

The No-Stress Guide to Finding the Best Car Price

The knowledge and tools to get you the lowest price available on a new car using online negotiation tactics.



You'll be able to...

- ✓ avoid awkward haggling with shady salesmen
- ✓ obtain and evaluate competitive car prices
- ✓ maximize the value of your Trade-in
- ✓ find the best Auto Financing available

...and do most of this from the comfort of your own home without picking up the phone.

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Introduction

Hello! And welcome to “The No-Stress Guide to Finding the Best Car Price”

brought to you by www.FindtheBestCarPrice.com. The intent of this publication is to help you find the lowest price available on a new car with a *minimal amount of stress* and trepidation. Car buying no longer needs to be a captive process with a hard sell on the showroom floor. It used to be that you would arrive at the dealership, receive an offer from a single source, wait as the salesman “went to the back room” to cajole with their manager and strong arm you into a deal that was very difficult to evaluate.

Nowadays, buying your new car, selling your old one, and obtaining financing are commodities and you should evaluate them on the open market to find the best deal for each. You wouldn’t buy a flat screen TV without googling the model for competitive prices, so why not do the same for a much larger transaction?

This publication is not meant to be a car comparison guide or a price listing (although we’ve included a few tips and links on these topics). But instead, we will give you a step-by-step process to follow, the tools to use, and knowledge to beat the dealer at his own game. This guide will help you digest the glut of information that’s available over the web. You could spend weeks or months researching hundreds of websites on car buying strategy, but there is no need. We’ve done the work for you and boiled down a simple approach with tools to keep you organized.

❖ **If you are like us, you hate research and sorting through all the fluff. This guide is designed to cut through the fluff so that you can get right to the steps you need. In light of that, if you already know what type of car you want skip right to “Internet Quotes and Online Negotiation” on page 9.**

After reading this guide, you will be prepared to walk into a dealership with an agreed upon car price and a focused plan of attack to settle your trade-in and financing with minimal hassle. Just follow the steps in this guide and you are sure to get the best possible price on a new car.

Getting Started

Before you begin, here are a couple of key points to keep in mind as you go through the process:

- It's in your best interest to keep negotiation on car price, trade-in value, and financing as separate as possible. Dealers will try to lump these items together and make up in one area for the concessions they made in another.
- Be polite yet direct in all your communications
- Utilize the Internet to:
 - Research cars and pricing trends and refine your search
 - Solicit online quotes from multiple dealers
 - Communicate with dealers and have them bid against each other
 - Obtain an outside appraisal for your trade-in
 - Review your credit history and know your credit score
 - Obtain competitive financing offers
 - Obtain a competitive auto insurance policy
 - Obtain a competitive and comprehensive extended warranty
- All the links mentioned within this publication are included in the Appendix for easy reference. Please visit www.FindtheBestCarPrice.com for updates and more car negotiation tips.

We wish you the best of luck in finding the car you want at a fantastic price!

Find the type of car you want

The first step to buying a car is figuring out what you want. While that is not the focus of this guide, here are a few tips to get you to the next step.

- ❖ **Your first goal should be to create a short list of makes and models of cars that interest you. Start out by determining the vehicle type (SUV, sedan, hybrid, etc), and then write down a couple models within each vehicle type.**

There are plenty of resources both printed and online to help you narrow down your search. Our favorite magazines are [Consumer Reports](#) and [Car and Driver](#) (you'll find more in the Appendix). These resources will help you consider high level factors like price range, safety ratings, typical maintenance costs, residual value, comfort, etc.

Once you've narrowed down your search to a few specific makes and models, go to the manufacturer's website and pick out the trim level, equipment packages, and accessories you might be interested in. These days, most sites allow you to build a car and find out the Manufacturer's Suggested Retail Price (MSRP) to get a ballpark price range. Keep in mind that using the approach outlined here should help you significantly beat that price!

You can take it a step further and visit websites that track and compile available statistics on dealer costs and incentive programs. These services are useful, but keep in mind manufacturers purposely conceal their internal cost structures and it's a constantly changing marketplace with only incomplete data available to the public. Some resources worth checking are:

Free Auto Incentives and Costs Research

- [Edmunds](#) (comprehensive listing of incentives and rebates by zip code)
- [Kelley Blue Book](#) (trusted industry resource)
- [RealCarTips.com](#) (user submitted prices)

Paid Auto Incentives and Costs Research

- [FightingChance](#) (extremely detailed reports on specific models)
- [Consumer Reports](#) (subscription to car pricing reports)
- [CarBargains](#) (a non-profit that sends out a bi-weekly rebate/incentive newsletter)

The numbers you will find on these sites are useful to help determine your [target price range](#) (usually somewhere between invoice price and MSRP, but can be lower!). Once you get a ballpark, do not get hung up on specific fees and rebates. It can be quite a hassle researching and in the end you're playing into the dealer's shell game. They shift around fees and rebates into different categories to try to confuse you. When you use my method, you will ask the dealer to give you a total price that beats their competitors. In the end, they can shift around fees and incentives all they want for "dealer prep",

documentation, “cash back”, and mud-flaps, but you only need to be concerned with the bottom line and getting it as low as possible.

Test Drive “Get In and Get Out”

Ideally, you could complete the entire car buying process online. However, there is no substitute for getting out on the road and doing a test drive. At some point, you’ll want to get into a few cars and see how they feel. This can be a daunting task knowing that you will have to face a pushy salesman. **You’ll need to be prepared to get in and get out with only what you need: an evaluation of the car, not a strong-arm sales pitch.** No one likes having to reject others, but you’re not ready to start negotiating yet, so follow these steps to make this a quick and painless process.

1. **Plan out your trip.** Set aside a day to visit several dealerships. Give yourself an hour or two at each dealership and plan on travel time, unless the dealerships are all located next to each other. Map out your day - it will save you some stress later.
2. **Prepare a few key statements for “Showroom” Salesmen.** When you walk onto the lot you will undoubtedly be approached by a salesman right away. Be cordial, and let them know you are in the market for a [Honda CR-V] and would like to take a test drive. It’s also a good idea to let them know in advance that you have a finite amount of time.

Example: “I’m trying to decide between the [Honda CR-V] and the [Toyota RAV-4] and would like to test drive each one today. I have a lot to fit in and I’d like to try to get over to the [Toyota] dealership by [3pm].”

They will also certainly ask if you are ready to buy today. Let them know you are serious, but remind them you have plans to test drive several vehicles from different dealers and you’d like to do a comparison first. Before you leave, you’ll be happy to get their business card so they can get the sales commission should you decide to buy from their dealership.

Example: “I’m planning to make a decision within one week, but I need to try out a few different vehicles first. After the test drive, you can give me your contact information so I can make sure you get the commission if I decide to buy a [Honda CR-V].”

After the test drive they will try to get you to review some numbers in the showroom. There is no reason to negotiate at this point. Either gracefully tell them you need to get to the next dealership or just let them give you a quote and brochures. After you have received competitive quotes from other dealers, you’ll have the chance to call back the “test drive” salesman and give them a chance to beat your best offer.

Example: “I don’t want to waste your time negotiating today since I’m still evaluating

several models. If you want to give me a price quote that would be fine, but I am not ready to make my decision until I take a few more test drives.”

3. **Write down the make, model, trim, and color you want (or don't want).** Bring a pad and paper or get a brochure and circle the things that interest you. After a day of car shopping, it's easy for everything to blend together, so take good notes so that you can get a good price on the correct package later.

Other Test Drive Tips

- If you have narrowed down your search and are having trouble making a final decision, consider asking the dealer if you can take the car home overnight. Believe it or not, it's not an unusual request, and sometimes the dealer may even come out and ask you. Oddly enough, the more expensive the car, the more likely they are to let you do this.
- If you already know what you want and prefer to start out by negotiating prices online and then test driving later, the Internet salesmen will be happy to let you come by for a test drive.

Internet Quotes and Online Negotiation

At this point, you should have a general idea of the type of car you want and perhaps are still debating the various trim levels. It's time to get down to business and start the competitive bidding process.

❖ **Use one of the many online services that send your request for an offer out to multiple dealerships. Most times the Internet Department is able to offer better prices than had you walked into the dealership.**

Still unknown to many buyers, most car dealerships these days have a separate Internet Sales Department with one or many salesmen that respond to online requests. Due to the nature of these requests the Internet salesman is very different than the traditional "Showroom" Salesman. **The Internet Salesman...**

- Is forced to provide you with a competitive quote because you are not physically at the dealership and can easily move to the next offer.
- Has an objective to move a large volume of vehicles rather than maximizing profit from an individual sale.
- Is not as pressured as the "Showroom" Salesman to sell a car that is currently on his lot. He's more used to looking at inventory from other dealerships and arranging trades.
- Responds to many more leads than the "Showroom" Salesman and has a different commission structure (typically a higher salary % and lower commission %; or no commission at all). Often times this can lead to better deals than what you could possibly get walking onto the lot.
- Typically, has a portion of compensation dependent upon the score of customer satisfaction surveys ...which can be used as a negotiating tool.
- Without a face to face meeting, cannot use many of the psychological hard-selling tactics utilized by "Showroom" Salesmen to close the deal.

Speaking of which, some of the "Showroom" Salesman's tactics you will be able to avoid are...

- "Take it or leave it" negotiating or "this offer is only good for today". You are much more likely to make concessions on price than leave the showroom once you go to the trouble of getting there.
- "I have to check with my manager." A classic sales technique is to introduce a third party (which he may never even talk to) that will create a good cop bad cop dynamic. The "Showroom" Salesman wants to appear to be on your side and not have to deliver any bad news or inflexibility on price. He can do this by having the tough news come from someone else in the back room.
- "I have to buy new shoes for my kids" or playing the sympathy card that he or she stands to lose money on the deal. When you meet with someone in person they can appeal to your soft-side, show you pictures of their family, and cause you to empathize with them.

- “Let me get an estimate for your trade-in right now.” Once you hand over your keys, dealers will take their sweet time getting an estimate for your trade-in. They do this because (1) they can keep you on the lot longer and (2) so they can muddle the cost of the new car and trade-in together. If they cut you a deal on one of these items, they most definitely will try to make up for it on the other. ***You’ll want to keep these items separate so that you get the best deal on each.***
- “What do you want your monthly payment to be?” By focusing on the monthly payment amount, dealers can make the total cost of your purchase ambiguous. A dealer could come up with the same monthly payment for two wildly different purchase prices by shifting around other factors including the amount of up-front payment, whether you purchase or lease, interest rate, length of loan, and your trade-in value.
- “The only available model for that car already has these extra options installed at an additional cost”. Even if you do not want it, the make and model of car at that lot may have some extras installed which the dealer will not remove including GPS, satellite radio, heated seats, splash guards, pin-striping, etc.
- Last minute fees may pop-up as you start filling out the paperwork when the dealer knows you are less likely to back out. These include “dealer prep-fees”, undercoating, VIN etching, paint sealant, rust-proofing, and more.

Using the Internet Department is one of the keys to getting a good price. By comparing prices without being on the lot, you are turning the car into a commodity where the lowest bidder wins. After all a black Nissan Maxima SV from Springfield, NE is exactly the same as a black Nissan Maxima SV from Omaha, NE. As soon as you step foot on the lot, you can easily lose objectivity and forget that the same exact car is available elsewhere as well.

Solicit Internet Quotes

Now that you understand why it is so important to go through the negotiating process without visiting the showroom, we can begin soliciting dealer quotes. The best time to start contacting dealers is at the end of the month when salesmen are trying to hit their monthly quotas. Sometimes if a salesman (or the entire dealership) is close to hitting a quota tied to a bonus package, they may be willing to move cars off their lot for big discounts or even at a loss, especially if the dollar amount of the bonus is large enough. This process can take up to a week to work through, so **it’s usually best to plan on starting 3-4 weekdays from the last day of the month.**

There are several free online services that allow you to enter a make and model car and submit a request for price quotes. These services will prompt you with a list of 3-5 dealerships located near your zip code and allow you to select those you would like to receive quotes from. Almost all dealerships have an Internet Department that signs up for these referral services, but you may need to try more than one service to reach enough dealerships. We recommend shooting for at least 4-5 quotes from different dealers but no more than 8-10 to keep the process manageable.

Free Online Car Pricing Services

- [Edmunds](#)
- [CarsDirect](#)
- [Automotive.com](#)
- [Vehix.com](#)
- [Yahoo! Autos](#)

We prefer to start with [Edmunds](#) because they have one of the larger dealer networks and allow you to contact up to 5 dealers at once. Most other services will only connect you with 3 or 4. [CarsDirect](#) is unique in that on top of delivering your request to a network of dealers, they also offer a low instant quote where you can buy a car directly from them online and they'll coordinate the pickup with their partner dealers.

Regardless of which service(s) you use, you may need to enter multiple requests using surrounding zip codes to get all the quotes that you need. Try to keep your requests within 50-75 miles, but if you are comfortable driving over an hour to save several hundred dollars, then feel free to expand your range a little further. If you do submit more than one request or use more than one service, make sure you do not send multiple requests to the same dealership. All of these services will allow you to "uncheck" dealers if you do not want to send a second request to them.

Turn Dealer Responses into Comparable Quotes

After submitting a request you should receive responses from all the dealerships within 24 hours. Many of these responses will be too vague. They will offer few specifics in terms of model, trim, option package, and price details....or the response will simply contain the salesman's contact information. **That's ok!** We've made it easy for you to respond to their emails and get exactly the information that you need by using my email templates below.

❖ **At this point, your goal is to obtain enough details from each dealer in order to fill in the details of the FindtheBestPrice Comparison worksheet [available for download here](#).**

Before you reply to any emails, take a look at the sample table on the next page taken from the [FindtheBestPrice comparison worksheet](#). This will allow you to consider all cost factors, trim level, and options and accessories side by side and compare apples to apples. Click on the link and save the worksheet to your computer so that you can edit it with your own information you collect.

FindtheBestCarPrice.com Price Comparison Worksheet			
Choice #	example1	example2	example3
Make	Nissan	Nissan	Nissan
Model	Maxima	Maxima	Maxima
Year	2010	2010	2010
Trim Level	3.5 SV	3.5 SV	3.5 SV
Colors Available ¹	black, blue	tuscan sun metallic only	black, blue, green
Options and Accessories	conservatively equipped: splash guards, emissions, floor mats, cold pkg.	comfortably equipped: splash guards, emissions, floor mats, premium pkg.	conservatively equipped: splash guards, emissions, floor mats, cold pkg.
Vin#	JN354654659221567	JN389715465465589	JN128806894450527
MSRP	\$34,650	\$37,480	\$34,650
Invoice Price ²	\$32,115	\$34,275	\$32,115
Quoted Base Price	\$32,092	\$34,546	\$28,297
Dealer Fees	\$855	\$0	\$0
More Fees	\$125	\$0	\$0
More Fees	\$0	\$0	\$0
Rebate (or cashback)	\$1,250	\$1,250	\$0
Subtotal (Comparison Price)	\$31,822	\$33,296	\$28,297
Taxes	\$2,001	\$2,148	\$1,698
Total Quoted Price ³	\$33,823	\$35,444	\$29,995
Target Price ⁴	\$32,757	\$34,961	\$32,757
Dealer	Bob's AutoMart	Jim Jo's Nissan	All Star Nissan
Location	Springfield	Mapleton	Cherrywood
Contact Name	Max Money	Rich Richer	Gil Sellsmore
Phone	770-777-5555	404-555-1234	404-823-1156
Email	max@automart.com	rich@jimnissan.com	gil@allstarnissan.com
Last contact action	Requested second quote	Received initial quote	Received initial quote
Last contact date	3/1/10	3/2/10	3/1/10
State sales tax rate	6%		

The top section is where you collect details about the car and how it is equipped. Fill in as much as you can with your initial responses, however you probably won't get a VIN# right away.

The middle section is where you collect pricing details (see the *Glossary of Pricing Terms* in the Appendix for an explanation of these terms and others you'll likely hear). The colored cells will be calculated for you and do not need to be entered. Dealers will most likely not send you the invoice price, but it is easy to find on [Edmunds](http://Edmunds.com).

The bottom section is where you track contact details for each dealership.

Note: If your state has a sales tax other than 6%, update this field and it will automatically calculate applicable taxes for you. Remember your trade-in will also factor into the tax amount. See the *Trade-in* section for more details.

If you are unable to complete the first two sections from the initial responses received from each dealership (which will most likely happen), you'll want to reply to the dealer with a more refined request for information.

In order to get the information you need from each dealer, copy and paste the email template below into a reply to the dealer's email. **All email templates are also available [online](#) so that you can easily copy and paste into your email editor.** Feel free to tweak the verbiage as necessary, but this should be appropriate for a variety of the responses you will receive. Make sure that you modify everything in [brackets] with your name, car model, etc. before sending. Remember to be direct but polite for best results.

*If you are requesting a single quote use **Email#1A**; if multiple quotes for different models or trim levels from the same dealer, then use email **Email#1B**.*

Email #1A – Send me a specific quote for a single model

Dear [contact name],

Thank you for your response to my inquiry. I'm interested in purchasing a new car within the next week. Could you please provide a price for a **[2010 Nissan Maxima 3.5 SV]**? Please specify all applicable fees and add-ons including destination and documentation fees, floor mats, splash guards, etc.

I'm interested in this model in [black] or [metallic gray]. Are either of those colors available? If so, please include any additional charges for paint in your price.

Again, I'm interested in acting quickly, so please provide as much information as possible on your available cars including the VIN#(s) so that I may make an informed decision.

Sincerely,
[your name]

Email #1B – Send me specific quote(s) for multiple models or trims

Dear [contact name],

Thank you for your response to my inquiry. I'm interested in purchasing a new car within the next week. Could you please provide prices for a **[2010 Nissan Maxima 3.5 S]** and a **[2010 Nissan Maxima 3.5 SV]**? Please specify all applicable fees and add-ons including destination and documentation fees, floor mats, splash guards, etc.

I'm interested in these models in [black] or [metallic gray]. Are either of those colors available? If so, please include any additional charges for paint in your prices.

Again, I'm interested in acting quickly, so please provide as much information as possible on your available cars including the VIN#(s) so that I may make an informed decision.

Sincerely,
[your name]

As you track these responses in the [FindtheBestPrice comparison worksheet](#), be sure to create separate entries for each dealer's price quote **and** each separate make/model/trim/option package you receive. This will allow you to compare prices for specific cars and also help you decide between different option packages.

Like the image below, click the dropdown button next to the "Last contact action field" and select the appropriate action **each time you send or receive a dealer response**. Make sure to update the date of the last contact as well. If you've also received a new price, update the price field(s). This is critical to helping you track who you've contacted and how many times.

Dealer	Bob's AutoMart
Location	Springfield
Contact Name	Max Money
Phone	770-777-5555
Email	max@automart.com
Last contact action	Requested second quote
Last contact date	
State sales tax	

Requested second quote

Received response, need more details
Requested more details
Received initial quote
Requested second quote
Received second quote
Requested third quote
Received third quote
Setup appt. to close deal

When reviewing your offers it is important to obtain pricing on specific vehicles, which is why we ask for the vehicle identification numbers (VIN). Many times a dealership will give you a price for a specific make/model/trim/option package, but neglect to inform you until you arrive at the dealership that the specific model in stock has already been equipped with extra options like a navigation system, heated seats, spoiler, etc. that can cost hundreds of dollars extra than the "standard model" they quoted. They figure once you are at the dealership, they've got you locked in and you'll be willing to pay the extra charges. But since you now know to get specific before arriving at the dealership, you can avoid those extra hassles.

If you have not received all the details you need, feel free to reply again requesting any specifics that were left off in order to complete the comparison worksheet. If the dealers are still not forthcoming with the information you request, you might be best moving on and focusing on your remaining quotes.

Organize and Compare Results

Now that you've collected your raw data and input it into the comparison worksheet, review the prices and options and determine which specific cars interest you. At this point, all of your information should be neatly organized so that you can see the total cost of a car at one dealership and compare that to another with all factors accounted for. Here's how to understand the price information you have collected.

MSRP (Manufacturer's Suggested Retail Price): MSRP is the "sticker" price required by law to be shown in the window of a new car. The manufacturer decides a retail price for each model (base MSRP) and then adds on the retail price for each option. The dealer is free to charge more or less than this recommendation from the manufacturer, but **MSRP is a useful guideline for both you and dealers to evaluate comparably equipped cars to each other.**

Invoice Price: This is the price paid by a car dealer to the manufacturer for each car. This price is the same for every dealer across the U.S. However, this is not always the bottom line. There are rebates and incentives to both consumers and dealers that occasionally allow you to buy a car below invoice price. Dealers will most likely not send you the invoice price, but it is easy to find on [Edmunds](#).

Target Price: There's no magic wand you can wave to find out the [perfect target price](#). You'll usually (but not always) end up somewhere between the invoice price and MSRP. However, here are a couple methods you can use to get a goal to shoot for:

1. A common formula is to take the total invoice price and add a small margin for the dealer. In the [FindtheBestPrice comparison worksheet](#) this is calculated for you automatically with a margin of 2% for the dealer. Keep in mind there are some newer models in high demand that may not come down much below MSRP, if at all.
2. Go to [Edmunds](#) and get their TMV® Pricing Report. Enter the make and model you are looking for and then click on the *Pricing* tab to get a breakdown of MSRP, invoice price, and their True Market ValueSM (TMV®) of what people are paying for the base price and options.

Important: Never mention the target price to the dealer. This is strictly a point of reference for you. If you mention this to the dealer, he'll never give you a price below that number. And by using this system you might be able to beat the target price.

Comparison Price: The Comparison Price (or subtotal row) in the [FindtheBestPrice comparison worksheet](#) will be the price you are quoted from the dealer. Since most dealers will not include taxes, tag, or title in their quotes, it's easiest to use this row to do your comparisons even though it is not the final "out the door" price.

To prepare for negotiations, order each option from most expensive to least expensive using the comparison price (subtotal row). It may help to rank them by changing the "Choice number" at the top of each column. In the next section, we'll begin negotiations in this order, starting with the most expensive.

“No-stress” Price negotiating using EPR™

- ❖ While most of us believe we have some negotiating skills, unlike the “Showroom” car salesman, it’s probably not our primary job function. In most cases, we only negotiate cars every couple years instead of every day. So why not level the playing field? By following an email-only price reduction process, we eliminate a majority of the Showroom Salesman’s negotiation tactics and **remove stressful in-person haggling from the process.**

Now that you’ve organized and ranked the initial price quotes from several dealerships, we’re going to give everyone a chance to beat the best quote. **Remember, these price quotes are all negotiable!** We’ll systematically pit each dealer against each other and create a competitive bidding situation where you will be the winner. And we’ll do all this without ever having to talk to a dealer (no stress!).

In addition you will not have to decode the dealer pricing tricks of holdbacks, incentives, rebates, etc. The dealers will be forced to give you a total price to beat their competitors, and they can shuffle their internal cost structure however they want. Remember, you don’t care about these details; you are only concerned with the total price of the car. **I call this process EPR™ (Email Price Reduction).** Remember, cars are commodities just like a barrel of oil or an ounce of gold. The car is the same no matter where you buy it (if you get the same options of course); the only difference you will find is the price.

EPR™ Approach

You will be sending a detailed email to everyone that has supplied you with a quote. On the next page we have provided you with an email template to use (**Email #2**). This template contains exactly what you need to ask to get a lower quote. Working your way down from the most expensive quote, you will ask each dealer to beat your current best offer, and you’ll update that offer whenever you get a better one.

Our approach is based on getting quotes from 5 dealers for the same type of car and completing the process within one week. If you decide to go with more or fewer quotes you can modify how many emails you send out at once and how many days it takes to complete the process. We suggest sending two emails out at a time and waiting for responses. You may not always get a better price or even an acceptable response, which is why you are better off sending a couple at a time.

The end result should be a very attractive offer price. However, if you are still unsatisfied with your results, feel free to cycle through the dealers one more time, but do not bother with any dealers that did not come down in price.

EPR™ Steps

1. If you haven't already, organize your quotes from most expensive to least expensive. The least expensive quote is the price you'll be asking everyone else to beat.
2. Starting with the two dealers who provided the most expensive quotes, email them using **Email #2**. You'll be working your way down from the worst offer to the best.
3. When you get responses (usually within 24 hours), update your price comparison worksheet with each new quote for tracking purposes. And whenever a new quote is lower than all other offers, **update that price within Email #2 before sending it out again.**
4. Repeat steps 2 and 3 for the next two dealers in order (from most expensive to least expensive). Again, wait for responses and update your comparison worksheet and email template.
5. Repeat steps 2 and 3 for the dealer with the lowest original quote (unless his quote is still unbeaten).
6. If you are satisfied, jump to the next section. If you think it can go lower, then use your lowest price and re-send the email to those dealers you think might come down even more.

Optional Step: As a courtesy after you've gotten a price you are satisfied with, feel free to contact the salesman who took you out for a test drive and ask if they can match your new best price.

EPR™ Template

In order to explain to the dealer that you have received a better price and want to give them a chance to beat it, copy and paste the email template below into a reply to the dealer's email. As before, be very specific in your request and add any details to this template about the model and trim you are looking for. Modify everything in [brackets] with your name, car model, etc. before sending.

Use **Email #2** for each email price reduction step. Remember, every time you get a new "best price," update it in the email so the dealer knows what they must beat. **Use the best price from the Subtotal (Comparison Price) row in the [FindtheBestPrice comparison worksheet](#) as most dealers will not include taxes in their quote.** It's also important to include the MSRP so that the dealer can quote you on the appropriate configuration and he understands that you are comparing apples to apples.

Email #2 – Can you beat this price?

Dear [contact name],

Thank you for providing me with a quote of [use current quote **\$xx,000**] for a new **[black 2010 Nissan Maxima 3.5 SV]**. As I've mentioned, I'm planning to purchase a new car within the next week. However, I have received a better offer from another dealership. I was quoted [use current best comparison price **\$xx, 000**] for a

comparably equipped car with an MSRP of [**\$xx,000**]. This price includes the destination fee and all other dealer fees except for tax, tag, and title.

If you are able to beat this price, I would be interested in giving you my business. Could you please let me know the best total price you are able to offer?

Again, I'm interested in acting quickly, so please provide as much information as possible on your available cars including the VIN#(s) so that I may make an informed decision.

Sincerely,
[your name]

EPR™ Process - Example

You've received 5 quotes on a black 2010 Nissan Maxima SV (MSRP \$34,650) and organized them from most to least expensive.

Dealer A: initial quote – \$33,000
Dealer B: initial quote – \$32,600
Dealer C: initial quote – \$31,700
Dealer D: initial quote – \$31,500
Dealer E: initial quote – \$30,900

1. First, email Dealers A & B, asking them to beat a price of \$30,900. Wait for responses.

Dealer A's second quote – \$31,400
Dealer B's second quote – "that's as low as I can go"

2. Then, email Dealers C & D, asking them to beat the new best price, which still happens to be from Dealer E: \$30,900. Wait for responses.

Dealer C's second quote – \$30,500
Dealer D's second quote – \$29,850

3. Lastly, email Dealer E, asking him to beat the new best price, \$29,850. Dealer E responds with \$29,600. If you are satisfied, it's time to buy! If you think it can go lower, then re-send the email to those dealers you think might come down more. You decide to resend to Dealer C & D, and Dealer C responds with \$29,499. **You just beat your original best price by \$1,401, your original worst price by \$3,501, and saved \$5,151 off MSRP.** Close that deal!!!!

When you've reached a satisfactory price, ask the dealer to email you with the VIN number, MSRP, all taxes and fees, and the final out the door price so you have something in writing. Use **Email #3** to confirm the offer and setup an appointment.

Email #3 – Confirm the offer and setup appointment

Dear [contact name],

Your offer of [use current quote **\$xx,000**] for a new **[black 2010 Nissan Maxima 3.5 SV] [VIN#]** is the best offer I have found. I'd like to come by on **[day]** to finalize the deal and pick up my new car. Does that work for you?

I'll plan to bring in my trade-in, a [year] [make] [model]. Once we can come to an agreement on the value of my car, I'd be happy to give you the highest ratings on any customer satisfaction surveys you'd like me to complete.

Sincerely,
[your name]

Bring the dealer's email with you to the dealership so you can compare these numbers to the figures on the contract.

Prepping for the Dealership

❖ **If you prepare in advance before heading to the dealership, your two remaining negotiation points, trade-in and financing, will be a breeze.**

Get Maximum Value for your Trade-in

Until you receive a satisfactory car price make sure you take the value of your trade-in out of the negotiation process. If a dealer asks you about a trade-in before you've settled on a model and price for your purchase, simply tell them:

"I haven't decided whether I'll be trading-in or not and would prefer not to discuss it until after we've settled on a price for my new car."

Once you've settled on the new car price and you're ready to close the deal, the trade-in topic will be back on the table. But before arriving at the dealership, the first thing you want to do is understand the value of your trade-in. You can start by looking up your car on [Edmunds](#) or [Kelley Blue Book](#) to get a close estimation of the expected value. However, we strongly recommend you take it a step further and get an actual appraisal.

Many used car dealers will give you written appraisals. If you are lucky enough to live near a [CarMax](#), they will happily give you a free no-hassle appraisal valid for one week— just keep in mind after one week the estimate can change based on market factors.

If you don't live near a used car dealer or just don't want to deal with the hassle, [AutoTrader.com](#) lets you enter your trade-in details online and get a free online appraisal valid for 72 hours. If you ultimately decide to take advantage of this offer, you'll just have to go to one of their authorized buying centers (they use a large network of car dealers and garages) and have them verify that the condition of your car is as you specified.

Whether you get the appraisal online or in person, make sure you bring a printed copy with you to the dealership when finalizing your deal.

❖ **Having a printed copy of an appraisal on hand goes a long way in negotiating the value of your trade-in.**

Once you arrive at the dealer, you'll be ready to negotiate your trade-in. Unfortunately, this part of the negotiation cannot be done via email since the dealer will need to see your car in order to appraise it. But not to worry, you still have some leverage.

Before they take your car keys, mention...

- Your purchase is contingent on getting an acceptable amount for your trade-in...
- ...But if you get a good value for trade-in, you'll be happy to complete any customer satisfaction surveys you receive with the highest possible marks. As mentioned before, often times the results of satisfaction surveys are linked to their compensation.

After he gives you an initial trade-in offer....

- If the dealer has not beaten your estimate, show him your printed outside appraisal. Tell him that if he cannot beat this deal you might need to go and sell your old car to the other dealer first and then come back. Usually, they will not want you to leave and may bump the price.
- Do a quick comparison against your outside appraisal. If the outside appraisal is higher, feel free to separate the two transactions and not trade-in. However...

❖ **...when comparing a dealer offer to your appraisal, it is important to remember that dealers in most states will give you a credit for the value of your trade-in when determining the purchase price for sales tax calculations. This can result in a significant savings. These savings are not available if you sell your car to a third party.**

To do a quick calculation at the dealership, remember the following formula:

trade in value times 6% (or your state sales tax rate) = tax savings

Make sure you add this tax savings to the dealer's trade-in offer before comparing to your outside appraisal.

Example:

If you were to buy a \$25,000 car and had a \$15,000 trade, your sales tax would be on \$10,000 instead of \$25,000. In states where the sales tax is 6% (the norm), that would result in a savings of \$900. Therefore, in this example, if the dealer appraisal comes in anywhere up to \$900 less than your outside appraisal, you are still better off selling to the dealer. And of course it's less of a hassle for you as well.

$$\$15,000 \times .06 = \$900$$

Other Trade-in Tips

- Make sure your car sparkles both inside and out. Remove any clutter or personal items, vacuum the interior, and try to air out any odors. Just like selling a home, spend a few minutes on the presentation if you want to attract a buyer.
- Consider bringing any documentation you have on regular maintenance, oil changes, or new purchases like tires, brakes, etc. that may help you establish a higher value for your car and mention these to the appraiser. But stay clear of bringing attention to any problems or issues they might have overlooked.
- Consider the area of the country and time of year. Four wheel drive can be a hot commodity in the North, hybrid vehicles do better on the West Coast, and convertibles do better in warmer climates. Are gas prices up? If so SUV prices could be down.
- Just remember to be realistic with your expectations. Keep in mind that the price a dealer is willing to pay is related to how much they can get for the car. You will probably get more value selling a Jeep at a Jeep dealership because they can resell it on the lot. When dealers have to resell your car at an auction or wholesale, they usually cannot get as much for the car and therefore cannot pay you as much.

Find the Best Auto Financing

Just like with your trade-in, it pays to get competitive offers before heading into the dealership. For the average buyer, once they've agreed on a price, the dealer knows they're on the hook and can slide almost any financing deal through without much scrutiny. But as a smart buyer, you know that the financing you choose can add or save hundreds (sometimes thousands) of dollars onto the life of a loan or lease.

❖ **Know your credit score and get printed rate quotes or lender checks in advance to take with you to the dealership.**

Know your Credit (FICO) score

Your credit rating, also known as your FICO score, will have the biggest impact on what interest rate you can get on a car loan (or whether you can get a loan at all). A score between 720 and 850 typically guarantees the best rate while dropping below that could affect your rate significantly.

For example, on a \$15,000 loan, a 750 score may get you a rate of 7.5% on a 5 year loan resulting in a monthly payment of \$300. The same loan with a 700 score and rate of 9.5% would have

monthly payments of \$315 - a cost of \$900 over the life of the loan.

A low credit score can affect your car insurance premiums as well. Insurers use this as an indicator of whether you will pay your premiums on time.

You are entitled to a free credit report once a year from each of the three credit bureaus. So be sure to order a copy from one or all of them (they each receive information directly from lenders and can differ from each other). While the reports are free, your scores are not and are important to know because they affect your bottom line. Check the reports for errors or signs of identity theft and correct them as soon as possible. The credit bureaus' websites can also provide you with tips to improve your credit and raise your scores.

Each bureau offers different packages and they are purposely confusing...sound familiar? They all offer some form of credit monitoring, your credit report, and your credit score. **We highly suggest purchasing your Equifax and TransUnion FICO scores and reports together from [myFICO](#).** Experian is no longer a part of the [myFICO](#) package because they ended their relationship in February of 2009. The score and report package is currently called FICO® Standard, but read the description carefully as marketing plans change.

An alternative is to visit each of the sites individually (below), but read the fine print closely before purchasing anything. Credit monitoring services can be valuable, but you can do this for free yourself by getting a free copy of your credit report from a different bureau every four months (each is required to give you a free copy once a year). Again, be aware that lenders can and do report different information to each of the bureaus.

All-in one scores and reports

- [myFICO](#) (Equifax and TransUnion FICO scores and reports)
- www.annualcreditreport.com (free credit reports from all three bureaus)

Three National Credit Reporting Bureaus

- [Equifax](#)
- [Experian \(freecreditreport.com\)](http://Experian(freecreditreport.com))
- TransUnion (truecredit)

Note: We did not include a link to TransUnion because you may encounter pop-up messages and chat windows when you try to navigate away from their site. You can get your TransUnion credit report from [myFICO](#).

Checking credit yourself will not affect your credit score, however, when lenders check, it has the potential to bring your score down. The credit bureaus will treat multiple inquiries within a 30 day period as a single inquiry, so make sure you are close to purchasing and then get all your rate quotes and fill out credit applications within a short time period.

Get Internet Financing Quotes

We suggest getting pre-approved for two or three auto loans so that you can bring the best offer with you to the dealership. You may also find better rates than what the dealership can offer. Check with your bank or credit union or try one of these online sources:

Online Auto Financing

- [up2drive](#) (A division of BMW Bank of North America. They offer new and used car loans, private party financing, and auto re-financing)
- [myAutoloan.com](#) (a good option if you have less than perfect credit)

When you get pre-approved from an online lender, they'll typically mail you a blank check that is pre-approved (up to a pre-determined amount) that you can use to pay for the vehicle. Take this check or documentation of a rate quote with you to the dealership. When you talk to the Finance Manager, give them a chance to beat the best interest rate you received. The Finance Manager works on commission and will usually try to beat or match your best rate if you give him a chance. Ask him what kind of rate he can give you and do not be embarrassed to show him your outside lending quote. If he cannot match it, then feel free to use your outside financing.

Other Financing Tips

- **Leasing:** As with purchasing a car, if you decide to lease, keep the negotiation on the terms of the lease separate until after you've settled on a car price. Keep in mind the interest rate (or money factor) you get on a lease is also very dependent on your credit score. For more information on whether leasing is right for you, check out these articles on [CarsDirect](#).
- **Insurance:** You can change insurance providers anytime so it's not critical to worry about while you are closing the deal. However, the type of car you buy can greatly affect your premium, so be sure to consider that while budgeting. It's always a good idea to make sure you have a competitive policy and a change in vehicle can serve as a reminder to see what's out there.

Tip: Get competitive quotes from [Esurance](#), [Geico](#), or [AllState](#) before adding your new car to your current policy. If you get a better rate, call your current provider and see if they can match it. If not, switch!

- **Extras:** Don't be pressured to pay for anything you're not certain you will need. [Dealer add-ons and extras](#) are a very big profit center for car dealerships. The Finance Manager will offer many add-on items such as [gap insurance](#), fabric protection, paint sealant, and VIN etching (an anti-theft deterrent). Most of these items you do not need, but for those you want, you can typically purchase them outside the dealership at a fraction of the cost.
- **Extended Warranty:** Most new cars come with a manufacturer's warranty that will cover you for the first few years of ownership, typically 3 years/36,000 miles. As you finalize the paperwork for your new car, the Finance Manager will probably try to sell you an extended

warranty that picks up where the manufacturer's warranty ends. The extended warranty is a service contract for your car that covers the cost of repairs and maintenance as well as roadside assistance. When considering whether to buy an extended warranty, think about how long you plan to keep the car and how expensive servicing is for that model. Whether you buy an extended warranty is a matter of personal preference, but it can offer peace of mind against expensive car repairs.

It is important to note that extended warranties are a major profit center for car dealerships and the price is usually marked up significantly. There is no requirement to buy an extended warranty from the dealership so if you want the peace of mind, then you should save money and cut out the middle-man by shopping around online.

Keep in mind there are hundreds of types of extended warranties from many different providers and some are better than others while some are downright scams. The only way to know what you're getting for your money is to review the actual warranty contract and buy it from a reputable source with a long track record. Price is certainly a factor, but there are many other factors you must consider in order to get a good contract. We recommend checking out [Warranty Direct](#) because they meet the criteria you should be asking about below:

Extended Warranty Considerations

- o Is the provider financially stable and do they have a long operating history?
- o Do they offer nationwide coverage and the ability to select the repair facility of your choice?
- o Do they offer comprehensive coverage including wear and tear?
- o Do they make direct payment to repair facilities or do you have to pay out of pocket first?
- o Do they offer emergency road-side assistance?
- o Is the warranty transferable?

What to Bring with You

Now that you are prepared to close the deal, here's a checklist to make sure you'll have everything you need with you at the dealership.

1. Valid driver's license
2. Proof of insurance
3. Checkbook (and possibly a credit card for part of the down payment if they'll let you---we like to get the points!)
4. Pre-approved check or letter with interest rate
5. Vehicle Registration for your trade-in
6. Title or loan documentation
7. Your trade-in, including all spare keys and manuals. *Optional:* any regular maintenance documentation that may help establish a higher value.
8. Trade-in appraisal
9. The salesman's email with the specification of the car and agreed upon price

Even though you've setup the deal online, don't be afraid to ask for a test drive before you close the deal. It is also a good idea in order to check the car for any dings or scratches and make sure you are getting the trim and options you paid for.

Closing Remarks

We hope you found this guide useful and that it makes the car buying process less intimidating. If you'd like to share your experience using the approach in this guide or how much money you saved, please send us an email at feedback@findthebestcarprice.com. Also, visit www.FindtheBestCarPrice.com for updates and more car negotiation tips.

Appendix

Quick Links	
Category	Link
Free Online Car Price Quotes	Edmunds
	CarsDirect
	Automotive.com
	Vehix.com
	Yahoo! Autos
Auto Financing	up2drive
	MyAutoloan
Extended Warranties	Warranty Direct
Credit Score	myFICO.com
	www.annualcreditreport.com
	Equifax
	Experian (freecreditreport.com)
Auto Insurance	Esurance
	Geico
	Allstate
Used Car Appraisals	AutoTrader
	Carmax
Incentive and Cost Research	Edmunds
	Kelley Blue Book
	RealCarTips.com
	FightingChance
	Consumer Reports (Pricing Reports)
	CarBargains
Auto Magazines	Consumer Reports Buying Guide 2010
	Car and Driver Magazine
	MotorTrend Magazine
	Automobile Magazine
FindtheBestPrice comparison worksheet	

Glossary of Pricing Terms	
Industry Terms	Description
MSRP (Manufacturer's Suggested Retail Price)	The "sticker" price required by law to be shown in the window of a new car. The manufacturer decides a retail price for each model (base MSRP) and then adds on the retail price for each option. The dealer is free to charge more or less than this recommendation from the manufacturer, but MSRP is a useful guideline for both you and dealers to evaluate comparably equipped cars to each other.
Invoice Price	The price paid by a car dealer to the manufacturer for each car. This price is the same for every dealer across the U.S. However, this is not always the bottom line. There are rebates and incentives to both consumers and dealers that occasionally allow you to buy a car below invoice price.
Target Price <i>FindtheBest term</i>	An arbitrary number we use to give you a goal to shoot for. Never mention this number to a dealer since you do not want this to be the lowest you can go. A common formula is invoice price + 2%, but this does not factor in car popularity or current promotions. Edmunds TMV® is a good source to set a target based on market conditions and current deals people are getting.
Comparison Price <i>FindtheBest term</i>	The price you are quoted from the dealer. Since most dealers will not include taxes, tag, or title in their quotes, it's easiest to use this price to do your comparisons even though it is not the final "out the door" price.
Destination Fees	The amount charged by the manufacturer to send the car to each dealership. It is the same regardless of the dealer's location. Dealers usually pass this fee along to customers directly and it is rarely negotiable.
Holdback	Usually a small percentage (2%-3%) of MSRP that is returned to a dealer once a car is sold. This money is typically used to help dealers pay for finance charges they have accrued while keeping unsold cars on their lot. Keep in mind this is a "refund" of money to the dealer for what they originally paid to buy the car from the manufacturer. Since it is basically the dealer's own money, they are often not thrilled with the idea of passing this money along to the consumer.
Factory-to-Customer (or Manufacturer) Rebates	These rebates come direct from the manufacturer to you and the dealer has no control to negotiate them.
Dealer Incentives	Unadvertised cash that goes from the manufacturer directly to the dealer to help boost sales of a particular model. Dealer incentives can be more common at the end of a model year to help clear room for newer models. These incentives give dealers room to negotiate.
Documentation, Dealer Prep Fees, and Add-ons	These fees are a big source of margin for dealers. They cover administrative costs but are often much higher than the actual cost incurred by the dealer. Many add-ons such as fabric protection, paint sealant, and VIN etching can be performed yourself with kits from an auto-parts shop. These fees and add-ons give dealers room to negotiate.