car buyer's best interest to research the type of vehicle they want. This includes finding out the typical selling price of the vehicle, the vehicle's various features (i.e. safety equipment, sound system, etc.) as well as the types of dealers in your area that sell your desired car. If you know anybody who already owns the vehicle you would like to purchase, ask them about their car-buying experience as well.

## Find a Dealer

When searching for the right car dealership, you want to find the dealer that has the best combination of pricing and convenience (as far as location is concerned). It is a good idea to visit multiple dealerships in order to get a feel for the showroom environment. Make sure you are comfortable with your dealer during the entire car-buying process. If ever you feel like you may be getting ripped off or lied to, leave immediately without signing anything.

## Test Drive the Car

Before purchasing your first vehicle, take it for a test drive. During the test drive, pay attention to the following factors concerning the vehicle's performance:

- Ease of steering
- Visibility
- Control layout

Take your time during the test drive to feel out the car before making a purchase decision.

## Secure Financing

Though some people may enter dealerships with briefcases of cash ready to purchase a vehicle outright, most first-time car buyers do not have that type of money lying around. Therefore, make sure to find out your financing options prior to buying the car. Let the dealer know how much you can afford to pay per month and see if you can get an interest rate and loan that fits that criteria.





# HOW TO FIND THE RIGHT CAR DEALER

Buying a car in the United States is an exciting endeavor whether you are a seasoned driver or a new driver about to purchase your first vehicle.



Regardless of the circumstances, the dealer you choose to work with when buying your vehicle is very important, as you will likely be doing business with them concerning your new vehicle for years to come. To make sure you find the right car dealer for your needs, read the following information.

## Check the Sales Approach

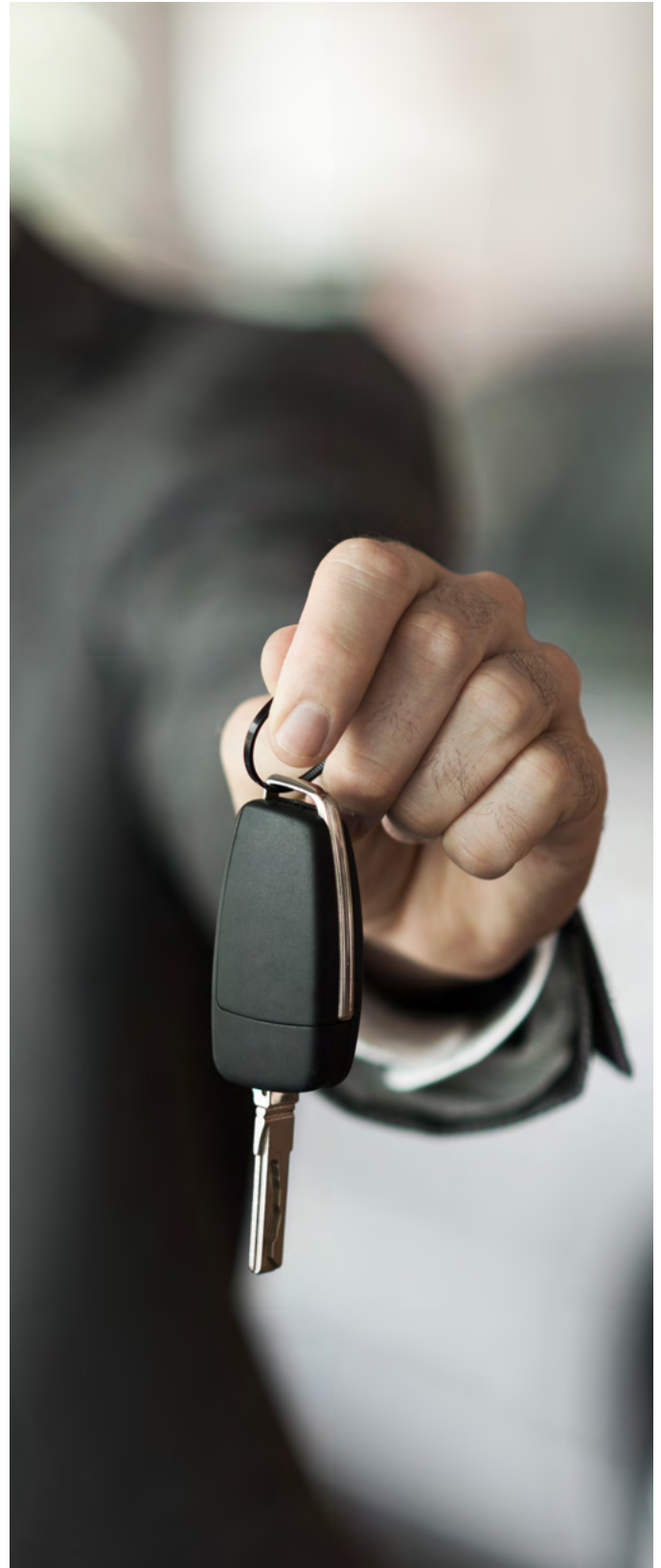
All car dealerships are going to try and sell you stuff you do not want. It is part of the job of a car salesperson to sell customers whatever they can to increase their profit margin. However, this doesn't mean that you should accept dishonesty. For example, if a car dealer tells you one price over the phone and then changes this price once you enter the dealership, you should reconsider doing business with that dealer.

## Servicing the Vehicle

Once you are in the dealership you have tentatively chosen, ask about its service facilities. How long does it take to schedule a service appointment? How long do service appointments typically last? Depending on the warranty and servicing policy on the vehicle purchased, you will likely be visiting this dealership for services the first few years of owning your vehicle.

## Don't Accept Pushiness

A car dealer's job is to sell vehicles. Therefore, there is a measure of salesmanship you will have to navigate once you enter a dealership, no matter what. However, there is a difference between somebody trying to sell you something and a dealer acting like you have to walk out of the dealership with a vehicle or you will lose any chance of a good deal. This is another form of dishonesty and manipulation that you should avoid in a car dealer. Legitimate and honest car dealers recognize that buying a car is a large investment with which many people like to take their time. If your dealer is too pushy for your liking, simply excuse yourself and visit another dealership.



## Convenience is Key

Depending on the type of car you are buying (used or new), the location of the dealership may be a factor when purchasing a vehicle. For example, drivers who find a new vehicle in their price range at a dealership fairly far away from where they live can justify the longer drive because they are getting a good deal on a new car. However, if you are buying a used car—particularly one with an extended warranty—chances are you will have to bring the vehicle in to the dealership's servicing facility as part of your purchase package. If the dealership is too far away, the savings may end up not being worth the long drives to service your vehicle every couple of months. Therefore, pay attention to the location of the dealership before you commit to a single dealer







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