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Liz Pulliam Weston

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The Basics

Hate haggling with auto salesmen? Don't

You don't have to go out to an auto dealership ready for pitched warfare with a salesman. No-haggle car shopping is alive and growing. advertisement

By [Liz Pulliam Weston](#)

If you hate to bargain, you're in luck. There have never been more ways for car shoppers to avoid haggling over cost.

Many analysts dismissed fixed-price car sales as a fad more than a decade ago, when General Motors' Saturn division made no-haggle pricing part of its sales pitch. Until then, only a handful of dealerships had tried the one-price approach and none very successfully.

The analysts were right in one sense: Saturn didn't change the way most cars are sold. Ninety-five percent of buyers still choose to buy their wheels the traditional way, matching wits with salespeople in dealer showrooms, said Chris Denove, a partner with research firm J.D. Power and Associates. But the Internet, auto superstores and car-buying intermediaries offer plenty of options for those who despise dickering.

Shop the Internet

Sixty percent of new car buyers and 47% of those in the market for used cars research their purchases on the Internet, J.D. Power surveys found. These shoppers read car reviews, check prices at services like Kelley Blue Book and Edmunds.com and sort through listings at AutoTrader.com, autobytel.com, Cars.com and MSN Autos. (You can go to those sites by clicking on the links at left under Related Sites.)

Money 2004.
Smarter, faster and easier
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Most of these listing services work like classified ads, getting buyers in touch with dealers or private parties and letting the two sides negotiate on their own. About one in 20 car buyers purchase a car after getting a price quote this way. Another J.D. Power survey found these Internet buyers saved between \$300 to \$500 on their new-car purchases -- although Denove cautioned that the sophisticated buyers who use Internet services probably would have saved a similar amount had they used a more traditional route, simply because they were more likely to do the kind of research that saves money.

Other sites offer truly haggle-free shopping. CarsDirect.com, for example, provides a firm-price service in most markets, working with dealerships that are willing to make their best bid up front.

Related Sites

“We’re typically dealing with the fleet departments (of dealerships) and getting fleet-like terms,” said Bob Brisco, the company’s chief executive.

[Kelly Blue Book](#)

Herschel Thompson is a recent convert to CarsDirect.com. The Venice, Fla. rental agent says he’s usually nervous about purchasing anything on the Web, but his daughter had such a good experience buying from the company that he was willing to give it a try.

[Edmunds.com](#)

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“I’d gone to a few dealerships and checked out the prices, but I don’t like to mess with dealers,” said Thompson, 58, who last bought a new car in 1997. “(CarsDirect.com) came back with the best deal, they got me the financing, and they handled my trade-in. I didn’t have to do anything.”

[autobytel.com](#)

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Thompson saw his new Dodge Dakota for the first time when he drove to pick it up at a dealership about 115 miles from his home. If he hadn’t been trading in his Jeep Grand Cherokee, Thompson said, the dealership would have delivered the car to his door.

[AutoNation](#)

[CarMax](#)

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Fixed-price dealerships

If you need to see a car before you buy and Saturns just don’t do it for you, you can find a huge range of other vehicles at such national chains as AutoNation and CarMax.

[Consumer Report’s
new car buying
service](#)

These auto superstores have hundreds of new and used cars on their lots, each with a no-haggle price tag. Both also have Internet shopping sites that can cut down on your footwork.

AutoNation is by far the bigger operation, with 287 locations in 17 states. The chain specializes in new car sales, although it sells plenty of used cars as well -- in fact, more than any other single used-car retailer in the country.

CarMax, by contrast, concentrates on selling popular, late-model cars at its 44 used-car superstores in 21 states, although it also has 15 new-car franchises.

Industry analysts say the chains’ prices tend to be mid-range, perhaps not as cheap as a good bargainer could achieve, but not as high as a typical dealership.

Hire a pro

The factors affecting car prices -- what incentives are being offered, how well the vehicle is selling, how many of the cars dealers have on their lots -- can fluctuate by the minute. Keeping up with all the changes can be a full-time job.

If you really don’t want to do the legwork to know what price is a good price, you can hire someone to buy the car for you.

Auto brokers typically have relationships with several dealerships that offer them cars for a certain amount over invoice. Brokers may charge you a \$50 to \$100 service fee and also may collect a small commission from the dealership.

Like the superstores, auto brokers usually aren't the rock-bottom cheapest way to get a car. What you're really buying is convenience. You can find them by typing "Auto Broker" into a search engine or by looking in your local yellow pages. Make sure a broker is licensed and bonded before agreeing to do business.

Put it out for bid

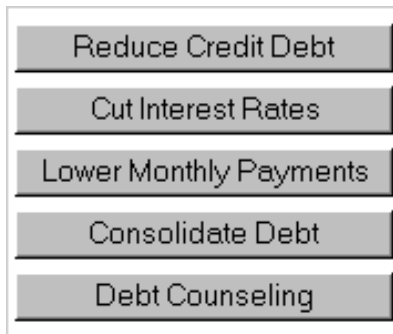
You can serve as your own broker by faxing or e-mailing dealerships in your area, telling them exactly what you're looking for and asking them to give you their best price.

This works best if you do plenty of research in advance, said Mary Butler, editor at Cars.com. You'll need to decide on the make and model, choose the trim style you want and come up with a list of must-have options. Consumer Report's new car buying service can help you figure out a fair price.

You should concentrate your efforts on high-volume, well-established dealerships that welcome virtual shoppers.

"Some dealers are going to be more open about giving you a price over the phone or by email," Butler said. "Some for competitive reasons will refuse to give you the number and want you to come in."

advertisement



Walk into a dealership prepared. Finally, don't assume that you have to avoid the showroom to avoid hassles. Butler regularly accompanies friends and family when they go out to buy a car, and she's found that the best-prepared buyers don't have to do much negotiating.

"If you've done all your research, you know what the invoice price is, you know what the incentives are," Butler said. "Then you build in a dealer profit of 2% to 3%."

Having a firm but realistic price can drastically cut down on the back-and-forth, "let me check with my manager" hassles that most car buyers hate.

"You can give them your price and say you're ready to buy today," Butler said. "I don't consider that haggling."

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