

## Buying a Car Online vs. a Dealership

When looking to buy a new car, chances are you still consider local dealerships the place to go. However, as the world continues to turn more digital, innovative auto companies are changing the landscape and implementing online car buying.

Unquestionably, when you buy a car online, there are benefits and drawbacks. While the past endorses the conventional brick-and-mortar dealership car-buying process, those looking to the future see a trend that points to increased online car purchases. Below are the pros and cons of buying your next car online in comparison with buying from traditional dealers:

### PROS OF BUYING ONLINE

#### **Saves Time**

One of the significant benefits of buying a car online is that it often saves time. No one likes spending the whole day at a car dealership trying to close a deal. With the traditional in-person method, car buyers and dealer personnel can spend hours negotiating a single transaction. Buying cars online can simplify the process, allowing the customer to do time-consuming tasks, such as filling out documents at their leisure.

#### **Greater Selection**

When you go to a physical dealer, your buying options are limited by what is currently available on the lot. On the other hand, buying online allows you to browse selections from many sources and get exactly what you desire. If you want to choose from a wider range of vehicles available, purchasing online can be the ideal place to start.

#### **No Sales Pressure**

One of the greatest complaints when buying a car is pushy salespeople. When you buy a car online, it's not conducted by a salesperson whose livelihood depends solely on the deals they are able to complete.

#### **Better Prices**

Online car sellers don't have the same overhead costs as traditional dealerships. As a result, they are able to pass these savings on to you and sell cars at lower and more competitive prices.

### CONS OF ONLINE BUYING

#### **Inability To Physically Inspect the Car**

While there are many positives to buying a car online, there are some negatives. The inability to see and physically inspect the car before buying it is one of those. Of course, most online sellers offer customers photos and videos of each vehicle, but nothing can replace a close-up and personal view of the car.

### **Absence of Test-Driving**

Buyers often don't have the opportunity to take a car out for a test drive before buying it. This is a shortcoming because, for many, "driving is believing."

### **Inability To Negotiate on Price or Terms**

Another drawback of buying a vehicle online is the relative inability to negotiate prices or terms. As a result, some astute negotiators may miss the opportunity to land themselves a great deal.

### **Limited Financing Options**

When buying a vehicle online, you may experience limited financing options. The online model may restrict you to a single lender or to just a few that the seller has a relationship with already. This aspect may end up costing you more on the financing side.

## **PROS OF BUYING FROM DEALERS**

### **Test Driving Opportunity**

The traditional method of buying a car from dealers provides buyers with the opportunity to test drive the vehicle before buying. In an online purchase, the seller can give you an enthusiastic rating of your car's engine, but when you get behind the wheel, you truly experience the vehicle. The test drive helps you decide if this is the ideal car for you and your family.

### **Negotiating for the Best Price**

Some find the process of interacting physically with the salesperson a positive one. If you are the type who enjoys the bargaining process and you have a seller willing to negotiate, you can work the deal in your favor, possibly saving you significant money.

### **Easier Accessibility**

A traditional purchase of a car will most likely come from your surrounding area. Unlike an online purchase, where you may have to wait days or weeks for the car to ship to your location, you could potentially walk away with a new vehicle the same day at a local dealership.

## **CONS OF BUYING FROM DEALERS**

### **Delay and Time Waste**

Buying from dealers usually involves spending hours on a single deal. Negotiating prices, test driving a car, and finalizing the purchase can often be tedious. In an increasingly busy world, where every minute of your time is precious, this makes buying from traditional dealers very inconvenient.

### **Higher Prices**

Traditional dealers usually incur more overhead costs, which helps to raise the prices of cars sold. The effect of this is that buyers tend to pay more than when buying online.

### **Limited Choices for Selection**

Dealers don't have the variety of cars for sale in their lot like online purchase offers. Buyers' choices are limited by what is available in the lot at any given time. This contrasts with online deals, where potential buyers can access thousands of cars for sale on the Internet.

### **Sales Pressure**

Unlike online buying, most transactions with traditional car dealerships are usually conducted by a salesperson whose commission and livelihood depend on the deals they complete. Therefore, when buying your car, you will probably have to deal with pushy salespeople who are desperately trying to get you to buy.

### **Final Takeaway**

Deciding whether buying a car online is right for you depends on what you are looking for in your transaction. If you want speed, convenience, and peace of mind, an online purchase can be an excellent option for you. On the other hand, if you are the type of buyer who wants to see, touch, and smell the car before buying it, buying cars online may not be the best choice.

The most important thing to remember is that buying a vehicle is a significant financial decision that can impact your budget for several years. Regardless of the strategy you choose, it's always wise to stop by the credit union and become pre-approved. A pre-approval allows you to know how much you can afford to spend, keeps you within your budget, and can give you the advantage in price negotiations.

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

As your credit union, we're here to answer all your questions and help you make the right financial decisions for your unique situation. Please stop by the Credit Union or call 410-687-5240, and we'll work one-on-one to get you approved for your next auto loan.

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