

The Women's No-Stress Guide to Buying a Car On-line



This How-to Guide provides the Knowledge and Tools to Save Time and get Great Pricing on Your Next Vehicle!

You'll be able to...

- Obtain and evaluate competitive car prices
- Maximize the value of your Trade-in
- Find the best Auto Financing available
- Save Precious Time

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

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Introduction

Hello! And welcome to “**The Women’s No-Stress Guide to Buying a Car Online**” brought to you by Women-Drivers.com and Find the Best Car Price.com.

Women have enormous buying power and certainly that holds true within the auto industry as well. Do you know that women purchase 54% of all cars today and influence up to 80% of the deals?

The intent of this publication is to help you find the best price available on the new car of your dreams 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—and, at most dealerships today it isn’t. There was a time when a buyer would arrive at the dealership, receive an offer from a single source, wait as the salesman “went to the back room” to get an OK on a deal that was very difficult to evaluate.

Today, with the Internet, social media and new purchasing platforms, buying your new car, selling your old one, and obtaining financing are commodities and you can evaluate them on the open market to find the best deal for each. All dealerships have Internet managers and departments and know your time is valuable and look forward to quoting you a price and earning your business.

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). Instead, we will give you a step-by-step process to follow and the necessary tools to use. 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.

❖ **We know your time is quite valuable. 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(s) you are interested in, skip right to “Internet Quotes and Online Negotiation” on page 11.**

After reading this guide, you will be prepared to walk into a dealership with an agreed upon car price and a plan to settle your trade-in and financing. 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. They are really three separate conversations and therefore can be viewed as three transactions.
- 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.
 - Visit FindtheBestCarPrice.com for updates and email samples to send to car dealers.
 - Visit Women-Drivers.com to rate your experience at car dealers and locate *Certified Women-Friendly™* Dealers in your area.
- With the transparency of the Internet and the competitive nature of the auto industry, many dealers are now going to a 'one-price, no haggling' policy for their customers. It will behoove you to ask friends or look for dealers in your city that already have this pricing strategy in place. This is another no-stress way to buy a car.

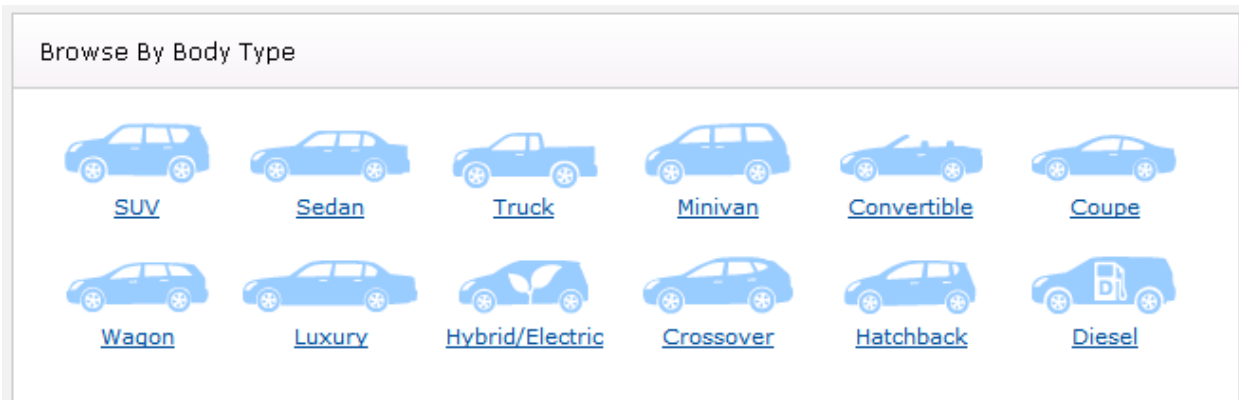
We wish you the best in finding the car you want at a fantastic price!

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 is 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 favorites are the [Edmunds Car Finder](#) and [TrueCar](#). These websites will help you consider high level factors like price range, body type, safety ratings, typical maintenance costs, residual value, comfort, etc.



- ❖ **Be sure to read our own [HER & HIS Car Reviews](#) to get a woman's perspective on a wide range of vehicles.**

Test Drive “Get In and Get Out”

Ideally, you could complete the entire car buying process online. However, there is never a 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 is a very important part of the car buying process as you will be evaluating which cars feel right and fit your needs. **So, be prepared to get in and get out with only what you need: an evaluation of the car.** You're not ready to start negotiating yet, so follow these steps to make this a quick and painless process.

1. **Plan 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 - this will save you some time.
2. **Prepare a few key statements for “Showroom” Salespeople.** When you walk onto the lot you will naturally be approached by a salesperson. 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 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 the salesperson 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” salesperson and give him 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.”

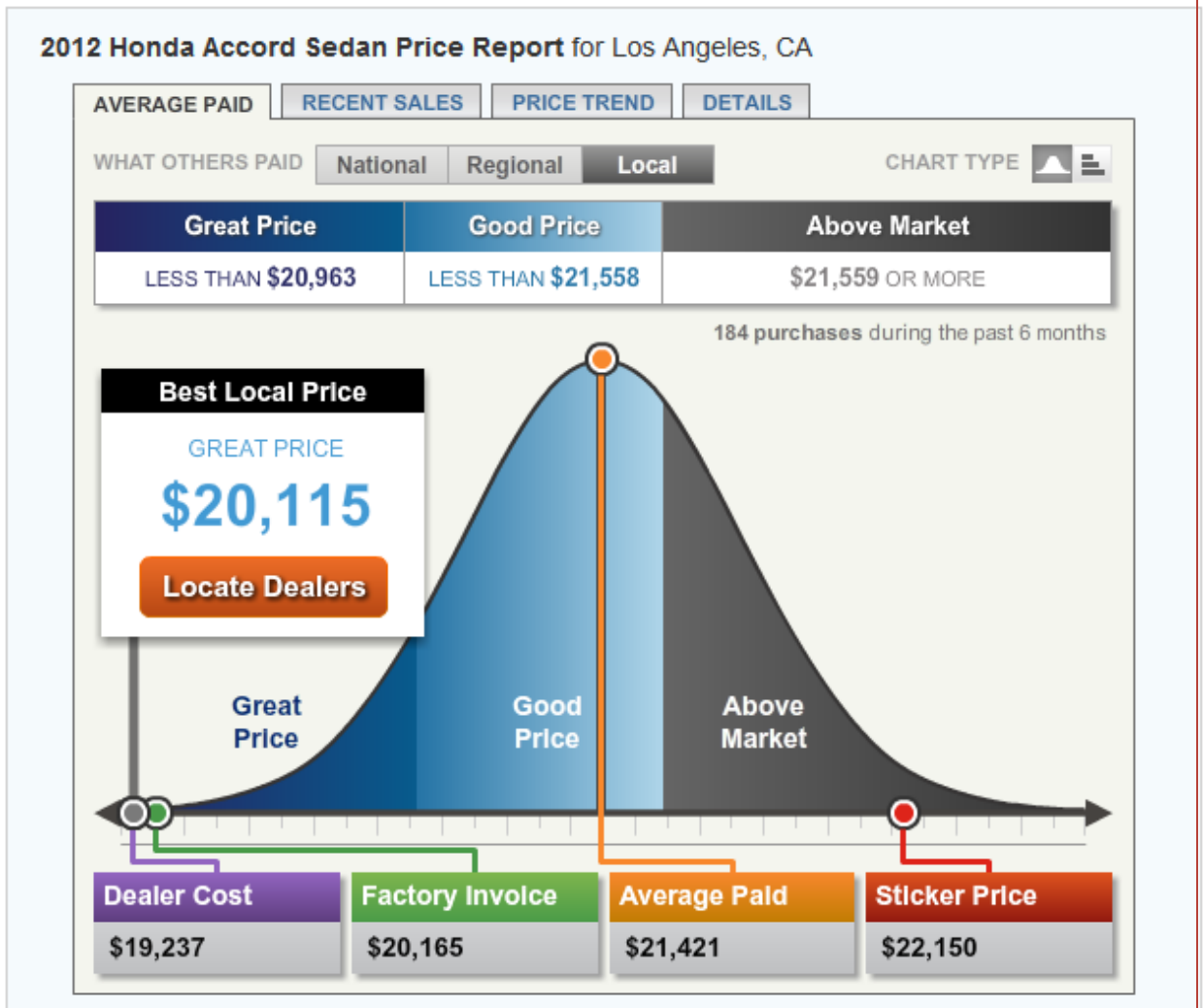
3. **Write down the make, model, trim, and color you want (or don't want).** Bring a pen and paper or get a brochure and circle the things that interest you. After a day of car shopping, it's easy for everything to blend together, so take good notes so that you can get a good price on the correct package later.
4. Many dealerships now have their inventory and invoices marked with QR codes. These Quick Response codes save you lots of time, as you scan the information on the code via your smart phone. Utilizing QR codes can help make this research process easier as the information about the vehicle is directly stored on your phone

Other Test Drive Tips

- If you have narrowed down your search and are having trouble making a final decision, ask the dealer if you can take the car home overnight. Believe it or not, it's not an unusual request, and dealers want to make sure you are comfortable with the vehicle you are thinking of purchasing. The more expensive the car, the more likely they are to let you do this.
- Have your husband, partner, family member or friend drive with you and ask for their feedback. Drive the car on a road that mimics real road driving for you. If you drive on the highways, take it there. If you drive in bumper to bumper traffic, do the same for the test drive. Have your children come along and get in the second or third row so you have their input as well.

Determine what you can afford

1. Use the [Edmunds Affordability Calculator](#) to see what car price will fit into your budget.
2. Get free Price Reports from [TrueCar](#) (sample below) to see cost details for your favorite models. They tell you exactly what you can expect to pay based on average sales in your area. Just remember that [TrueCar prices are not final](#) and still have room for negotiation.



[Edmunds](#) also provides a comprehensive listing of incentives and rebates by zip code. These details are useful, but keep in mind that car manufacturers, just like any other industry, do not disclose their internal cost structures -- and it's a constantly changing marketplace with only incomplete data available to the public.

The numbers you will find on these two sites are useful to help determine your [target price range](#) (usually somewhere between invoice price and MSRP). Once you get a ballpark, do not get hung up on specific fees and rebates. 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.

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 a price out to multiple dealerships. Many times the Internet Department is able to offer better prices than had you walked into the dealership.**

Most car dealerships these days have a separate Internet Sales Department with one or many sales people that respond to online requests. Due to the nature of these requests the Internet sales team is very different than the traditional "Showroom" Sales team.

The Internet Salesperson...

- Will quickly 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" Salesperson to sell a car that is currently on the lot. These folks are more used to looking at inventory from other dealerships and arranging trades.
- Responds to many more leads than the "Showroom" Salesperson 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 tactics utilized by the "Showroom" Salesperson to close the deal.

Some of the "Showroom" Salesperson's tactics you may avoid are...

- "This offer is only good for today". You are 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 sales technique used to introduce a third party. The "Showroom" Salesperson 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. And, to be fair, most of these sales people really do need approval on all pricing from their manager.
- "Let me get an estimate for your trade-in right now." Once you hand over your keys, some dealers may take a bit longer in getting your estimate for your trade-in. They may do this because (1) they can keep you on the lot longer and (2) so they can determine 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 the total cost of your purchase can be ambiguous. A dealer could come up with **the same monthly payment for two 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 may have some extras installed which the dealer will not remove including GPS, satellite radio, heated seats, splash guards, pin-striping, etc. You may want to consider ordering the vehicle from the manufacturer in this case. Doing so may take an extra month or two for delivery, but guarantees you'll get the vehicle just the way you want it.
- Last minute fees may pop-up as you start filling out the paperwork with the Finance Manager when 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. 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.

[Get Internet Price Quotes](#)

Now that you understand why it is important to go through the negotiating process online, begin requesting 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 salesperson (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, 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 ([read reviews](#))

- [Edmunds](#)
- [CarWoo](#)
- [CarsDirect](#)
- [TrueCar](#)
- [Automotive.com](#)
- [Vehix.com](#)

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. [CarWoo](#) is unique in that they allow you to negotiate anonymously with dealers so you don't have to worry about being called during dinner.

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 back from all the dealerships within 24 hours. Many of the responses will be an 'auto-response'. They will offer few specifics in terms of model, trim, option package, and price details....or the response will simply contain the salesperson'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.

- ❖ **At this point, your goal is to obtain enough details from each dealer in order to fill in the details of the FindtheBestCarPrice comparison worksheet [Download here.](#)**

Before you reply to any emails, take a look at the sample table on the next page taken from the [FindtheBestCarPrice 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 Price³ | \$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](#).

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.

Ask car dealers to get specific

If you are unable to complete the first two sections from the initial responses received from each dealership, you'll want to reply to the dealer with a more refined request for information. When necessary, **send them a follow-up email ([use this email](#)) to kindly ask them to provide any details that were left out of your quote.**

❖ **All emails mentioned in this section [can be used for free at Find the Best Car Price.com](#). Just hit reply to a dealer email and copy and paste our suggested email text.**

As you track these responses in the [FindtheBestCarPrice 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 | |

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). Sometimes 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" that was quoted. Since you now know to get specific before arriving at the dealership, you can avoid any possible 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 a dealer is still not forthcoming with the information you request, you might be best moving on and focusing on your remaining quotes.

[Organize and Compare Results](#)

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 [FindtheBestCarPrice 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. Find out the [Edmunds TMV® Price](#) or get a [TrueCar Price Report](#). Both services are free and will give you a breakdown of MSRP, invoice price, and average prices paid by people in your local area.

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 [FindtheBestCarPrice 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” salesperson, it’s probably not our primary job function. In fact, for many women, car negotiations can be uncomfortable. So why not level the playing field? By following an email-only price reduction process, you remove any stress that can develop 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!** You’ll systematically create a competitive bidding situation where you will be the winner. And it’s all done in the privacy of your home or work office computer – so you save time and stress. We call this process EPR™ (Email Price Reduction).

EPR™ Approach

You will be sending a detailed email to everyone that has supplied you with a quote. On the next page we lay out the specific steps. 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 new, 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

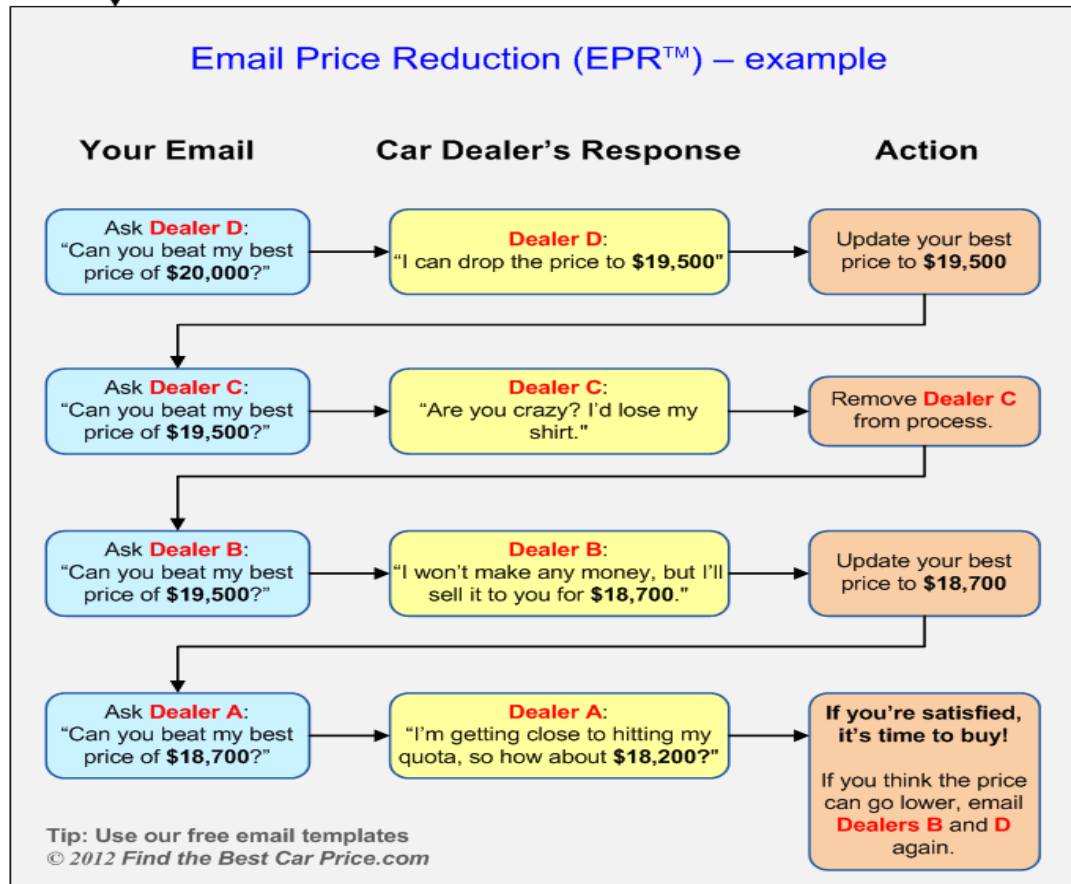
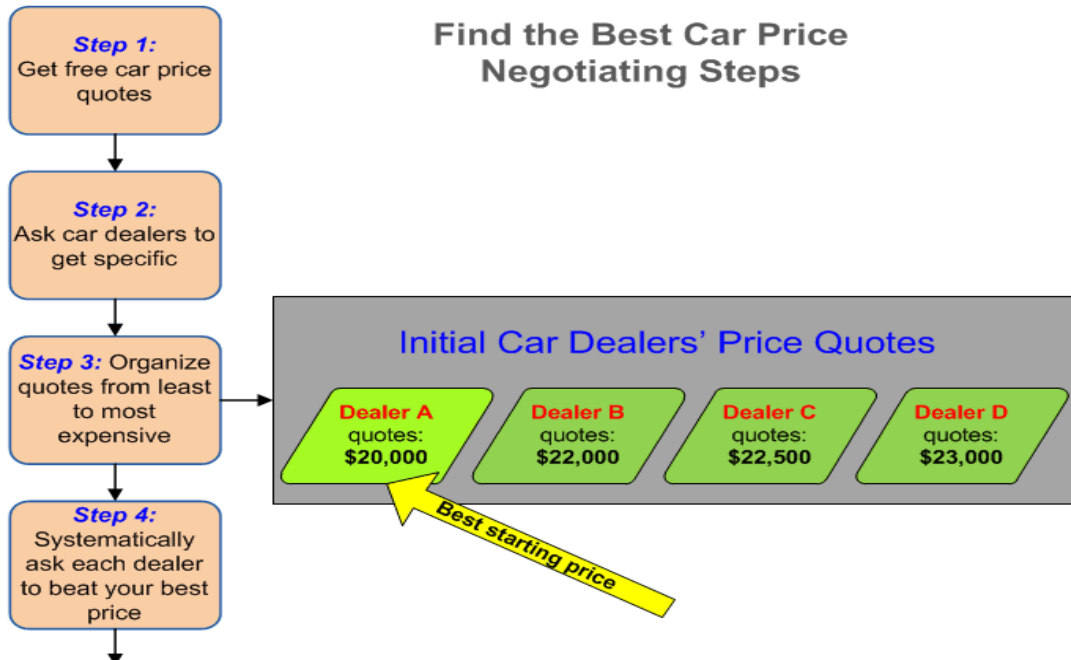
1. If you haven't already, organize your quotes from most expensive to least expensive. The least expensive quote is the price you'll be asking everyone else to beat.
2. Starting with the two dealers who provided the most expensive quotes, email them using [this email](#) that contains exactly what to say to explain that you have received a better price and want to give them a chance to beat it. **You'll be working your way down from the highest offer to the least expensive.**
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 the email 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.
5. Repeat steps 2 and 3 for the dealer with the lowest original quote (unless this quote is still unbeaten).
6. Once you feel you've gotten a good deal or reached your [target price](#) you can stop negotiating and jump to the next section. If you think the price can go lower, feel free to cycle through your list of car dealers a second time if necessary.

This is also a good time to visit [CarWoo](#) and get offers. You can ask CarWoo dealers if they will beat the lowest price you found negotiating via email.

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

❖ **The next page illustrates these steps in a handy flowchart.**

EPR™ Process - Flowchart Example



EPR™ Process – Another Example

You've received 5 quotes on a black 2012 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 [this email](#) to confirm the offer and setup an appointment.

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](#) to get a close estimation of the expected value. However, we strongly recommend you take it a step further and get an actual appraisal. You can do this from a local store like Carmax, or [AutoTrader.com](#) offers a free instant trade-in quote.

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. This part of the negotiation cannot be done via email since the dealer will need to see your car in order to appraise it.

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 given an initial trade-in offer....

- If the dealer has not beaten your estimate, show your printed outside appraisal. Mention that if they 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 up 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. If you are not inclined to clean it yourself, spend \$100 – 200 dollars to have it detailed.
- 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.

- Consider the area of the country and time of year. Four wheel drive can be a hot commodity in the north, hybrids and EV's do better on the West Coast or warmer climates, as do convertibles. Are gas prices up? If so, SUV prices could be down.
- **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 – and, they need to make money, too. 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. 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 this range 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 can find out your credit score for free at [Credit Sesame](#).

You are also entitled to a free credit report once a year from each of the three credit bureaus; just keep in mind that these come without a credit score. You can get all three together for free at [AnnualCreditReport.com](#). 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.

Note: 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 of time.

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* find better rates than what the dealership initially quotes. 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)
- [CarsDirect Bad Credit Auto Loans](#) (If you have poor credit and limited options, CarsDirect will put you in touch with a local dealer that can provide you with a few alternatives)

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. If the rate you received is more attractive than the one offered by the dealer, take the 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 given the opportunity. Ask him/her what kind of rate you can receive and do not be embarrassed to show your outside lending quote. If it cannot be matched, 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 the benefits of both [buying and leasing](#).
- **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](#), [AllState](#) or [CarInsuranceCompanies](#) 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:** There are many sophisticated technology and connectivity features now available in cars. Be sure you need and want what you are buying. [Dealer add-ons and extras](#) can certainly make driving easier. The Finance Manager may offer many add-on items such as [gap insurance](#), fabric protection, paint sealant, and VIN etching (an anti-theft deterrent). You need to consider if you want them, if you will purchase them at the dealership, or from another company.
- **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 or, with many manufacturers, higher. As you finalize the paperwork for your new car, the Finance Manager will check in to see if you want 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.

Extended Warranty Considerations

- Do they offer nationwide coverage and the ability to select the service/dealer facility of your choice?
- Do they offer comprehensive coverage including wear and tear?
- Do they make direct payment to repair facilities or do you have to pay out of pocket first?
- Do they offer emergency road-side assistance?
- Is the warranty transferable?

[What to Bring with You When Purchasing a Car](#)

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 allowed – so you can get the points from your credit card company
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 salesperson'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 one more 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.

[Car Dealer Reviews](#)

Be sure to share your dealership experience by using rating sites like Women-Drivers.com. Your review is anonymous and you will contribute to future women car buyers in your city by helping them connect with **Certified Women-Drivers Friendly™ Dealers**. Have a voice and Write or Read Your Review Today!

Also, read the helpful tips, articles, and tools to help you with the car buying and car servicing processes. Check out the HER & HIS Car Review section for two points of view on all the latest models.

[Closing Remarks](#)

We hope you found this guide useful and that it makes the car buying process easier, and frankly, less stressful. 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 Women-Drivers.com for updates and more car negotiation tips.

Brought to you by:



Appendix

| Quick Links | |
|--|--|
| Category | Link |
| Car Dealer Reviews | Women-Drivers.com |
| Free Online Car Price Quotes | Edmunds CarWoo CarsDirect TrueCar Automotive.com Vehix.com |
| Auto Financing | up2drive MyAutoloan |
| Credit Score | Credit Sesame www.annualcreditreport.com |
| Auto Insurance | Esurance Geico Allstate |
| FindtheBestCarPrice 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 <i>each</i> 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 may be 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 to 4%, but this does not factor in car popularity or current promotions. Edmunds TMV® or TrueCar are good sources 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 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 with kits from an auto-parts shop; however, this may not be in your best interest if you are not a professional. These fees and add-ons give dealers room to negotiate. |