

## Dealership Tactics to Avoid

### 5 Psychology Tricks Used by Dealerships

Buying a new car is a significant financial move. While the process can be exciting, there's also a level of intimidation. After all, you're going up against some of the best salespeople when visiting a dealership. And while most dealers today aren't shady, there are tactics they use to maximize the sale in their favor.

While there are tactics you can use to protect yourself, such as a pre-approval, it also helps to become aware of moves salespeople make when shopping for a car. Many tactics are obvious; others are more subtle yet can greatly influence your decisions.

Here are five less-known psychology tactics dealers use, along with tips on how to avoid falling victim to them.

#### 1. Selecting the Vehicles to Show

Prior to visiting a dealership, most people have a car in mind they want to see. When you share this information with the salesperson, they will typically show a vehicle right above that model. While this may seem harmless, the dealer's goal is to show you models with extra features that raise the price.

The trick is that people don't like to "lose." People tend to go to greater lengths to prevent losing something rather than gaining something of equal or greater value. So, after the salesperson goes over all the bells and whistles of the higher-priced vehicle, they will show you the lower model you initially requested – repeatedly pointing out that you're sacrificing certain features with the lower model.

This tactic causes your mind to focus on what you're losing out on – many of which may be features you didn't even necessarily want initially.

- **Car Buying Tip:** Do research online first. Review all the models for the car or truck you're interested in and determine which option best fits your needs. When you compare the features of each model ahead of time and make your decision, this tactic will have less of an effect.

#### 2. Wearing You Down

With all the advancements in technology today, one can only wonder why buying a car takes so long! Buying a car can often take hours, if not all day. Dealerships sell cars all day, every day. Surely, they could have come up with a quicker process by now, right?

Yes, buying a car can be a much quicker process. But, to maximize the sale, dealers will often drag out the event as long as possible. This strategy wears you down, and salespeople know you'll eventually

become frustrated and will likely agree to terms in their favor just to finish the process. It's a tactic you're almost guaranteed to experience if you bring your small children along.

- **Car Buying Tip:** Try to make most of the sales and negotiations online or over the phone before visiting the dealership. Then, set an appointment to finalize the deal. If you have children, consider hiring a babysitter. Paying a sitter for a few hours will likely cost much less than signing on the dotted line of a rushed buyer's order.

### 3. Pressing You for Time

Dealerships are famous for telling potential car buyers that they must act now or the car might not be there tomorrow. With the limited new car supply (due to microchip shortages), this tactic is actually truer today – and dealerships are using it more than ever to their advantage.

It's easy to tell a potential buyer that if they don't buy the car now, it will likely be gone tomorrow – rushing you to buy. However, even with the chip shortage, dealerships can usually obtain the same or a similar vehicle within a week or two.

- **Car Buying Tip:** Many dealerships are taking reservations and preorders because of the shortage of new vehicles. Typically, you'll be required to put down a small deposit (e.g., \$500) to reserve a vehicle - preventing the car from being sold to someone else. If, when the vehicle arrives, you don't like it for some reason, your deposit will usually be refunded, and the dealer will sell it to someone else.

### 4. Displaying the Price

Once you decide to buy a car, you'll move on to the financing process. At this point, the finance person will try to lure you into purchasing add-on products, such as extra coverage or extended warranties.

Dealerships will factor these add-ons into the price and typically present the options in three columns. They know that by giving three choices, most people will select the middle option – resulting in them selling you the additional products.

**NOTE:** Pay attention to the pricing! Most people will assume that if they pick the lowest option, it doesn't include any add-ons - that is rarely the case. Usually, all three prices will have add-on products included. If you do not want any add-ons, you need to say no or request to see the price without add-ons.

- **Car Buying Tip:** Be firm and just say no. Most of these expensive add-ons are unnecessary. If you would like extra protection, such as Guaranteed Asset Protection (GAP) or extended warranties, the credit union offers these same products at a much cheaper cost.

### 5. Extending the Guilt Trip

People are generally empathetic and don't want to be mean or cold to others. When you're in the finance office, the employee will often try to make it seem like their income comes directly from the add-on products they sell. So, they don't get paid if you don't buy anything extra.

This ploy pulls on people's heartstrings and can result in car buyers adding services just to help the employee. The truth is that these individuals are usually paid a salary and get incentives for selling add-ons.

- **Car Buying Tip:** Again, when in the finance office, just say no. You are under no obligation to pay for extra add-ons just to cushion the employee's personal finances.

### **We're Here to Help!**

We want to ensure your car-buying experience is fun and rewarding. The first step to gaining the upper hand in car negotiations is to become pre-approved. With a pre-approval, you'll be protected from overspending or buying expensive add-ons.

If you want to become pre-approved or have questions about buying a new car, we're ready to help. Please stop by any of our convenient branch locations or call XXX-XXX-XXXX to speak with a team member today.

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