Having a new car is exciting, but buying a car can gut wrenching. Preparation is your greatest tool.

When it comes to buying a car, the most important question is…

How low can you go, and how do you get there?
Lesson Objective

Students will learn skills for negotiating the purchase price of a car.
Before You Go
To The Dealership

To get the best possible deal on your new car, take time to develop these valuable steps:

- Have A Plan
- Know How To Deal With The Dealership
- Look Around
- Take Your Time
Step 1: Have a Plan

The biggest sales trick every dealership uses is to get you to fall in love with the vehicle.

The salesman will show you their coolest cars. He’ll let you drive them, and he’ll tell you how good that car looks with you in it.

They will assure you that, with their financing, you can easily afford that car.

Their goal is to get you so excited that you want to buy it then and there.
Step 1: Have a Plan

Your best defense against this tactic is to **HAVE A PLAN** before you ever step onto the car lot.
Step 1: Have a Plan

Creating your plan begins with research:

Decide what is important to you.
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Creating your plan begins with research:

Decide what is important to you.

• If you live in Alaska, an air conditioner will not be your top priority!
• Do you really need 4 wheel drive?
• Is cargo space more important than gas mileage?
• Is white paint acceptable, or does it really have to be Alien Green?
Step 1: Have a Plan

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Know what it is worth.
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Know what it is worth.

Use resources like...

- **Kelly Blue Book** or **Edmunds.com** – websites that lists automobile values based on condition, options, and who is selling it.

- Auto Maker’s websites – **Ford**, **Dodge**, **Chevy**, **BMW**, etc. They all have their own webpage to tell you about their cars.

- Local auto magazines – You’ll find these on street corners or in stores.

- Local Newspaper – What will the car be worth as soon as you drive it off the lot?
Step 1: Have a Plan

Creating your plan begins with research:

Know what you can afford.
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Creating your plan begins with research:

Know what you can afford.

- If you know what you can afford to spend each month before you go onto the car lot, you are less likely to be talked into a car you can’t afford.
Step 2: Dealing With the Dealership

Remember that the salesman’s job is to make money for the Dealership by getting you to buy their car at top dollar.

Their job has never been to get you a car at the best price for you.
Step 2: Dealing With the Dealership

Four Rules of Negotiating
Step 2: Dealing With the Dealership

Four Rules of Negotiating

Rule 1: Be Calm

- Never appear excited about the car...no matter how much you like it. You should appear calm, casual, and willing to walk away at any point.
  - You are more likely to be able to talk the price down if the salesperson thinks you might walk away.

Remember...there is never just one car like it.

- You will be able to find another one somewhere else, and maybe it will be cheaper than the one you are looking at now.
Step 2: Dealing With the Dealership

Four Rules of Negotiating

Rule 2: Negotiate up

• Start with the Dealer’s Invoice Price and work up from there.
• Starting at the base price and working up will keep you lower than starting at the top and working down.
Step 2: Dealing With the Dealership

Four Rules of Negotiating

Rule 3: Don’t be first to speak

• After an offer is made, don’t be the first to speak.
  • Whoever speaks first is in the weaker position.
• Remember, you are willing to walk away if your offer is not accepted.
Step 2: Dealing With the Dealership

Four Rules of Negotiating

Rule 4: Don’t bid against yourself

- Be patient.
- Never raise your offer until the dealership comes back with their counter-offer.
Step 3: Look Around

Look at more than one dealership:

• Will the dealership in the next town over give you a better deal?

• Can you buy the car used for less?
  • A used car that is only 6 months old with 5,000 miles on it can save you $5,000 or more.
Step 4: Take Your Time

Don’t plan to buy your new car the first time you are on the lot.

• If you walk away and give yourself time to think about it, you will be more likely to make wise decisions.
Put It All Together

Before you go:

- Have A Plan
  - Know what you want
  - Know what you can afford
  - Know what the car is worth

- Know How To Make An Offer
  - Be calm
  - Negotiate up from the bottom
  - Don’t be first to speak
  - Don’t bid against yourself

- Look Around

- Take Your Time
Review:

1. What are the 4 Steps to negotiating the best price on a car?

2. What are the 4 Rules of Negotiating?
Review:

1. What are the 4 Steps to negotiating the best price on a car?
   Step 1: Have A Plan
   Step 2: Know How To Deal With The Dealership
   Step 3: Look Around
   Step 4: Take Your Time

2. What are the 4 Rules of Negotiating?
   Rule 1: Be Calm
   Rule 2: Negotiate Up
   Rule 3: Don’t be first to speak
   Rule 4: Don’t bid against yourself