Car Buying 101: the Basics of Negotiating for a Fair Price by Erwin Calverley

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Negotiation is an inevitable part of the car purchasing process. For a car-buying novice, it's usually the most intimidating part of the process. On the other hand, veteran car shoppers embrace it for the thrill of making the dealer agree to a price they're comfortable with. Regardless of what you feel about negotiating, it's something you need to do right, especially if you're on a tight budget.

The goal of negotiating for an agreeable vehicle price is to reduce even a fraction of its sticker priceâ€"which is the manufacturer's suggested retail price (MSRP). According to the American Automobile Association, the markup between the invoice price and sticker price is typically between 7 and 20 percent. There are many websites that list vehicle MSRPs, as well as the net price. You can use these two prices as the starting point and negotiate your way from there.

Typically, the sign that the negotiation will begin is when the dealer starts asking you for some basic information about yourself, such as your name, address, and so on. It will then be followed by asking how much you'd likely to pay per month. As unorthodox as it may sound, an appropriate answer to this question is "zero". The reason is that the dealer will then come at you with a reasonable offer.

Letting the salesman come at you with an offer puts you in a better position to negotiate. Car salesmen get a minimal salary for hanging around the dealership, but can almost become one-day millionaires because of the commissions they receive from selling vehicles. Your aim is to play down their commission and the profit they make to get the best deal.

The golden rule of negotiating for the best price is learning to say "NO". Cars are an integral part of daily life in Indianapolis because the city is somewhat behind other states in terms of transportation systems. You'll be using the vehicle a lot and will be paying for gas, leaving no room for costly monthly payments. Therefore, when you don't agree with the final offer of the car dealers Indianapolis car buyers go to, don't be afraid to say "NO".

If your conditions have not been met, never take it personally and leave on good terms. Be sure to give the car salesman a call the next day. Sometimes, the car dealers Indianapolis Indiana locales trust may respond with a surprisingly flexible price.

Buying a vehicle is probably the second biggest financial investment you'll ever make. Choose to do business with the car dealership Indianapolis residents recommend to obtain a final price that ensures you leave the dealership with a smile. Log on to Edmunds.com for more car-buying tips.

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Erwin Calverley - About Author:
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