# The Ultimate Car Buyers Cheat Sheet Guide

Insync Finance

# Introduction

***Buying a car should be pleasant. Parking a new car in the driveway at home certainly is, but buying it is not. Here's why***

When you finally surface from the Car Dealers premises and drive your new car out onto the road feeling the excitement and taking in that new car smell, snazzy dash and noticing the envious glances from the passing traffic. Flickering in the back of your mind, is a lingering feeling you have just been ripped off!

The transaction, the finance, the extras, the insurance and after care service, just went that little bit too well…You feel you didn't push hard enough for a better deal, and that every tactic you used in your limited armoury ,was just shot through and you were 'railroaded' to agree to everything suggested.

Even though you had the finance approved, the choice, the marketplace, the internet and your free will to decide and negotiate a good deal, somehow… you feel it didn't go your way and in the end, the temptation of driving the car of your dreams out of the Dealership and into your new life, was just too much temptation to haggle about.

The repayments you initially had in mind, somehow increased, and you've also got a sinking feeling that you let the car that you just traded, go for a really low price.

Even though it was a seamless process, with an air of civility around it - you still, somehow, feel violated, used and paying more than you wanted to.

## So what's the truth!

**Well in most cases involving Car Dealerships, they've come out way in front and left you driving away in your new car with an average deal**.

The reasons for this are –
**Dealers play the game every day, and they are match fit. You don't, and you aren't – if you are an ordinary car buyer**.
It's hard to win if you don't know the rules, and you're fighting on unfamiliar territory against a highly skilled opponent.

The single salient feature of the average commercial dealing between a car dealer and a customer - you, potentially - is its asymmetry. They are holding all the cards, and making up all the rules.

**It's a knife fight in a phone box, you are holding a toothpick!**

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This Guide is about levelling the playing field; throttling back the disparity to a more equitable level. It's about exposing the tricks and the traps, and saving you thousands on your next new car.

Anyone can do it. It's not rocket science.
This is the new car buyer's play book. And don't worry - you are not going to rip the dealer off. He won't sell you the car at a loss. All you'll be doing is reducing his excessive profit margin.

He'll still be able to feed his kids (and put them through private school)..and still make a very decent amount out of your transaction without taking you to the Cleaners!

***The dealer's overarching objective is to commence docking procedures. To hook his vacuum cleaner up to your bank account, and extract whatever he can get away with!***

# A Bit of Background Information

### Understanding the Car Industry

Cars are built, overwhelmingly, by huge multinational car companies. In countries like Australia, they are imported (mostly) by wholly owned subsidiaries of those companies. But they're generally not sold to you, the consumer, by those car companies.

They're sold at the retail level by dealers, which are generally small, private companies that have a contract with the importer, in the form of a franchise, that allows them to display the shiny corporate branding, and of course sell the vehicles, the genuine spare parts and the so-called 'authorised' service.

### How Prices Work

Prices cannot be fixed under Australian Law. This means, simply, that Subaru Australia, or Toyota Australia, etc., cannot tell its dealers what price to sell a particular car to you. They are unable to do this anymore than the importer of Levi's jeans can dictate the price of a pair of 501s to a particular store owner. Doing that is illegal.

Certainly importers, like Hyundai Motor Company Australia, Mitsubishi Motors Australia Limited, etc.,, have pricing structures in mind. They even have online drive-away pricing calculators which deliver to you the recommended drive-away price. But they cannot tell the dealer at what price he will sell the car to you.

The recommended prices you see online are, therefore, only a starting point. You should never pay more than that. But - because prices cannot be fixed - you can often acquire the car you want at a substantial discount.

**The determining factor here is quite simple: How motivated is a particular dealer to sell you that particular car, today? Does he really need to get rid of that car?**

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Dealer motivation depends on many factors - like underlying supply and demand. Popular cars in short supply tend not to be discounted. If there's a glut of a particular unpopular car (and if you negotiate the price effectively) you might save considerably.

Car dealers get pushed very hard by car companies. There are about 60 different car companies selling around 300 different cars into our very small market here in Australia. That means every sale is hard work. And part of the deal is - if you're a dealer - that you pull your weight. You need to sell your share of cars.

The industry uses a stick and carrot approach here - rewarding the strong performers, and slapping the poor sellers.

**This means that car dealers all operate under a quota system whereby they are incentivised with huge cash bonuses for selling or exceeding their quota**

.If you happen to come upon a dealer who is a little shy of his quota that month, it could just be your lucky day. Making a sale - as opposed to making a profit - could be the underlying imperative for a dealer in that position. Of course there's no 'desperate dealer' sign out the front when that happens. The price you pay ultimately depends on a range of factors - including just how well you play the game.

## SALES DYNAMICS

If buying a car is a game - and for the buyer it is a stressful one - then it pays to know the rules. You don't run on to any sporting field without knowing the rules. Same here - except, in sport there is generally an umpire. In car buying, it's a free-for-all

People are often nervous or inhibited when it comes to talking about money. Especially lots of money, which buying a new car usually involves. (OK - it's not a trade deal with China, but it is enough money to be stressed about.) Dealers milk this inhibition to discuss the price for all it's worth. You must build a bridge ... and get over this money-speak inhibition.

It's just like buying a toaster, only the decimal point moves to the right, and the stakes are higher if you get it wrong. It's a numbers game, and you're at a disadvantage if you're disinclined to discuss price or advocate for it to be lower. Money talk is essential. Frankly, to be blunt, it's always better if the dealer drops his pants first.

# THE TOP 10 NEW CAR BUYING TIPS

## 1. BUY A CAR THAT'S IN STOCK NOW

- Dealers own the cars you see on the lot
- They buy their 'floor stock' on credit
- Dealers are therefore highly motivated to discount cars you see in stock now

When a car dealer takes delivery of a new car, he owns it. He's already paid for it. The car company has already sold it. Selling that car, at this point, is the dealer's problem.

Dealers buy every car on credit, and the interest burns a hole in the business's pocket.
There's an opportunity in this for you.

Dealers are highly motivated to sell you any car on the forecourt right now (or maybe it's in a holding yard out the back). Either way, every dealer wants to sell you the car he's paying interest on today. Dealers are much more inclined to discount any car they have actually taken delivery of, and paid for, rather than discount any special order he places on your behalf. (Dealers are quite happy to order you a car, but they are less inclined to discount the price on these ordered cars.)

There's a solid bargaining gambit here for you: Say, for argument's sake, the car in stock now is a blue automatic. You say you really wanted a silver manual (even if you really, secretly, deeply, formed a profound emotional bond with the blue auto all along). All you need to do is tell the sales guy that if he does give you a really sharp price, you'll do him a favour and take the blue one off his hands. Everyone wins. Offer a very low price to start with.

**You need to loosen up when it comes to liberties with the truth here ... because the sales guy already has. All you are doing is fighting fire with fire. All you need to do is offer that suitable low price, and see what happens.**

## 2. SHOP AT THE END OF MONTH

- Shop 48 hours before the month ends
- Make a low, firm offer
- Ensure the dealer knows you are able to deal now

Competition for each new car sale in Australia is very intense. Manufacturers (car importers) sell cars to dealers, and dealers are heavily incentivised to sell more cars. Every dealership faces heavy quotas from the manufacturer.

Dealerships report their successes – or failures – back to those manufacturers at the end of every month. Significant, undisclosed cash incentives go to the dealerships that achieve their quotas.

Dealerships that fail to achieve their sales targets get nothing.
Imagine the pressure inside a dealership, with 48 hours to go before the calendar month ends, if the target looks like being missed. Any dealer who is just short of his critical sales target will be very highly motivated to make a sale. Any sale, even if there's not that much profit in it. Right then and there, that dealer needs that sale more than he needs the profit on an individual deal.

How do you tell if a dealer is under this kind of immense commercial pressure? There won't be a flashing neon sign out the front - that's for sure. What you need to do is: you offer a low price, and then you thank the salesman and walk, if he doesn't go for it.
A dealer who's not under pressure will simply let you leave.

A dealer who is under pressure might let you leave - but you will almost certainly get a call back later, perhaps accepting your offer. More likely: a dealer under pressure will accept your offer or make you a counter-offer to keep the game ticking over.

If you bargain hard in this kind of environment, a dealer under compelling commercial pressure at the end of the month will more than likely will drop his pants, just to make the sales quota. Shop at the end of the month. Because no other time puts you in as strong a strategic bargaining position.

## 3. SEPARATE YOUR TRADE-IN

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Dealers love being a one-stop shop, where they can trade-in your old car,sell you a new one and arrange the finance, all under the one roof. This is good for them, and nearly always bad for you.

When it comes to trade-ins, the fundamental advantage pitched to you is convenience – not price. Everyone knows a trade-in is going to mean a lot less money than the price you will get for the car in any other kind of sale ...

all other things being equal. You are trading off that extra cash against the convenience of disposing of your old car in the simplest possible way.

Car buyers don't think about this, but they are often conducting three commercial transactions when they buy a car:

- Buying a new car
- Selling their old car (trading it in)
- Buying car finance

You need to separate these transactions if you want the best deal

Even worse, however, is when the car dealer uses one transaction as leverage over the other(s).

### Leverage Tactic 1: Low-balling the trade-in

For example, I've seen a dealer make a trade-in offer that was $8000 below the fair trade-in price of a late-model used car.

**If you don't research the likely trade-in price of your old car, it's very easy to fall into this trap. A dealer will exploit any weakness in your research here, so do your homework.**

For the dealer, provided you take him at his word and accept this low offer, there is suddenly another $8000 profit in the deal. He can knock $3000 of the price of the new car and look like a hero to you - and also to his sales manager. He'll keep waving the $3000 'saving' (on the new car) in your face, and that might be enough to get you over the line. Good for the dealer. Bad for you.

### Leverage Tactic 2: Pitching the trade-in high

Alternatively, dealers also offer customers a sky-high trade-in. An unbeatable deal - especially if you let slip any other trade-in offers you've had at other dealerships. That's the hook - an unbeatable trade-in. Then - guaranteed - the dealer will proceed to screw you on the price of the new car, and try to make even more on the extortionate in-house finance.

In this case, that's two massively profitable transactions for the dealer (the new car and the finance) and one minor concession (the trade-in). Also, bad for you.
The opportunity to leverage one transaction against the others evaporates if you separate the transactions.

### Here's how to get it right:

1) Go to the dealership and tell the salesperson there is no trade-in.
2) Negotiate the deal on the new car.
3) Before signing or paying a deposit, tell the salesperson you have decided to trade-in your old car, and ask what they will give you for it.
4) This timing strategy prevents them from moving the price of the new car - so you know exactly what the deal is on the new car, and then you can see what they will offer you as a trade-in.

## 4. GET INDEPENDENT FINANCE

The hook might be a low price on the new car and/or a high trade-in, if you take the in-house finance, which is going to be a rip-off. A highly profitable one for the dealership.

Separate those three transactions if you want the best deal – and the only transaction you need the dealer for is buying the new car.

- ➢ Dealership finance is rarely the cheapest on offer
- ➢ Buying the finance at the dealership gives the dealer more leverage over you

Everything else is available elsewhere –
- ✓ Sell your old car privately, for thousands more,
- ✓ and arrange independent finance on better terms.

People often shop obsessively for the lowest priced new car. Perversely, they often neglect to shop in the same way for finance, and this can cost thousands.

Finance is also a product that you purchase. You are renting money you otherwise don't have. The only thing that matters is how much it costs. Taking the bank's initial offer without assessing the market is absurd. Any discount you can negotiate on the new car can be quickly eroded by choosing finance that's far too expensive.

Carmakers all put together in-house finance packages for their dealerships to sell. Toyota Finance - whatever - is not finance provided by Toyota. The carmaker does a (very lucrative) deal with a large financier - like Esanda or Macquarie - and then sells you the finance with their brand on it.

The only thing 'Toyota' about the finance is the branding. It works like this: Macquarie (or whichever financier) sells the finance to Toyota (or some other carmaker) at a volume discount. The dealership sells it to you. It's hugely marked up, and you're the bunny who pays the mark-up.

At Dealer conferences, there is an award for the dealership that sells the most in-house finance. The winner gets a standing ovation and a huge cash bonus. It's that lucrative - and you're funding it.

## 5. WALK AWAY

Don't cave in and raise your bid. If you cave, he'll know you're bullshitting. Be strong. Walking is not giving up; they're vastly different things. Walking is you putting him under pressure. It's emphasizing you're serious about your spending limit.

You might feel as if you are surrendering, but you're not. Absolutely not. Imagine how a salesman feels after putting in an hour trying to get you across the line. Feeling the commission he's going to earn from you just evaporate as you disappear out the door.

- Walking away is strategic - it forces the dealer to drop the deal or drop the price
- The person with the most power in a negotiation is the one who can most easily
- walk away from the deal (you)
- If negotiations stall – you say $28k; he says $30k – don't be afraid to walk.

Exactly who, do you suppose, feels worse at the prospect of you walking out the door? Do you imagine the salesman is thinking, in that moment, about what else he can do; what else he can offer; what else he can say, to get you across the line? I think he probably is feeling gutted and thinking all those things, don't you?

Walking out is one of the most powerful cards you can ever play in face-to-face negotiation. You don't have to be rude about it. Just say: "I can't spend more than $28k. My wife / husband / whoever is just going to kill me if I spend more. And I Like being alive; I've been alive all my life. Why stop now? Look, I really want this car. I'm just going to go shop around a bit – see what my $28k can buy elsewhere. Here's my number. Give me a call if you can do anything with the price." Then shake hands and walk out. And, walk out like a man. Even if you're a chick. Because men respect that.

In this situation, a dealer who's under the hammer will not want you to leave.
You might be amazed at how rubbery the price suddenly becomes. And if there's no movement on the price, he's just not motivated. Try another dealer…

## 6. DON'T BE RUSHED

Most people don't need to buy a car right now, today. But most car salesmen need to sell a car today - to you.

One of the things they need to do, therefore, is to whip you up into some kind of frenzy over doing business with them now.

Car salesmen are extremely good at instilling in you a sense of urgency. It's generally false urgency - but it certainly feels authentic at the time, in the moment.

There are a number of ways they typically do this, and they're all based upon fear – the fear that you'll miss out. The salesman might allege that another party is very keen to buy the car, and might in fact put a deposit on it this very day, and unless you sign now, you will miss out on this unbeatable offer because the next car will not be nearly so cheap.

- Chances are, you don't need to buy the car right now
- Chances are, the salesman does need you to do that
- Salesmen always try to instil a sense of transactional urgency in you
- Don't buy into it - it never helps you

Perhaps there is a supposed time-based limitation on an alleged unbeatable price. "Prices have to rise on Monday - that's straight from Head Office. There's absolutely nothing I can do about it - I'm trying to help you get a great deal here."

There are all manner of time-based incentives a good salesman can muster up. His job depends on 'closing you'.

Now, Nine hundred and ninety-nine times out of 1000 sales, these claims are simply untrue. There's no other interested party sniffing around. The next car will be just as cheap (or expensive) and the price won't rise on Monday - in fact, it might even get better.

It's very important to remember to give yourself enough breathing space. Don't be railroaded into this deal or that just because it suits the dealership's timing. Remember the 'golden rules': You're the one with the gold; you make the rules.

## 7. NEGOTIATE LIKE A PRO

As discussed at the start of the book, try to avoid answering questions. The more information you give the enemy, the more intel he has on you, and the more Counter measures he can employ to achieve his objectives. (In this case, to maximise his profit from your sale.)

Instead of answering questions, try countering with other questions. "What price do I need to offer you this car at to secure your business today?" is a classic car sale question.

- Buying a car is adversarial (you and the dealerships have conflicting objectives)
- Don't divulge information to the 'enemy'
- Questions from a salesman are designed to give him leverage over you
- Counter his questions with your own

Answer it with: “Not really sure. How low are you prepared to go?” Playing the ‘question right back at you’ game can be quite therapeutic.

Alternatively, you can equivocate in your responses. “Are you trading in your old car?” is another seemingly innocuous question. And it leads logically to others. “Do you know what it’s worth?”

The best thing to do here is

a) sell your old car independently,
b) or b) answer with “I haven’t decided yet. We might give it to our son ...

If you go into the same Q&A barrage like a novice, you might say: “I guess if you took $28,000 we’d do the deal now.” And: “We need to trade the old Corolla in, and we reckon it’s worth about $10,000.” If you do that, you might miss out on the fact that the dealer might take $26,000 if pushed, and instead you invite him to talk the price up. You tell him you need to trade-in, and he’ll go to work talking the trade-in down. None of this, of course, is a good deal for you.

**Negotiations always work better when the other party talks price first, in the absence of critical information supplied by you.**

## 8. USE THE ABSENTEE VOTE

Always abrogate the responsibility for your stated low spending limit onto someone else – a third party. OK – a scapegoat. Someone who’s not there for the negotiations, and who won’t ever be there later on, and who can never be reached on thetelephone. Voicemail is a wonderful thing...

- Set a spending limit
- Make this limit the responsibility of a third party (“My wife will kill me if I spend more than $X.00.”)
- Ensure this third party is not present and cannot be contacted
- That way, the salesman cannot go to work on your limit

**Example**

*You say: “Mate, my wife will kill me if I spend more than $28,000.” Or your husband, boyfriend, mother-in-law, mistress, girlfriend, the boss, the boss’s secretary... It doesn’t really matter who carries the can for your limit, as long as they are absent and un-contactable. If you’re a single female, make up a father, a boyfriend or a husband- this person does not have to exist. Doing this might also motivate the salesman to exercise some self-restraint in terms of how exploitative he’s prepared to be. He might tone it down a bit if he thinks there’s going to be some remote male oversight.*

*The point is: The limit is the limit, and you don’t control it. If you cave in, your life will be hell on earth – dogs and cats, living harmoniously, Labour and The Coalition working together with Australia’s best interests first and foremost, fire and brimstone. The Book of Revelation, basically.*

The point here is: psychology. You and the salesman want the same thing: he wants you to have the car. You want you to have the car. The only speed hump is the evil bastard (or bastards) with his or her or their hands wrapped around the budget. Perfect!

This way, it’s much harder for that sales guy to soften you up and get you to cave in and spend more money. And much easier for you to stick to your guns in respect of your

spending limit. Because your wife, your mistress (maybe both) will kill you if you blow it.

Dealerships are very good at exerting all kinds of emotional pressure on you, which boils down to: Take this price. It's great. Do it now. (Respectively: Don't, it's probably not) The easiest way to stick to your guns on price is to make it somebody else's problem.

## 9. GET SKEPTICAL

The old tricks are often the best, and people get sucked in by them. You're there, looking at the car. It's the end of the month.
It's in stock now. You've got the cash.
The salesman needs to close the deal.

He says: "I've got a couple coming in at 2pm with a deposit. If you want this car, I'll need your deposit now." At this point, there's one thing you know for sure. You are being lied to – it is certainly 'bullshit' o'clock. That's always a safe assumption when you're talking to a car dealer, and in this case, it's a solid-gold, card-carrying certainly.

- Car salesmen obviously don't lie to you all the time
- However, it's a good idea to assume that they do
- Especially whenever they introduce anything into the conversation that supports
- their objectives (justifies the price, nudges you to buy now, etc.)

**In this situation, there is no other couple. There is no pending deposit. It's a one-horserace, and you are the trainer, the jockey and the horse. Don't let him become the organ grinder so you can be his monkey. That's undignified.**

If there's a grand alignment of the planets and another couple actually are racing in for the car, let them have it. Buy another one. They're commodities. They all come out of the same factory. They're identical. Another one will be forthcoming almost right away. Remember – if he's really prepared to sell that car out from under this purported red-hot pair of buyers racing in now to secure the vehicle, with their entire savings in a suitcase, to drive their sick child to hospital for a lifesaving brain transplant, imagine what he's prepared to do to you, commercially, should the opportunity arise...

Good luck. One final thing. Don't ever lose track of it: if a car dealer's lips are moving, if there's air on the way out of those lungs, and if the vocal chords are vibrating anywhere from 20 Hz and 20 kHz (or even at a frequency outside the normal human hearing range) ... you're almost certainly on the receiving end of a tsunami of sales-closing bullshit.

Don't be offended. It's just the nature of the beast. Healthy scepticism is a good thing. It's a solid, not to mention safe, tactic to assume you're always being lied to.

This is especially true whenever a car salesman says anything that benefits his position in the proposed deal - no matter how pleasantly, politely or apparently honestly he says it - the limousine has pulled up and the chauffeur has jumped out and opened the door for you. If you buy into this BS, you are almost certainly being taken for a ride.

## 10. USE A BROKER

If you want confirmation you've got the best price, negotiate the best deal you can face to face, and tell the salesman you'll be back in 24 hours. Don't listen to any lies and innuendo about needing that deposit now, or other shovels-full of BS about the very special price being available for today only.

These are merely cheap ploys to lock you into that particular dealership. After the signature dries and the deposit changes hands, there is no escape. Salespeople know that once you leave, the chance you'll never come back, and they'll lose the sale, jumps dramatically.

- A broker works for you
- Brokers use bulk buying power and industry contacts to drive the price down
- You generally get fleet discount pricing - or better
- Brokers insulate you from car salesmen, and take the insidious tricks out of play

Most people save thousands

**Leave, go home and get on the phone to a finance broker. A broker will tender the purchase out to dozens of dealers and get back to you with the sharpest price they can arrange (and because this is something they do all day long, the prices are generally very sharp.**

You'll get 'national fleet' discount pricing, or better, it's pretty much a given. If the broker beats the price you've negotiated, go with them. If not, you'll have independent confirmation you did an absolutely sensational job negotiating on your own.

**Either way, a winning result for you!**

You'll save substantially over the recommended drive-away price. And you'll get the car delivered to your door with a full tank of fuel – without going toe-to-toe with a dealer, which, let's face it, is generally not a 'top 10' life experience.

Now, the last thing is, read this….

## THE ZERO PER CENT FINANCE RIP-OFF

*Zero per cent finance is a kind of confidence trick designed to make you believe in something that's too good to be true. It also increases foot traffic at dealerships.*

Zero per cent finance is absurd. So is one per cent.

**Anything below the cash rate set by the Reserve Bank of Australia is a joke. Since when was finance free?**

When was the last time a bank opened its windows and started shovelling money onto the poor huddled masses beneath?

What actually happens is: A big slice of the profit margin on the new car just becomes the interest, payable under the table to the financier.

When a dealer offers you zero per cent, the first thing you don't get is a discount on the purchase price of the vehicle. That's because an even healthier profit margin is required to pay the financier, under the table. This type of financing is really called sub-vented finance, and it's a con. A legal one, but still a con.

- Interest is still paid - it's just done under the table
- You often get a better deal overall if you simply negotiate the lowest price on the
- vehicle and arrange your own finance at a rational rate
- One of the main reasons this is done is to 'hook you' and take competing brands off the table

**The dealer wants you to focus on the big, fat zero, or some other tiny number, and ignore the reality.**

But you don't get anything for free. Mathematically, zero per cent over three years, is roughly equivalent to you negotiating a 10 per cent discount on the price, and then finding your own finance at about seven per cent.

**If you can negotiate 15 per cent off the price and find 7 per cent finance independently, or even get 10 per cent off, and find finance at six per cent, you're going to be well in front.**

If you can't find finance at those reasonable rates, you're not looking hard enough. Plenty of reputable lenders have finance at six or seven per cent. Here in Australia the automotive market is intensely competitive. Population: 23 million.

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Sixty-ish automotive brands and, broadly, one million sales. Competition is fierce, and the marketing spend per sale, is huge. One point five billion dollars above the line in advertising spend divided by one million sales is about $1500 per vehicle. And ultimately, you're picking up the tab.

So, you're at the dealership. That salesman needs to greet you and gut you – that's his objective, because that money's already been spent. The chrome, the glass, the cars on the showroom floor, the advertising. All spent this month. You walk in the door, they hate the thought of you leaving without the ink drying on a contract. It's a commercial imperative.

Car dealers make a significant income from their finance business. It's absolutely imperative for them to keep as much of that business 'in house' as possible. But it's a bad deal for you. Zero per cent is highly profitable for them, which is why it's bad for you.

Zero per cent also takes many independent financiers out of the mix. The car dealer says: Zero. Your financier says: 6.0. You think: zero beats six – simple. Only, it's not that simple. That playing field's not level; you're looking at an apple in one hand and an orange in the other.

If you're in the market, you lob at a dealership and here's this apparently 'unbeatable' offer – we've got zero per cent finance for you. You think, 'great'. 'Sign me up.' That's a mistake. If the best the central bank can manage is two-and-a-half per cent on the cash rate, then zero per cent is a con. It's a sales hook. Like, look over where while we slip the rabbit into the hat.

People choose cars sequentially. They go from dealership to dealership. The prime motivator to move to a different dealership is fear: the fear that if you buy here, now, you'll miss a better deal just down the road.

Psychologists study this stuff. Behavioural researcher Malcolm Gladwell says people make important decisions using a process he calls "thin slicing" – by deciding what's really important in a complex situation from a very narrow window of information. It's a way of jump-cutting through complexity – but maybe not the best way when you buy a car. Smart car salespeople know this, and that's why they want to hook you with just the right bait: the 'unbeatable' thin slice. The distraction. The misdirection. The smoke and the mirrors. Hey, look over here. Focus on the zero. Now, bend over.

On fundamentals, zero per cent finance is a joke – because if it's true, somebody is losing a lot of money (and the car and finance industries have a solid, unified philosophical position on losing money). With zero per cent, everyone's still getting paid – that's why there's no room to negotiate a real discount on the price.

If you tell them you're not interested in the zero per cent offer, you'll be amazed how malleable the price suddenly becomes. Ultimately, you pay – either way. Zero per cent finance is just a magic trick. You suspend disbelief because you want to believe an unbeatable offer. Marry the supermodel, own the Bugatti, come back from the dead, whatever. You want you to believe, so you become the architect of your own delusion.

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The best advice is to separate the three transactions most people make when they upgrade their cars –

- buy the new car at the dealer (because you must; it's the only place they're sold)
- but, secondly, arrange the best independent finance you can,
- and thirdly, dispose of your old car independently.

If you do this, one transaction cannot be used as leverage. It slashes the number of opportunities for the dealer to hook, thin-slice and gut you. But it's not as much fun as believing in fiction.

In the long run, it's significantly cheaper to arrange conventional, competitive finance from a reputable lender, and then drive a hard bargain at the dealership, buying the car. Thirty grand at zero per cent is not as good as bargaining down to 26k and getting quality independent finance at seven per cent flat. Get your own finance and negotiate like you mean it.

So step # 1, is organise a pre-approval on your next car before you step into the dealership yard. Once you have your finance is place, you're ready to enter the dealership domain and work your new-found knowledge.

We'll guarantee, when you drive your new car out of the dealership yard and onto the road, you'll have a feeling of satisfaction, knowing you pushed for the best deal you could possibly get and avoided the Dealership tricks and traps.

You can also help others by passing your knowledge on to them.

**To start on the right track to stealing your next car from a Dealer,**

**talk with us at Insync finance 1300 336 648, message us on Facebook**

**or email admin@insyncfinance.com.au**