

# 4 Tips To Saving A Bundle At Your Next Car Auction

---

*Article by: Chris Fox*

Many of us have been at the car dealership and have been drained by a salesperson during price negotiations for the purchase of a new car. Most people give in too easily or do not negotiate at all to avoid the dreadful act. This only means more money in the car dealers' pocket, while you are out of several thousand dollars! Yes, they make that much in profit per car.

This article unveils the dealer's selling tactics and how you can get around them. But before we dive into the new car buying tips, we need to understand what makes up the dealer's profits.

In addition to the MSRP (manufacturer suggested retail price), which is the dealer's cost for the car plus an additional 20-25% profit, a dealer also gets financial incentives from the manufacturer when a new car is sold. This is called Holdback.

Depending on the car, dealers can make hundreds on each car through holdbacks. Dealers also get additional incentives and bonuses on selling a car before the end of the month and/or quarter.

A shrewd dealer can make several thousand on a new car even by selling it at invoice price. This is how new car buying can become tricky for the consumer.

Ready to learn how not to put a dent in your wallet on your next car purchase? Here are four tips to get you started. Each one is a dealer tactic to watch out for.

## 1. The Guilt Trip

As you may have noticed, every desk in a dealership has photos of the salesperson's family, instead of photos of cars. Midway in the negotiation, the sales person will bring them up and make it look like his little commission check can hardly pay for his daughters college and little Bradley's braces.

A seasoned salesperson will soon have you feeling guilty for driving the price down and hurting his commission. Watch out not to fall for this tactic, since you already know about holdbacks and incentive programs from manufacturers.

## 2. Wearing You Down

Come prepared to spend half a day at the dealership or pay whatever the dealer asks for. Car Dealers are trained to delay and tire you out to the point where you give in and accept their price just to get out of there.

After you make your offer, sales people typically claim they would have to run it by their manager. You may then have to re-start negotiating with the manager, who is also a seasoned salesperson. This dance goes on for a while until you give in.

Remember, there are multiple dealerships in a city, so they need you more than you need them. Demand to speak to the manager after a certain time period or threaten to leave. Because you are devoting a lot of time to bargain with the dealer, they know you are a serious buyer, so they will not let you leave. The earlier you can speak with the manager, the faster you can leave.

## 3. The Test Drive

We all enjoy a good test drive and look forward to it. Although it is essential to test drive a car before you buy it, remember to not show your absolute love for the car to the salesperson. Their goal is to get you emotionally attached to the car, so it becomes a must have for you. I have learned it the hard way.

To hide your emotional tears from the salesperson, mention the features of a competing car in the same class, like the new shape, light, leg room, resale value etc. This will make the salesperson a little vulnerable.

## 4. Monthly Payments

This one is to confuse you. Dealers will start talking about monthly payments rather than the total price of the car. They will start by asking how much you are willing to pay per month and how much of a down payment you are willing to pay. Since people don't want to look like they cannot afford a certain car, they will usually give a higher number. Big Mistake!

You have left little room for negotiation when this happens. Always steer the conversation to the total price of the car and do NOT mention any trade-ins at this point. Only after the total price of the vehicle is completely negotiated then talk about interest, monthly payment and trade-ins.

#### General Rule;

As a general rule, remember to only focus and negotiate on the Total Price of the vehicle. Everything else is pretty much the car dealer's trough.

If the above new car buying tips seem like a lot of hassle, yet you still want to get the best price in town, there are some websites that do this for you. [www.autoauctionbids.com](http://www.autoauctionbids.com) for example is a great website for this because you can collect price quotes from multiple local dealers for a particular car as well as its competing car models (like Honda Accord, Toyota Camry and Ford Taurus) and compare them.

The website then allows you to send back the lowest quotes received for each car make to all participating dealers in your area through the website itself.

Dealers view this price and continue to submit new lower prices over a 3 day period. By putting local car dealers in such a price competition allows you to avoid the dreadful face to face negotiation and yet gets you the lowest price in town for up to 3 competing car makes.

The best part about AutoAuctionBids.com is that it is absolutely free for you and there is no obligation to buy after the new car auction is over. For more information on cars and car auction visit <http://cheap-car-auction-portal.com>