

NAVIGATION

[Introduction](#)[Part 1](#)[Part 2](#)[Part 3](#)[Part 4](#)[Part 5](#)[Part 6](#)[Part 7](#)[Part 8](#)[Part 9](#)[Glossary to "Confessions"](#)

PHOTOS

[\(Enlarge photo\)](#)

One of the editors suddenly asked, "How would you feel about an undercover assignment?" (Photo by Scott Jacobs)

Buying Articles

[10 Steps to Buying a New Car](#)[10 Steps to Buying a Used Car](#)[10 Steps to Finding the Right Car for You](#)[Confessions of a Car Salesman](#)[How to Get a Used Car Bargain](#)

New Car Pricing

Browse By:

[Hybrid](#)[SUV](#)[Truck](#)[Sedan](#)[More Types >>](#)

Incentives & Rebates

[Latest Incentives](#)[Deals of the Month](#)

2009 Buying Guides

[Hybrid](#)[SUV](#)[Truck](#)[Sedan](#)[More Buying Guides >>](#)

Edmunds Newsletter

Buying Tips

Confessions of a Car Salesman

Part 1: Going Undercover

I had driven by the dealership a hundred times and never stopped. As I passed I would look over at the row of salesmen standing in front of the showroom windows, white shirts gleaming in the sun. This phalanx of salesmen looked so predatory it always made me think, "Who would ever stop there?"

But today, I knew I would be the one stopping there.

I turned my ancient Dodge Conquest into the dealership parking lot and immediately felt their eyes on me. As soon as I opened my car door a salesman was on me.

"Is that a Mitsubishi? Or a Dodge?" the salesman asked, seeking common ground, a way to relax me before getting down to business.

"It's a Mitsubishi imported by Dodge," I said, and quickly added, "Who do I see about applying for a job?"

His attitude changed in a heartbeat. Not only was I not going to buy a car, but I wanted to be his competition.

"See the receptionist," he muttered, and walked away.

Inside, the receptionist was fortified behind a semi-circular counter.

"I'd like to apply for a job," I told her.

"What department?" she asked, yawning.

"Sales."

"New or used?"

"New."

She whipped out an application form and slapped it on the desk. "Fill out both sides and complete this too." She slammed down another form. It looked like the SAT tests I took in high school.

I took a seat in a nearby sales cubicle. It was in a large room divided into glass-walled sales offices. In the corner was a large glassed-in office with a high counter in front of a raised platform. The salesmen in this room looked older, better dressed and had an air of power and authority. They sat behind computers and also seemed to be eyeing the salesmen out on the lot.

Looking down at the application, it blurred in front of my eyes. Could I really do this? Could I really become a — *a car salesman*? Me, a law abiding middle-aged American. A — *gasp* — college graduate (well, barely). A writer. A person sometimes described as soft spoken and reserved? Why was I applying for a job in one of the most loathed professions in our society?

Well, here's how a strange turn of events turned me into a car salesman.

About a month earlier I applied for a job at Edmunds.com, touting my experience as a How-To book writer. One book I ghost-wrote was about buying used cars, the other was about leasing cars. The books were published under the name of a guy who had once been a car salesman. I assumed the books qualified me to work for the fast-growing consumer-based Web site. As I saw it, I would sit in the comfort of an office and, from this lofty perch, dispense advice on how to buy and sell cars.

The Edmunds.com editors had other plans.

After we finished lunch one of the editors suddenly asked, "How would you feel about an undercover assignment?"

"What do you mean?" I asked, even though I suspected where this was going. His question had stirred something I had thought about for a long time.

"We would hire you here at Edmunds.com. Then you would go out and get a job as a car salesman and work for three months."

"Selling cars?" I asked unnecessarily.

"Right."

"Where would I work?"

"Wherever you can get hired. That would be up to you. We were thinking you should work at

ADVERTISEMENT

More Buying Tips

10 Steps to Buying a New Car
 10 Steps to Buying a Used Car
 Confessions of a Car Salesman
 What is the "Kelley Blue Book" Price?
 Vehicle History Report
 More Car Buying Articles

ADVERTISEMENT

[Sign up](#) for the Edmunds Automotive Network Newsletter and get the latest news, reviews and more.

two dealerships. The first would be a high-volume, high-pressure store. Then you could quit and go to a no-haggle dealership. You could tell them you didn't like the pressure at the first place and you'd probably get a job on the spot."

The editor explained that they wanted me to write a series of articles describing the business from the inside. Of course I would learn the tricks of the trade, and that would better prepare me to write advice for Edmunds.com. But the benefits of the project would be greater than just information. I would live the life of a car salesman for three months. That would give me an insight and perspective that couldn't be gained by reading books or articles or interviewing former car salesmen.

"So what do you think?" the editor asked. "Interested?"

I have a history of acting before I think things through. I jump in with both feet and sometimes live to regret my decision. But here I was, in the middle of my life, long past the adventures of adolescence, past all the lousy summer jobs, past my early newspaper days on the police beat. It was a long time since I'd had a good adventure. But selling cars?

"Sure, I'll do it," I said. A week later, they offered me the job.

It was several weeks before I started at Edmunds.com, and then several more weeks before I was to begin the undercover project. Plenty of time to wonder what the hell I'd gotten myself into. I began clipping newspaper ads for car sales positions. Just the language in the ads made me nervous: "Aggressive sales professionals wanted!" or "Selling hot cars at MSRP. Join the #1 Team. Xlnt pay & benef. App in person." I could almost sense the pressure of the car business coming through the newspaper.

A friend of mine used to have an office surrounded by car lots. He would eat lunch with car salesmen and listen to them brag about the tricks they used to move cars. Occasionally, another man would join them, a guy they called "Speedometer Shorty." He would go from one car lot to another winding the odometers back to show fewer miles.

"What do you think they would do to me at the dealership if they found I worked for Edmunds?" I asked my friend.

"They'd kill you," he said without hesitation. Then he began laughing. "What they'd do is put your body in the trunk of a competitor's car."

He was yanking my chain, of course. But the fact that he answered so quickly gave me pause. Still, I told myself nothing like that would happen to me. I wasn't there to hurt the dealership. I wasn't there to steal anything or to hurt their business. We weren't going for dirt. But if dirt was there we would report it. Basically, we just wanted to see what was happening at ground zero in the auto business.

The date finally arrived for me to leave the Edmunds.com offices and begin looking for a job selling cars. As I prepared to leave, my editor offered me this advice: "When you're interviewing, don't tell them you know a lot about cars. They don't care. If they ask why you want to work there, just tell them you want to make a lot of money."

He then flipped open his calendar and counted off the weeks. "You're due back in the office in 10 weeks. We won't expect to see you until then. Let us hear from you every 48 hours or so with a phone call or e-mail. And good luck."

That weekend I went to the store and bought three new white shirts and a pair of black shoes with soft soles. I figured I'd be on my feet a lot. Monday morning I put together a resume. How should I present myself? Why would someone hire me to sell cars? I thought back to what my editor said, "Just tell them you want to make a lot of money." Good advice. But I needed more than that. There would be questions about who I was. Where I had worked. Requests for references maybe.

I decided that I would look over my recent past and select those things that could be viewed as being sales related. In other words, I wanted to avoid lying. For the previous three years I'd written video proposals for training films. A proposal is a form of selling — right? Maybe that would work. I called my friend and asked him to back me up in case the dealership called him. No problem, he said. I had also sold sporting goods at one time. And I had written proposals for grants for another company. I was beginning to see a biography that might work.

Monday morning rolled around and I realized that the time had arrived. It was time to get a job as a car salesman. I drove to an auto mall near my house. Acres of shining cars stretched out in front of me. One dealership had a large banner reading, "We're growing! Now hiring! Apply within."

That was when I pulled in and got the application.

"I understand you want to sell cars." The voice brought me back to the present. I looked up from the application. A man stood there smiling at me. He had carefully cut black hair. He wore a white shirt and a silk tie. As he extended his hand to shake, light flashed off a gold Rolex.

"I'm Dave. When you're done filling that out have me paged and we'll talk."

He smiled again, evaluating me. Then he disappeared.

Nice guy, I thought. Maybe this won't be so bad. I was about to begin work on the application when I looked around. I glanced toward the glassed-in office in the corner of the building. The one with the raised platform and the senior sales guys watching over the car lot. Dave was in there speaking to several of the older men in white shirts and ties. They all turned and

looked at me.

It was too late to turn back now. I bent over the application and began writing.

[previous](#) | [next](#)

More Buying Articles



[10 Steps to Buying a New Car](#)

The following steps will tell you how to locate, price and negotiate to buy the car you want.



[10 Steps to Buying a Used Car](#)

The following steps will tell you how to locate, price and negotiate to buy the used car you want.



[10 Steps to Finding the Right Car for You](#)

The following steps are devoted to helping you select, price, locate and test drive the vehicle that is best for you.



[Confessions of a Car Salesman](#)

What happens when a veteran automotive writer goes undercover as a car salesman? We sent our own Chandler Phillips to work at two Southern California dealerships and he came back to tell about it.



[How to Get a Used Car Bargain Part One](#)

In the second part of this series, we'll discuss Steps 3 and 4: how to locate your target cars and how to test drive and evaluate them.

[Home](#) | [New Cars](#) | [Certified Cars](#) | [Used Cars](#) | [Car Reviews](#) | [Tips & Advice](#) | [Car Loans](#) | [Auto Insurance](#) | [Forums](#) | [Inside Line](#) | [Industry News](#) | [Auto Shows](#) | [Your Account](#) | [About Us](#) | [Affiliate Program](#) | [Dealer Inquiries](#) | [Search](#) | [Car Dealers](#) | [Auto Repair Shops](#) | [Should You Buy Now?](#) | [Glossary](#) | [Directory](#) | [Help](#) | [Contact Us](#)

Edmunds Inc. is hiring! [Employment Opportunities](#)

© 1995-2009 Edmunds Inc.
[Privacy Statement](#) | [Visitor Agreement](#)

NAVIGATION

[Introduction](#)[Part 1](#)[Part 2](#)[Part 3](#)[Part 4](#)[Part 5](#)[Part 6](#)[Part 7](#)[Part 8](#)[Part 9](#)[Glossary to](#)["Confessions"](#)

PHOTOS

[\(Enlarge photo\)](#)

I studied the other sales people around me. They stood in poses of assertion and power: legs spread, hands on hips, arms folded across chests. (Photo by Scott Jacobs)

[\(Enlarge photo\)](#)

He said the dealership was perfectly situated on the Auto Mall. And the Auto Mall was the busiest in the area. And this area was the busiest in the country. And America was the busiest place on the planet. (Photo by Scott Jacobs)

Buying Articles

[10 Steps to Buying a New Car](#)[10 Steps to Buying a Used Car](#)[10 Steps to Finding the Right Car for You](#)[Confessions of a Car Salesman](#)[How to Get a Used Car Bargain](#)

New Car Pricing

Browse By:

[Hybrid](#)[SUV](#)[Truck](#)[Sedan](#)[More Types >>](#)

Incentives & Rebates

Buying Tips

Confessions of a Car Salesman

Part 2: Getting Hired

The application they gave me at the car dealership included a "personality test," a list of about 80 questions to which I had to answer yes or no. There were no right answers, the instructions told me. The questions gave me insight to the kind of people who typically applied for jobs at car dealerships.

The first few questions were innocent enough, something like: "I enjoy relaxing and listening to music: yes or no?" But soon I noticed a trend developing. Question 7 was, "I enjoy going to bars: yes or no?" A few more innocent questions followed, then, "After going to a bar I feel good about myself: yes or no?" Questions about bars continued throughout.

Then, at about number 73, was this loaded question: "I like guns: yes or no?" I wondered how they would react if I crossed out the word "like" and put in "love." Better yet, I considered inserting the word "automatic" in front of "guns."

It was pretty obvious what they were looking for. So I recorded my answers and took the application back to the receptionist.

"Dave told me to page him when I was done with this," I said.

She stabbed a button on a phone panel and spoke into the receiver. "Dave, to the front desk. Dave, to the front desk." Her voice echoed down the hallways and boomed out onto the car lot. She turned back to me, "He'll be right with you."

I sat down and waited.

And waited. But he wasn't "right with me."

The thing about car dealers is they seem to like to keep you waiting. Later, I would find out how important it is for the salespeople to feel they are controlling the customer. If you are waiting for them they must be controlling you. This obsession with control extended to job applicants too.

As I waited I tried to look like a promising candidate for a job selling cars — whatever that looked like. I tried to look eager and hungry. These are not traits that come easily to me so I studied the other sales people around me. They stood in poses of assertion and power: legs spread, hands on hips, arms folded across chests. All the men (which were 99 percent of the sales force) wore white shirts and ties. Their hair was slicked back and they favored jewelry.

Soon, I noticed that dealership people were walking past where I sat and they were taking an unusual interest in me. A sandy-haired man strolled by several times. On the next pass he nodded and said, "Good morning."

"Good morning, how are you?" I returned. The man nodded and kept walking. I began to think the reason Dave had me waiting so long was so they could eyeball me before I was interviewed.

I wondered if Dave was testing my assertiveness, so I returned to the receptionist and asked to have him paged again. She did, and Dave immediately reappeared and led me to a sales cubicle in the back.

Sitting across from Dave I saw that he had a wandering eye. I kept trying to figure out which eye to look at. Dave reviewed my application and frowned.

"You've never sold cars before. Is that right?"

"Right."

"Why do you want to work here?"

My first inclination was to say, *hey, I'm a car freak*. Always have been. I could explain cars, how they work, get people excited about the performance and the different features. But then I remembered my editor's advice.

I smiled at Dave, trying to convey the feeling that the answer was obvious.

"I want to make a lot of money," I said.

The effect on Dave was amazing. He smiled and relaxed, as if I had said the password to enter an exclusive club. If this had been a cartoon, dollar signs would have appeared in his eyes accompanied by a loud "*Cha-ching!*"

Next, Dave asked me what the best part of my personality was, and what the weakest part of my personality was. After I was done answering, he said he didn't really care what I said, it was the fact that I replied immediately that he liked. He added, "Your answer could even be a

ADVERTISEMENT

More Buying Tips

[10 Steps to Buying a New Car](#)[10 Steps to Buying a Used Car](#)[Confessions of a Car Salesman](#)[What is the "Kelley Blue Book" Price?](#)[Vehicle History Report](#)[More Car Buying Articles](#)

ADVERTISEMENT

[Latest Incentives](#)[Deals of the Month](#)**2009 Buying Guides**[Hybrid](#)[SUV](#)[Truck](#)[Sedan](#)[More Buying Guides >>](#)**Edmunds Newsletter**

[Sign up](#) for the Edmunds Automotive Network Newsletter and get the latest news, reviews and more.

lot of B.S. but in sales you have to always have an answer."

It was clear that Dave liked me. And I sure liked Dave. Still, I had never sold cars before. My application showed I had a background in video sales.

Suddenly, Dave extended a ballpoint pen to me, one of those 59-cent jobs made of clear plastic. "You want to be a car salesman. OK, sell me this pen."

Over the years, I've read a number of self-help books about positive thinking. It always seemed these books were written by salesmen. So I've absorbed a lot of information about selling without realizing it. Here was my chance to put all that into action.

I picked up the pen, paused dramatically and began speaking slowly and deliberately. "Dave, you've asked me to make a recommendation about a pen. You're in luck because I know a lot about pens and I'm in a good position to point out the features and benefits of this model of pen. The first thing you'll notice is the cap. This can easily be removed and stored on the other end of the pen so you don't lose it. The next thing you'll notice is how it feels in your hand. Also, you'll notice it's easy to see at a glance how much ink is left. This means you'll never run out of ink without..."

I continued in this ridiculous fashion for a few minutes. Then I set the pen back in front of Dave and stopped. I held his gaze firmly — hoping I had focused on his good eye.

He picked up his pen as he said, "Yes, well, that's very nice." He thought it over for a second and said, "I'll be right back."

But he wasn't right back. I sat there for at least 15 minutes. I had a good opportunity to look around. On the wall of the cubicle was a sign stating that in California there was no "cooling off period." It said that once you sign a contract it was binding even if you changed your mind or decided that the car cost too much money.

Another man eventually appeared around the corner of the cubicle and introduced himself. His name was Michael and he was the sandy-haired man I had exchanged greetings with earlier. He had a very pleasant manner. He didn't ask me anything about myself; instead, he talked about how the dealership worked. I would be on a team of six salesmen of which he was the assistant sales manager, or ASM. He told me that I would train for about a week, but then I would be selling cars.

"Selling cars isn't hard," Michael told me. "It's dead easy. You just got to get right up here." He tapped his forehead.

I used the same tactic I had with Dave, repeating that I wanted to make a lot of money. It seemed to be the magic word.

"Oh you can make money here," Michael assured me, smiling. Then he lowered his voice as if telling me a secret. "You could make three or four grand here your first month. It's happened. Sometimes the green peas are the best salesmen."

Green peas. That's what they called the new guys. I had heard that nickname once before from a car salesman friend. I would be hearing it a lot in the coming weeks.

Michael stood up to leave, saying that other people would be in to meet me. But then he ducked back into the cubicle and said in a low voice, "Your driving record — is it clean?" I assured him it was.

I sat there for another 15 minutes before a young woman named Rosa, from human resources, arrived. She led me to a small room where I watched a videotape about this company. It also had interviews with people that worked in car sales telling how much money they made and how they loved their jobs. They didn't read very convincingly from the teleprompter.

When the tape was over Rosa reappeared carrying the personality test that asked me how I felt about going to bars. She said the test showed I was, "dominant, competitive, and impatient."

"Impatient? Is that bad?" I asked her.

"Oh no! No!" she assured me. "It means you want results now now now," she said snapping her fingers.

She then explained how the shifts were handled. I would work from 50 to 60 hours a week, with a lot of night and weekend shifts. She also said they use an "Eight-step process" for selling cars. This probably worked well for applicants that spent a lot of time in bars.

Then she dropped a bomb on me.

"I was going to have the general manager interview you," she said. "But he listened in on your interview and he really liked you."

Listened in on me? I realized she had just confirmed a rumor about dealerships: the selling rooms are bugged. Later I learned that they aren't actually bugged, it's just that the phones have intercoms that can be used easily for listening.

I had been in the dealership for three hours and I was eager to leave. Rosa told me I would need to take a drug test and that they would then do a background check on me. She then paused and looked at me as if waiting for an answer.

"Is there anything you want me to know about?"

"About what?" I asked.

"Sometimes, when I say I'm going to do a background check, people stop me right there."

"Oh," I said, catching on. "My background's clean. No felonies."

"No DUIs?"

"No. I've been a good boy."

"You never know," she said. "I'll call you in a few days and if everything looks good we'll send you to get your sales license."

It was a relief to leave the dealership. As I drove home I reflected on what I had learned so far: To be a car salesman you needed to be able to sell pens, have a clean driving record and be drug-free.

I expected to get a call the next day and begin work immediately. But Rosa didn't call — and she didn't return my calls.

Over the next few days I continued applying for sales jobs. At one dealership, which sold high-end Japanese cars, a manager named Sid reviewed my application.

"But you don't have any experience selling cars," he said, as if I had misrepresented myself.

I went back to the formula that had worked so well.

"No, but I want to make a lot of money."

"Really?" he said. "How much do you want to make in, say, a month?"

I remembered Michael saying they made three or four grand in the first month. So I repeated this figure.

Sid burst out laughing: "I got guys out there makin' 20, 25 grand a month."

"You're kidding."

"No," Sid said, "I'm telling you, man, this is the big leagues."

Sid continued reviewing the application as if he might have missed something. "So you've got no experience selling cars?" he repeated.

No, I admitted for the second time, no experience.

Regretfully, he said he couldn't hire me until I had experience. He added that treating their customers well was more important than selling them a car. I told him that was exactly why I was here. I knew I could treat his customers well. This didn't cut any ice with him. He'd seen guys like me before, trying to fast talk their way into a job they weren't qualified for.

"I'm sorry my friend, but you have to prove it first. We need quotas. It's not enough to talk the talk. You need to walk the walk before you can work here." He handed me back the application and I left.

The next day I had a chance to interview at a dealership that sold American cars. Right away I sensed these guys were different than the salesmen at the dealerships that sold Japanese cars. There, they were slick young guys with expensive silk ties and gold watches. Here they were down-home, average Joes selling pickups and American-built cars.

I shook hands with a man named Jim who had slicked-back hair and a goatee. We sat in a selling room and he began telling me how great business was here. He said the dealership was perfectly situated on the Auto Mall, and the Auto Mall was the busiest in the area. And this area was the busiest place in the country. And America was the busiest place on the planet. So life was good and everyone was making lots and lots of money.

Jim asked me a number of questions about how I would handle situations on the car lot. He wanted to know how would I go about selling cars. I told him simply the best way to get a sale was to repeatedly ask for it. He liked this a lot. I could tell he was agreeing with all my answers so I wasn't surprised when he told me he was going to have his manager speak with me.

Several moments later (no waiting around like at the other interviews) a new guy entered named Stan. He said he had just told the sales staff, "If they sell two more cars by 6 o'clock we're all going out for pizza and beer."

I could tell that Stan couldn't figure out why I was there. I didn't make sense to him as a car salesman. But the more I talked the more he warmed to me. Finally, he said, "You play any sports?" I told him I was a big golfer. He asked me what my handicap was. I told him I was down to a 12 but I knew that if I took this job my golf game would suffer.

"Oh no. You're gonna get to play a lot of golf on this job. You have your mornings free and you'll be working evenings." He snapped the folder shut and said, "I asked you about sports because I wanted to see your competitive side."

I knew these interviews came in threes, so I wasn't surprised when Craig walked into the room. He told me that he had been a schoolteacher before he got into the car business. I could see him as a teacher — he had a warm, intelligent manner. He said that being a car

salesman was hard on your life. "Truth of the matter is, you lose all your friends. Not because you're a car salesman, but because when you're around, they're not. And when they're around, you're not. You wind up making all new friends." I thought of the guys getting pizza and beer after selling two more cars. Would they be my new friends?

Craig asked me questions about myself, but mainly he was there to tell me the realities of the job. He told me that I would be successful selling only 20 percent of the time. So about 80 percent of the time I would be failing. He asked me how I took rejection. I said, "If you knew my wife, you'd know I'm an expert on handling rejection." He laughed and said, "A good sense of humor is important."

I was left alone for a few moments while the three of my interviewers held a pow wow. I overheard one of them saying, "He seems like a nice guy." The other one said, "Yes, definitely." Craig returned and told me that I would be sent for drug test and background check. If both of these were clear they could start me in about 10 days.

As I left the dealership I realized I was facing a dilemma: did I want to work with the slippery guys who first interviewed me? Or should I go with the good ole boys at the American dealership? At this point I was leaning toward the slippery guys. I knew I was going to leave in a month anyway. I wouldn't mind cutting and running from the Japanese dealership. The other American boys might shake their heads and say, "If only he'd hung in there, we could've helped him become a successful car salesman."

I called the first dealership back for about the 20th time. This time I didn't give my name, but I had Rosa paged. After a long wait, she came on the line.

"Oh yes," she answered cheerfully (no mention of why she hadn't called back). "Come down Monday morning and we'll send you off to get your car sales license. You can do that while we're finishing your background check."

Did that mean I was hired? On Monday I went to the dealership and Rosa gave me the forms to take to the DMV. But first, I had to have my fingerprints scanned. I went to a local university's security office where they had a special computer for this purpose. I waited three hours before being led into a small, hot room. A sweaty young technician rolled the pads of my fingerprints across a glass plate. He told me that my prints were being sent by modem to the Justice Department — a scary thought. I then went to the DMV where I had another long wait because the computers were down. Finally, I went to the window, paid \$56 and had my picture taken. A few moments later I was handed my "Vehicle Salesperson Temporary Permit" with my photo on it. I was now a car salesman. So I decided to play the part.

Speaking through the glass, I told the DMV clerk, "I just got my sales license. You'll have to come on down to the dealership. I'll sell you a car."

"Sorry," she said. "I just bought a new Toyota."

The rejection had already begun.

[previous](#) | [next](#)

More Buying Articles



[10 Steps to Buying a New Car](#)

The following steps will tell you how to locate, price and negotiate to buy the car you want.



[10 Steps to Buying a Used Car](#)

The following steps will tell you how to locate, price and negotiate to buy the used car you want.



[10 Steps to Finding the Right Car for You](#)

The following steps are devoted to helping you select, price, locate and test drive the vehicle that is best for you.



[Confessions of a Car Salesman](#)

What happens when a veteran automotive writer goes undercover as a car salesman? We sent our own Chandler Phillips to work at two Southern California dealerships and he came back to tell about it.



[How to Get a Used Car Bargain Part One](#)

In the second part of this series, we'll discuss Steps 3 and 4: how to locate your target cars and how to test drive and evaluate them.

[Home](#) | [New Cars](#) | [Certified Cars](#) | [Used Cars](#) | [Car Reviews](#) | [Tips & Advice](#) | [Car Loans](#) | [Auto Insurance](#) | [Forums](#) | [Inside Line](#) | [Industry News](#) | [Auto Shows](#) | [Your Account](#) | [About Us](#) | [Affiliate Program](#) | [Dealer Inquiries](#) | [Search](#) | [Car Dealers](#) | [Auto Repair Shops](#) | [Should You Buy Now?](#) | [Glossary](#) | [Directory](#) | [Help](#) | [Contact Us](#)

Edmunds Inc. is hiring! [Employment Opportunities](#)

© 1995-2009 Edmunds Inc.
[Privacy Statement](#) | [Visitor Agreement](#)

NAVIGATION

[Introduction](#)[Part 1](#)[Part 2](#)[Part 3](#)[Part 4](#)[Part 5](#)[Part 6](#)[Part 7](#)[Part 8](#)[Part 9](#)[Glossary to "Confessions"](#)

PHOTOS

[\(Enlarge photo\)](#)

I was working on straight commission. If I sold cars I made money. If I didn't sell, I didn't make a penny. (Photo by Scott Jacobs)

[\(Enlarge photo\)](#)

He said that on the test drive the important thing is to keep talking: 'Here's the headlights, here's the gas cap. Here's the trunk. Anything! Understand?' (Photo by Scott Jacobs)

[\(Enlarge photo\)](#)

When you have a customer "in the box" (in the sales cubicle) you pull out a 4-square worksheet and begin negotiations. (Photo by Scott Jacobs)

Buying Articles

[10 Steps to Buying a New Car](#)[10 Steps to Buying a Used Car](#)[10 Steps to Finding the Right Car for You](#)[Confessions of a Car Salesman](#)[How to Get a Used Car Bargain](#)

New Car Pricing

Browse By:

[Hybrid](#)[SUV](#)[Truck](#)[Sedan](#)

Buying Tips

Confessions of a Car Salesman

Part 3: Meeting, Greeting and Dealing

My first day on the job started with signing about 50 different forms. Most of these were for specific purposes — to show that I understood I wasn't supposed to take dealership car keys home, drive under the influence or sexually harass my co-workers. But one form was of particular interest. It showed the breakdown of the commission structure.

Commissions were based on the "payable gross" to the dealership and were applied in three tiers. If the payable gross was from \$0 to \$749, our commission was 20 percent of the profit, from \$750 to \$1249 the commission was 25 percent of the profit. Above \$1250 the commission was 30 percent of the profit. In other words, the higher the profit for the dealership, the higher the commission I would earn. Obviously, this motivated salespeople to build profit into the deal so they could hit that magic mark and get into the 30 percent bracket.

When I was interviewed for the job, the dealership was vague about how I would be paid. On the one hand they promised I could make serious money through commissions — maybe four or five grand my first month. On the other hand, they alluded to an hourly wage to begin with. Now I found that I was, in fact, working on straight commission. If I sold cars I made money. If I didn't sell, I didn't make a penny. Maybe that's why there were so many salespeople working here (about 85 in new and used cars). It didn't cost the dealership extra to have a big staff.

When I was done signing forms I was turned over to Michael, my assistant sales manager (ASM). He told me I would be working with five other guys on the "A Team." They were just arriving for work — still straightening their ties, combing their hair — and he introduced me to them as they showed up. There was Oscar, a barrel-chested young guy with a gang tattoo on the back of his hand; Richard, a 6-foot-3-inch weightlifter from Hungary; Tino, who had a quiet dignity that made me think of him as a restaurant maitre d'; Jimmy, a mustachioed soccer fanatic and Juan, six months out of the U.S. Marine Corps.

These were my team members, Michael said. They would be like family, like my brothers. If I couldn't make a deal with a customer, I was to turn them over to someone on my team. Then, if that customer bought the car we'd split the commission. This practice of "turning" customers was stressed repeatedly. I was working in what is known in the business as a "turnover house."

We had a brief meeting in one of the sales cubicles and then the rest of the team went out front to look for "ups." Ups are customers who walk onto the lot. This name comes from the way customers are handled by whichever salesman or woman is "up." The salespeople are always asking, "Who's up next?" The "up system," the order in which customers are taken by the sales staff, is very serious business.

Michael began explaining how the dealership was run. We sold new cars on our side of the building, and used cars were on the other side. In each of the front corners of the building were the new and used car "towers." These glassed-in offices were restricted to employees. Inside was a raised platform where the sales managers sat. When you went into one of the towers, you found yourself behind a high counter, looking up at your bosses, like being in a courtroom or a police station. The sales managers are sometimes referred to as "the desk." Salespeople would say, "You have to clear that deal with the desk." Or, "Who's on the desk today?"

The next step in my training involved the use of the "4-square work sheet." Michael told me the 4-square was my friend, it was the salesman's tool for getting "maximum gross profit." As the name implies, the sheet is divided into four sections. When you have a prospect "in the box" (in the sales cubicle) you pull out a 4-square and go to work.

The information about the customer is written along the top together with the make, model and serial number of the car they want to buy. Then the salesman writes the sticker price of the car in large numbers in the upper right square on the worksheet. Michael stressed that the price of the car should be written in large clear numbers to give it a feeling of authority. He added that we should always write "+ fees" next to the price of the car (This includes license fees and sales tax).

"Good penmanship is essential," he said. "This makes it harder for them to negotiate. You're saying, 'Mr. Customer, if you want our beautiful new car, this is the price you're going to have to pay.'"

The other boxes on the 4-square are for the price of the trade-in, the amount of the customer's down payment, and the amount of the customer's monthly payment.

"When you negotiate, this sheet should be covered with numbers," Michael said. "It should be like a battleground. And I don't want to see the price dropping five hundred dollars at a pop. Come down slowly, slowly. Here I'll show you how."

The process begins by asking the customer how much they want for a monthly payment. Usually, they say, about \$300. "Then, you just say, '\$300... up to?' And they'll say, 'Well, \$350.' Now they've just bumped themselves \$50 a month. That's huge." You then fill in \$350

ADVERTISEMENT

Our New Car Replacement coverage gives you the value of a new vehicle if yours is totaled.

[FREE QUOTE](#)

More Buying Tips

[10 Steps to Buying a New Car](#)[10 Steps to Buying a Used Car](#)[Confessions of a Car Salesman](#)[What is the "Kelley Blue Book" Price?](#)[Vehicle History Report](#)[More Car Buying Articles](#)

ADVERTISEMENT

Visit the Car Audio & Electronics Center

Learn about the latest gadgets, get installation tips and more.

[edmunds.com](#) [GO!](#)

[More Types >>](#)

Incentives & Rebates

[Latest Incentives](#)

[Deals of the Month](#)

2009 Buying Guides

[Hybrid](#)

[SUV](#)

[Truck](#)

[Sedan](#)

[More Buying Guides >>](#)

Edmunds Newsletter

[Sign up](#) for the Edmunds Automotive Network Newsletter and get the latest news, reviews and more.

under the monthly payment box.

Michael said you could use the "up to" trick with the down payment too. "If Mr. Customer says he wants to put down \$2000, you say, "Up to?" And he'll probably bump himself up to \$2500." Michael then wrote \$2,500 in the down payment box of the 4-square worksheet.

I later found out this little phrase "Up to?" was a joke around the dealership. When salesmen or women passed each other in the hallways, they would say, "Up to?" and break out laughing.

The final box on the 4-square was for the trade-in. This was where the most profit could be made. Buyers are so eager to get out of their old car and into a new one, they overlook the true value of the trade-in. The dealership is well aware of this weakness and exploits it.

The opening numbers were now in place on the 4-square. At a glance, Michael said, you could see the significant numbers of this deal — purchase price of the car, trade-in, down payment and the monthly payments. As you negotiated you could move from box to box, making progress as you went. It allowed you to sell a car in different ways. For example, if the customer was determined to get full value for his trade-in, you could take extra profit elsewhere — in the purchase price or maybe even in financing.

The first numbers that go on the 4-square come from the customer. The down payment and the monthly payment are only what they would *like* to pay. Now, it's time to get the numbers that the dealership would *like* the customer to pay. These numbers are called the "first pencil" and they come from a sales manager in the tower. Michael said that the first pencil was the dealership's starting position. "You have to hit them high," Michael explained. "You have to break them inside — make them understand that if they want our beautiful new car, they're going to have to pay for it."

Here's how we were supposed to get the first pencil from the tower. After the customer test-drove the car we brought them into a sales office and offered them coffee or a Coke to relax them. Then we filled in the information about the car on the 4-square. We then picked up the phone and called the tower. Michael held his hand like a phone receiver with his thumb and little finger sticking out. "You say, 'Yes sir. I have the Jones family here with me and they have just driven a beautiful new *whatever* model, *stock number blah blah blah*.'" Then you say, 'Is it still available?' Of course you know it is. But you want to create a sense of urgency. So you pause, then say to the customer, 'Great news! The car's still available!' Then the tower will give you the first pencil. Write it in each of the boxes."

I later found out that the first pencil is arrived at by the dealership in a very unscientific way. For every \$10,000 that is financed, the down payment they try to get is \$3,000 and the monthly payment they try for is \$250. In this way, a \$20,000 family sedan would require about \$6,000 down and a \$500 a month payment. (These payments are based on very high interest rates calculated on five-year loans. These numbers are so inflated that a manager I later worked with laughingly called them, "stupid high numbers.")

"But here's the beauty of this system," Michael said, "these numbers aren't coming from you — you're still the good guy. They're coming from someone on the other end of the phone. The enemy."

Michael returned to his scenario. "OK, so when you give these numbers to the customer you say, 'Here's a pretty good deal for you.' But Mr. Customer says, 'Oh man! Michael, I told you I can only put down \$3,000.' So you cross out the \$6,000 you wrote and put down \$5,750. You say to the customer, 'Is that more what you had in mind?' And you nod as you say this. Try to get them agreeing with you."

This reminded Michael of something and he laughed. "Here's another thing. Never give the customer even numbers. Then it looks like you just made them up. So don't say their monthly payment is going to be \$400. Say it will be \$427. Or, if you want to have some fun, say it will be \$427.33."

While Michael was training me, he didn't ever say, "Here's how to cheat the customer," or, "This is how we inflate the prices." In fact, he stressed that I was supposed to treat customers with respect to build a strong C.S.I. (Customer Satisfaction Index). But manipulation and overpricing was inherent in everything he said. The reason for this was simple — without overpricing we couldn't make a living. What we were selling was profit. Or, as Michael put it, "This is money for you — money for your family."

At times Michael became very excited as he thought of new things to teach me. At one point he said, "Oh! This is a good one! This is how you steal the trade-in." He looked around quickly to make sure no one overheard him. "When you're getting the numbers from the desk, they'll ask if the customer has a trade-in. Say it's a '95 Ford Taurus. And say you took it to the used car manager and he evaluated it and said he would pay four grand for it. If you can get the trade for only three, that's a grand extra in profit."

"So what you do is this," Michael pretended to pick up the phone again, "you ask the desk, 'What did we get for the last three Tauruses at auction?' Then they'll give you some figures — they'll say, \$1,923, \$2,197 and \$1,309. You don't have to say anything to the customer. But he sees you writing this down! And he's going, 'Holy crap! I thought my trade was worth \$6,000.' Now it's easy to get it for \$3,000. That's a grand extra in profit. And it's front-end money too!" (I later learned that front-end money was what our commissions were based on. Back-end money was made on interest, holdbacks and other elements of the deal.)

We talked for almost two hours before Michael finally ran out of gas. He told me that for the next two days I should get to know the inventory and watch the other salespeople. Then I could learn how to "meet and greet." He invited me to check out some keys and test-drive the cars.

"Product knowledge," he said, tapping his forehead. "Very important. You need to get to know these cars inside and out."

I walked outside and surveyed the car lot. The new cars were on our side of the lot — the used cars to my right. Across the street was another dealership, also selling Japanese cars, and up and down the street were still more dealerships. Most of the manufacturers were represented here. Then, in the distance, was the freeway, a solid river of cars. Cars were everywhere.

"What were you selling before?"

I turned to find Oscar, one of my teammates. He had a broad friendly face to match his incredibly stocky build. Later, I found out he was a high school football star. I couldn't imagine trying to knock him off his feet.

"I used to sell videos," I told him.

"Like X-rated videos?" he asked eagerly.

"Naw. Training materials. Stuff for companies to train the people that work there."

"Oh yeah. We got some like that here." He popped his knuckles. I tried to read the tattoo on the back of his hand. "Michael show you around the lot?"

"No. He was explaining the 4-square."

"You never sold cars before?" he asked.

"No. This is the first time."

"It's easy, man. You'll do good. Hey, I'll show you around." He ducked into the sales office and came back with a set of car keys. "Let's take a ride."

We walked through the line of new cars, each gleaming with water droplets from being washed that morning. Oscar showed me how the lot was arranged with the high-end cars facing the street, the SUVs, minivans and trucks along one side and the mid-sized sedans near the dealership entrance. He told me there was also a back lot with more inventory and even more cars in a rear fenced parking area. As we talked, a car carrier pulled up and more cars began rolling down the ramp.

Oscar opened the door of a high-end sedan in a sport trim. It had a big V6, leather bucket seats, a sunroof and alloy wheels. The sticker showed a total price of \$28,576. A second dealer's sticker showed an extra \$236 for the custom wheels.

"You're walking through the lot with Mr. Customer and he's eyeballing all these cars," Oscar said. "He stops next to this one and *bam!* that's the one you're gonna sell him. You pull it out of the row, open the doors and ask him to see how good the seats feel. When he sits down you slam the door and take off."

"You mean, you ask him if he wants to demo the car?" I asked.

"Hell no. They never go for a demo if you ask them. 'Cause they know they're weak. If they drive it they'll buy it. The feel of the wheel will seal the deal, my friend. So you got to kidnap them, man. Just slam the door and take off. Come on, let's go."

We got into the car and he palmed the wheel, backing up, then pulling out onto the street. A block later we hit a light. When it turned green Oscar punched it and I felt the G's pressing me back into the leather.

"Whoa," I said. "Great torque."

"Strong," he agreed, checking the review mirror. We made a right, then another right into a shopping center parking lot. We got out.

"Now you got them away from the dealership, you can relax a little, show 'em how awesome this car is. What you want to do is open all the doors and windows, the hood and the trunk. Then you do your walk around. You start at the driver's door and you point stuff out as you go. 'Mr. Customer, this car's got the highest safety rating because it's got front crumple zones and breakaway engine mounts. It's got a 170-horsepower V6 with four valves per cylinder and *blah, blah, blah.*' See, it doesn't really matter what you say — most people don't even know what the hell you're talking about — but the important thing is to keep talking: 'Here's the headlights, here's the gas cap. Here's the trunk. Here are the tires.' Anything! Understand?"

"Got it," I nodded.

"Good. Now you drive."

"Me?"

"Yeah. You be Mr. Customer. You get behind the wheel. See, you got to be in control on the demo. Because when you get back to the lot, you got to get them in the box and make a deal."

I slid into the driver's seat and closed the door. Oscar sat beside me, buckling up.

"Make a right here," he said. "See, the test drive route is just a bunch of right turns. If you

want to go a little farther, go straight there."

"I want to go a little farther," I said, wondering if he was trying to control me. Besides, driving this car felt great. What was it Oscar said about *the feel of the wheel*? We came up on a railroad crossing. The tracks rumbled under my wheels, distant and muffled.

"Point out stuff on the route," Oscar said. "Like those tracks. Like this turn. Like the way it brakes. Everything. Just keep talking and building confidence in the product."

I looked over at Oscar wearing his white shirt and silk tie. He had slipped on a pair of wrap-arounds and with his black hair combed back he looked very smooth. Later I learned that he came out of a gang-infested area of the city. A job like this allowed him to drive brand-new cars, handle money deals, wear a tie and act like a big shot.

"Thanks for your help, man," I said when we got back to the lot and put the car away.

"No problem, bro." He shook my hand. "You're gonna do good here."

Over the next few days I noticed that car salesmen shook hands with each other a lot. I shook hands with each of my team members when I arrived in the morning; we shook hands before we left the dealership at night. We might shake hands with each other two or three more times during the day. If I happened to be standing on the curb and if another salesman walked up I shook hands with him. It was like we were all staying loose, practicing on each other, for that moment when we would greet Mr. Customer and needed to use a good handshake that's going to seal the deal.

At one point, during a sales seminar, I was actually taught how to shake hands. The instructor, a veteran car salesman said: "Thumb to thumb. Pump *one, two, three*, and out." Another vet told me to combine the handshake with a slight pulling motion. This is the beginning of your control over the customer. This would prepare the "up" to be moved into the dealership where the negotiation would begin. The car lot handshake is sometimes combined with the confident demand, "Follow me!" If you employ this method you turn and begin walking into the dealership. *Do not look back to see if they are following you.* Most people feel the obligation to do what they are told and they will follow you, if only to plead, "But I'm only looking!"

Besides hand shaking there's also a lot of high-fiving, fist-bumping, back-slapping and arm-squeezing going on among the salespeople. Furthermore, there's a certain amount of tie-pulling, wrestling and shadow-boxing during the slow periods.

Later that first day, I was standing on the curb outside the sales offices waiting for ups when a voice boomed over the intercom, "All new and used car salesmen report to the sales towers."

I went into the new car tower while the used car guys went into their tower. It was my first time actually going into this cramped room. There was only a small space around the perimeter of the desk where the salesmen stood, all of us looking up at the three sales managers who loomed above. On that shift, the sales staff was made up of all men. In fact, out of the 85 salespeople, there was only one woman working on the floor selling cars. There were, however, several women in the fleet department and working in the finance and insurance department.

Behind the sales manager's desk were three large white boards. The first listed the names of all the new car sales people. Beside the names was a blue box for each car they sold. Since I started near the end of the month, some of the salesmen had a long row of blue boxes showing they sold as many as 35 cars. Others had only two boxes. This board enabled everyone to see who was doing well, and who was falling behind. The next board showed the number of cars sold by the entire dealership. And the final board listed the names of the salespeople who hadn't sold any cars for three days.

"How ya doin' guys?" Ben asked, looking down at us. He was in his mid-forties with graying hair combed back. His face was thin, his nose pointed, giving him a fox-like appearance.

"Doin' good, boss," the salesmen muttered.

"You lose some weight, Ben?" one of the salesmen asked.

"A few pounds maybe," Ben said, slapping his gut.

"They didn't feed you much in prison?" the salesman said. Everyone broke up.

Ben's face got red. "Will you quit telling everyone that?"

It was an odd response. He wasn't denying that he had been in prison. So I had to assume it was true.

"OK guys. Listen up. It is slow. Slowwww. You need to start working the phones, get some customers in here. Who's got an appointment today?"

A few hands were raised.

"Here's the deal. No appointments, no ups. You guys each have to have one *shown* appointment or you don't get to take any ups."

I found out that a shown appointment was one where the customer actually showed up. This prevented salesmen from putting down a fake name just to fulfill this requirement.

"No shown appointment, no ups," Ben repeated. "Is that clear?"

"It's clear, boss," a salesman mumbled.

"OK. Now here's the other thing," Ben said, looking down at the assembled masses. "The guys in used cars think we're a bunch of wimps. They're going around telling everyone they can sell more cars than us. So I bet dinner, for each guy here, that we can outsell them over the next four days. What do you say about that?"

We all cheered.

Ben looked through the glass and across the dealership at the used cars tower. All the salesmen were in there meeting with their managers, just like we were meeting with ours.

Ben picked up the phone. "Now I'm going to call used cars and we're gonna show them who we are." He dialed the extension for the used cars department. When they answered he yelled to us, "What do we think of used cars?!" He then held up the phone so we could collectively yell into it. We shouted, "Used cars sucks!"

Then Ben asked us, "Who's strong?"

We yelled, "New cars!!!"

Meanwhile, of course, we could see the guys in used cars were yelling and screaming at us, telling us we were a bunch of wimps. The receptionist, who sat between the two towers, looked like she would die of embarrassment.

"All right guys," Ben said. "Get out there and sell cars. Let's rock."

The meeting broke up. The salesmen went outside and stood around grumbling. Then, one by one, they went inside and hit the phones.

I was told I was exempt from this no appointment/no ups rule, so I stayed outside. I was left virtually alone, which was unusual. At most times, there were from four to 15 salesmen waiting for ups.

A car pulled onto the lot and a young man and woman got out. No one was there to help them. I looked around. Michael was watching me through the plate glass window. He nodded and pointed at the couple. "Go ahead," he seemed to be saying, "Take them."

"Well, here goes," I thought. "My first customer."

As I moved toward them, my mind was crowded with all I had been taught that day. The couple heard me coming and turned. I don't think I'll ever forget the look on their faces.

[previous](#) | [next](#)

More Buying Articles



[10 Steps to Buying a New Car](#)

The following steps will tell you how to locate, price and negotiate to buy the car you want.



[10 Steps to Buying a Used Car](#)

The following steps will tell you how to locate, price and negotiate to buy the used car you want.



[10 Steps to Finding the Right Car for You](#)

The following steps are devoted to helping you select, price, locate and test drive the vehicle that is best for you.



[Confessions of a Car Salesman](#)

What happens when a veteran automotive writer goes undercover as a car salesman? We sent our own Chandler Phillips to work at two Southern California dealerships and he came back to tell about it.



[How to Get a Used Car Bargain Part One](#)

In the second part of this series, we'll discuss Steps 3 and 4: how to locate your target cars and how to test drive and evaluate them.

[Home](#) | [New Cars](#) | [Certified Cars](#) | [Used Cars](#) | [Car Reviews](#) | [Tips & Advice](#) | [Car Loans](#) | [Auto Insurance](#) | [Forums](#) | [Inside Line](#) | [Industry News](#) | [Auto Shows](#) | [Your Account](#) | [About Us](#) | [Affiliate Program](#) | [Dealer Inquiries](#) | [Search](#) | [Car Dealers](#) | [Auto Repair Shops](#) | [Should You Buy Now?](#) | [Glossary](#) | [Directory](#) | [Help](#) | [Contact Us](#)

Edmunds Inc. is hiring! [Employment Opportunities](#)

© 1995-2009 Edmunds Inc.
[Privacy Statement](#) | [Visitor Agreement](#)

NAVIGATION

[Introduction](#)[Part 1](#)[Part 2](#)[Part 3](#)[Part 4](#)[Part 5](#)[Part 6](#)[Part 7](#)[Part 8](#)[Part 9](#)[Glossary to "Confessions"](#)

PHOTOS

[\(Enlarge photo\)](#)

If a customer says they're "only looking," the salesperson might answer, "Last time I was only looking I wound up married." (Photo by Scott Jacobs)

[\(Enlarge photo\)](#)

The couple turned and I saw the fear on their faces. Fear of me! (Photo by Scott Jacobs)

[\(Enlarge photo\)](#)

The system is designed to catch people off guard, to score a quick sale, to exploit people who are weak or uninformed. Those are our buyers. (Photo by Scott Jacobs)

Buying Articles

[10 Steps to Buying a New Car](#)[10 Steps to Buying a Used Car](#)[10 Steps to Finding the Right Car for You](#)[Confessions of a Car Salesman](#)[How to Get a Used Car Bargain](#)

New Car Pricing

Browse By:

[Hybrid](#)[SUV](#)[Truck](#)

Buying Tips

Confessions of a Car Salesman

Part 4: Life on the Lot

When I took this assignment as an undercover car salesman I knew I was agreeing to join the enemy. Everyone knows that the car salesman or woman is the enemy. He or she is the person we have to do battle with if we want a new car. I had always been on the customer's side of the desk. Now I was crossing enemy lines. But I didn't *feel* like the enemy until the first time I greeted a customer on the lot.

Here's how it happened. I saw a young couple get out of their car and wander uncertainly toward a row of compacts. They were there to buy a car. I wanted to sell them a car. I walked toward them with the best of intentions.

As I reached the couple I gave them a cheerful, "Good afternoon!"

They turned and, in an instant, I saw the fear on their faces. Fear of me!

Let me quickly add that I'm not the type of person who normally elicits fear from the people around me. I've been called shy, reserved and quiet — all euphemisms for meek, mousy and at times practically invisible. But here I was with my white shirt and tie, my employee's badge hanging from my belt. I had become the enemy. And they were afraid of me.

What were they afraid of? The short answer is, they were afraid they would buy a car. The long answer is that they were afraid they would fall in love with one of these cars, lose their sense of reason and pay too much for it. They were afraid they would be cheated, ripped-off, pressured, hoodwinked, swindled, jacked around, suckered or fleeced. And, as they saw me approaching, all these fears showed on their faces as they blurted out, "We're only looking!"

During my short stint as a car salesman I saw this look of fear from customers many times. It ranged from a mild apprehension to abject terror. Sometimes customers would actually become hostile. I'd cheerfully say, "How can I help you?" And they would lash out with, "Can't you leave me alone for one second? I just want to look! On my own! OK? On my own!"

What the customer didn't realize was that the poor car salesman or woman was not really the enemy. The real enemy was the manager sitting in the sales tower cracking the whip. Suppose for a moment a customer told us they were "only looking," and we said, "fine, take your time," and went back into the sales tower. Now we find ourselves looking up into the steely eyes of the sales manager.

"That's your customer out there," the manager would say.

"But they said they're only looking," I would answer.

"Only looking? You're going to take that for an answer?" Foam was beginning to form at the corners of the sales manager's mouth. "What the hell kind of salesman are you? Of course they're looking! They're all only looking until they buy. You want them to go across the street and buy a car over there? Because they have *real* salesmen over there. Now go back out there and sell those people a car. And don't let them leave until they buy or until you turn them over to your closer."

So that's why the car salespeople stick like glue to customers. Their fear of their managers is greater than their fear of offending the customers.

Many salespeople find that humor is a good way to overcome objections. If a customer says they're "only looking," the salesperson might answer, "Last time I was only looking I wound up married." If a customer objects to being hurried into buying the car, the salesperson might say, "The only pressure on this lot is in the tires." These prepackaged lines were exchanged between car salesmen in the slow times with the feeling that the right joke at the right moment could be the ticket to a sale.

Of course, a good joke in the salesman's opinion might be considered the ultimate comball line by the customer. In one case a veteran salesman bragged to me that he sold a car to a woman by telling her, "You know, you look great in this car. The color matches the color of your eyes." Oddly enough, that very night I was talking to a woman who told me she had once had a car salesman tell her that the car matched the color of her eyes. Her reaction to this? "Oh *please!*"

Car salesmen and women seem to exist in their own world. What they think is cool is viewed by the public as tacky and obvious. For example, why do they insist on wearing white shirts and silk ties? Or what about gold watches, rings and chains? Who wears that stuff anymore? Don't they realize they are turning themselves into walking cliches? The only answer I came up with was that, as a salesman, I spent all my time with other salesmen. They were my friends. Believe it or not, I tried to fit in, to belong. So I began to develop an interest in gold ties, white shirts and dress shoes. I even grew a goatee because a lot of the guys had beards. And I put gel on my hair and combed it straight back.

During the first week as a car salesman I used to come home and describe the scene at the

ADVERTISEMENT

Liberty Mutual
Unlimited Rental Car Coverage.
Available from Liberty Mutual Insurance.
[FREE QUOTE](#)

More Buying Tips

[10 Steps to Buying a New Car](#)[10 Steps to Buying a Used Car](#)[Confessions of a Car Salesman](#)[What is the "Kelley Blue Book" Price?](#)[Vehicle History Report](#)[More Car Buying Articles](#)

ADVERTISEMENT

How much can you afford?
Calculate your monthly payments.
edmunds.com
Use the Edmunds Auto Loan Calculator.
[click here](#)

[Sedan](#)[More Types >>](#)**Incentives & Rebates**[Latest Incentives](#)[Deals of the Month](#)**2009 Buying Guides**[Hybrid](#)[SUV](#)[Truck](#)[Sedan](#)[More Buying Guides >>](#)**Edmunds Newsletter**

[Sign up](#) for the Edmunds Automotive Network Newsletter and get the latest news, reviews and more.

dealership to my wife. I told her how we were instructed to follow cars as they pulled onto the lot and stand beside the car until the customer stepped out. She was incredulous.

"Do they think that's going to make people want to buy a car?" she always asked. "If it was me I'd just keep driving. I'd want time to pick the car myself. To relax and sit in the car and not be pressured." I could only answer that the system was not set up for educated people who thought for themselves, it wasn't to help customers make informed decisions. The system was designed to catch people off guard, to score a quick sale, to exploit people who were weak or uninformed. Those were our buyers.

Let me say that the dealership I worked at was notoriously high-volume, high-pressure. Even so, there were some salespeople there who were relaxed and friendly and treated customers with respect. I also know that there are many good dealerships across the country that are concerned with their long-term reputation. But as a whole, the dealership where I worked encouraged the salespeople to use pressure to speed up a deal, to get a customer to accept high payments, to get the customer to buy a car they really didn't want.

I had been working for several days by now. My manager had trained me on the basics and then told me to watch the other salespeople interacting with customers. Finally, he let me "meet and greet" customers and then turn them over to another team member. Now, it was time for me to actually start selling cars. So I went outside and began waiting for ups.

The dealership where I worked had "an open floor." This meant that any salesman could wait on any available customer. However, if there were 10 salesmen waiting for ups and one car drove in, how did we decide who would help them? In some cases, the salespeople "called" the ups. They would scan the traffic passing by the dealership. If a car turned into the lot, someone said, "Green Toyota!" And this gave him the right to wait on that customer. When you shook hands with the customer you were, in a sense, claiming your territory.

Since I was still a "green pea" the other salesmen tried to push me to wait on undesirable ups — the undesirable customers who the salesmen *thought* wouldn't or couldn't qualify to buy a car. My manager had, at one point, described the different races and nationalities and what they were like as customers. It would be too inflammatory to repeat what he said here. But the gist of it was that the people of such-and-such nationality were "lie downs" (people who buy without negotiating), while the people of another race were "roaches" (they had bad credit), and people from that country were "mooches" (they tried to buy the car for invoice price).

I'll repeat what Michael, my ASM, told me about Caucasians. He said white people never come into the dealership. "They're all on the Internet trying to find out what our invoice price is. We never even get a shot at them. I hate it. I mean, would they go (to a mall) and say, 'What's your invoice price on that beautiful suit?' No. So why are they doing it here?"

I was already beginning to see the impact of the Internet because of something that happened during my first few days there. I was sent to the service department to talk to customers waiting for their cars to be fixed. Salespeople feel this is a good source of leads to buy new cars. Say a customer has just gotten nailed with a \$2,000 quote for a transmission. Now's the time to move in and pitch the virtues of a new car.

There were typically a dozen or more people waiting for their cars to be serviced. They would either watch TV or read while they drank coffee and Cokes from the vending machines. I handed out my business card and chatted with a few people. One young guy was killing time by goofing around with his Palm Top computer. He was outfitted in designer jeans and a T-shirt, so I wasn't surprised to hear that he had just bought the radical new SUV our dealership sold. Michael had told me these vehicles were selling for over sticker prices, so I asked Mr. Palm Top how he made out.

"I got an awesome deal," he said.

"How awesome?"

"Three hundred below invoice," he smugly answered.

I asked how he did it. He said he checked prices on the Internet. He then called the fleet manager and made the deal over the phone.

I had a schizophrenic reaction to this. Part of me admired the fact that he had outfoxed the dealer. But the car salesman side of me was angry that I never "got a shot at him." It seemed like just a matter of time before people who, in the past, walked onto our car lot, would be on the Internet making deals.

The salesmen are only vaguely aware of this developing trend. I was standing on the curb next to George and we saw one of these high-demand SUVs ready for delivery.

"Another damn Internet sale," George said. "Why don't they turn that car over to us? We'd get a grand over sticker. Instead they're selling it at invoice. Does that make sense?" As the days passed I noticed more and more cars marked "carsdirect.com." And as I approached people on the car lot they often informed me that they were here to see the fleet manager. More Internet customers.

Back to that first couple I greeted on the car lot. I don't remember much about them other than the look of fear on their faces. They didn't buy a car from me. In fact, I didn't have a real good prospect for another two days. I had plenty of people who were just looking. Or said they would be back. Or said they had a doctor's appointment. Or had to pick up their kids at school. These were typical excuses they had for escaping. But the salesmen told me to disregard all these stories that customers gave me. As they put it, "Buyers are liars."

[previous](#) | [next](#)

More Buying Articles



[10 Steps to Buying a New Car](#)

The following steps will tell you how to locate, price and negotiate to buy the car you want.



[10 Steps to Buying a Used Car](#)

The following steps will tell you how to locate, price and negotiate to buy the used car you want.



[10 Steps to Finding the Right Car for You](#)

The following steps are devoted to helping you select, price, locate and test drive the vehicle that is best for you.



[Confessions of a Car Salesman](#)

What happens when a veteran automotive writer goes undercover as a car salesman? We sent our own Chandler Phillips to work at two Southern California dealerships and he came back to tell about it.



[How to Get a Used Car Bargain Part One](#)

In the second part of this series, we'll discuss Steps 3 and 4: how to locate your target cars and how to test drive and evaluate them.

[Home](#) | [New Cars](#) | [Certified Cars](#) | [Used Cars](#) | [Car Reviews](#) | [Tips & Advice](#) | [Car Loans](#) | [Auto Insurance](#) | [Forums](#) | [Inside Line](#) | [Industry News](#) | [Auto Shows](#) | [Your Account](#) | [About Us](#) | [Affiliate Program](#) | [Dealer Inquiries](#) | [Search](#) | [Car Dealers](#) | [Auto Repair Shops](#) | [Should You Buy Now?](#) | [Glossary](#) | [Directory](#) | [Help](#) | [Contact Us](#)

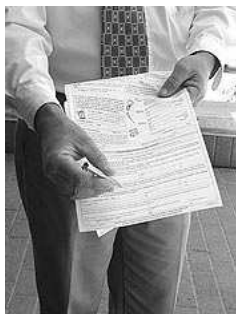
Edmunds Inc. is hiring! [Employment Opportunities](#)

© 1995-2009 Edmunds Inc.
[Privacy Statement](#) | [Visitor Agreement](#)

NAVIGATION

[Introduction](#)[Part 1](#)[Part 2](#)[Part 3](#)[Part 4](#)[Part 5](#)[Part 6](#)[Part 7](#)[Part 8](#)[Part 9](#)[Glossary to](#)["Confessions"](#)

PHOTOS

[\(Enlarge photo\)](#)

The long paperwork process began. They ran a credit report and the couple had a good score. Still, they needed to sign the contracts in the finance and insurance room, or "F&I." (Photo by Scott Jacobs)

[\(Enlarge photo\)](#)

When you looked away, and then back, customers seemed to magically appear. That's because they sometimes snuck through the bushes. (Photo by Scott Jacobs)

Buying Articles

[10 Steps to Buying a New Car](#)[10 Steps to Buying a Used Car](#)[10 Steps to Finding the Right Car for You](#)[Confessions of a Car Salesman](#)[How to Get a Used Car Bargain](#)

New Car Pricing

Browse By:

[Hybrid](#)[SUV](#)[Truck](#)[Sedan](#)[More Types >>](#)

Incentives & Rebates

Buying Tips

Confessions of a Car Salesman

Part 5: A Tale of Two Deals

In the new car sales tower there was a huge white board listing the names of all the salespeople on the lot. Every time you sold a car they colored in a blue box next to the name of the salesperson. The best salesman on the lot had a row of 15 boxes stretching out beside his name. I had no boxes next to my name. I felt inadequate.

I had been working for almost a week without selling my first car. I had greeted a lot of customers but I still didn't have a single sale to my name. I gazed jealously at the long rows of boxes next to the names of the other salesmen and wondered when I would make my first sale. Then, one morning, I got a "live one."

I had been standing on the curb out in front of the dealership looking for ups. It was funny because, when you looked away, and then back, customers seemed to magically appear. That's because they sometimes snuck through the bushes. There were hedges bordering the car lot so we couldn't see people approaching from the street. Often, a shopper might be at the dealership next door. They decided to continue shopping by walking down the street. That's why they came through the bushes.

By the time I reached this customer he was already inspecting a top-of-the-line minivan. I introduced myself and he told me his name was Randy Park. He was a young Asian man with grease under his fingernails. Later, he told me he was a mechanic. At first, Mr. Park was very guarded. But as we walked to the back lot to look for more minivans, he relaxed and opened up a bit.

We found two minivans that were very close to what he wanted but he told me that he didn't like the color of the interior. He wanted beige with a beige interior. I told him that we had yet another lot which visitors were not allowed to go to. He could wait in the dealership while I checked inventory. He seemed to know the game, that once inside we would work him to make a deal. Still, reluctantly, he followed me inside and sat down in a sales cubicle. I had my first customer, "in the box."

I took some basic information about him. He wanted to pay cash for the minivan and trade in a 10-year-old Acura with 160,000 miles on it.

Michael, my ASM (assistant sales manager) came in to meet Mr. Park and he began searching the inventory for a minivan to match his tastes. Finally, we located a minivan that matched the description and we went outside to look at it.

"It doesn't have running boards," Mr. Park said.

"We'll put them on," Michael quickly said.

Mr. Park inspected the minivan carefully, but he refused to test-drive it, saying his brother had the same vehicle and he had driven it many times. He also said he wanted a number of things added to the minivan such as the aforementioned running boards, fog lights and a rubber scratch guard for the rear bumper. Michael kept saying it would be no problem to add those things once the deal was set.

At this point things got sticky. Michael had to go into a meeting so another salesman from my team, Juan, was brought in to help me with the deal. I stood to the side in the cubicle and let Juan handle the customer. Just as Michael had described, Juan filled in the four-square worksheet with the stock number of the vehicle and the sticker price, \$28,318. Mr. Park saw this and began to get excited, saying he would pay only \$24,000 for the minivan. Juan ignored this early overture, picked up the phone and dialed the new car sales tower.

"I have a Mr. Park with me," Juan told the sales manager. "Don't call the police but he's trying to steal our car." (Another example of car salesman "humor.")

Juan gave the desk all the extras that Mr. Park wanted added to the minivan. He then wrote some numbers in the boxes and hung up the phone. He told Mr. Park that we needed a \$6,000 down payment and his monthly payments would be \$523.

"I told you, I will pay cash for this car," Mr. Park said. "But I want your best price. What is your best price to buy the minivan?"

Juan recalculated the prices and told Mr. Park he could have this beautiful new minivan for only \$27,500 plus the cost of the extras. Mr. Park demanded to know how much he would get for his trade-in vehicle. Juan told him we would give him \$2,500. This sent Mr. Park into a frenzy. He kept insisting the car was worth at least \$6,000.

Juan and Mr. Park went back and forth for about 10 minutes. Then, abruptly, Juan stood up and left. I sat down and tried to make small talk with Mr. Park. This was difficult since I could see that he was upset about the way he was being treated. Juan returned a few minutes later with the four-square sheet on which the sales manager had written, in blue magic marker: "Great deal! \$27,150 for our minivan, \$2,500 for your trade."

ADVERTISEMENT

Our New Car Replacement coverage gives you the value of a new vehicle if yours is totaled.

[FREE QUOTE](#)

More Buying Tips

[10 Steps to Buying a New Car](#)
[10 Steps to Buying a Used Car](#)
[Confessions of a Car Salesman](#)
[What is the "Kelley Blue Book" Price?](#)
[Vehicle History Report](#)
[More Car Buying Articles](#)

ADVERTISEMENT

Top 10 Deals of the Month

Need a new car right now?

See this month's best buys!

[edmunds.com](#) [CLICK HERE!](#)

[Latest Incentives](#)[Deals of the Month](#)**2009 Buying Guides**[Hybrid](#)[SUV](#)[Truck](#)[Sedan](#)[More Buying Guides >>](#)**Edmunds Newsletter**

[Sign up](#) for the Edmunds Automotive Network Newsletter and get the latest news, reviews and more.

When this was presented to Mr. Park, he became agitated, insisting the trade was worth at least \$5,000. Once again, it looked like Juan had gone as far as he could with Mr. Park. He left and came back with a closer who introduced himself as Big Stu. At first, Stu was jovial. He pointed at the list of extras Mr. Park was requesting and asked, "Is there a kitchen sink in here too?" Later, he began referring to the extras as, "Home Depot."

Big Stu was clearly searching for a way — any way — to get a commitment from Mr. Park. At one point he pointed at me and said, "And this guy here has never sold a car before. If you buy this car he gets to pop his cherry."

Unexpectedly, Stu suddenly raised his trade-in value to \$4,000. He also said our minivan could sell for \$26,500. Mr. Park accepted this offer and initialed the sale sheet. He then said he had to go home and get his wife so he could return and complete the credit application and take delivery of his new vehicle.

I walked Mr. Park out to his car and shook hands with him before he left. I noticed that whenever I shook hands with him he offered me his left hand. All other salesmen he shook hands with right-handed or American-style. I wondered if there was some cultural significance to this. Perhaps he was telling me he trusted me.

Of course, I began thinking that I had made my first sale — or "popped my cherry." Mr. Park's new minivan was still parked in front of the dealership, so I went out to move it back into its space. It turned out the battery was dead. The minivan had been sitting there so long with doors and windows open that it drained the battery. If Mr. Park had insisted on a test drive it wouldn't have started. I went into the tower, and told Big Stu we needed a porter to jump-start the car. He leaned over the counter and screamed in my face, "That's not my f---ing job! Call the porter yourself!"

Eventually, a porter with a "jump box" started the minivan. I let it idle for a half-hour, then put it away. Several hours passed, and I began to feel my first sale slipping away. Suddenly, I was paged. When I got to the receptionist's desk, I found Mr. Park with his wife and baby waiting for me. He looked very excited and happy. Again, he shook hands with me with his left hand. I showed him the minivan and insisted that we take a test drive. When we returned we all went back into a sales cubicle.

Somehow, the earlier sales sheet had gotten "lost" and the numbers they had agreed on were "forgotten." The price of the minivan and all the extras shot back up and the price of his trade-in took a serious dive. For the next two hours Mr. Park was hammered by every closer in the dealership. I got to watch a variety of styles: impatience, cajoling, begging, threats. Through all this his wife sat by his side clutching their little baby. Mr. Park began complaining that he had a headache and his manner became increasingly angry. At one point he ominously muttered, "Don't screw with me."

I couldn't exactly figure out what had happened to the deal. Yes, he had been offered \$4,000 for his trade. I knew that for sure. And I seemed to recall that he had been offered the minivan, including the extras, for as low as \$26,500. Those extras had not been written into the contract or they had been conveniently forgotten. They reemerged at the end and completely blew the deal. Finally, Michael picked up the papers and walked out of the cubicle muttering, "You're wasting our time."

Mr. Park asked me several times whether or not I had heard the earlier offer of \$4,000 for his trade. I wouldn't commit to this since I knew that I would be fired if it ever came back on me. When I last saw the Park family, they were heading across the street to another dealership.

Moments later Michael appeared and said, "Sorry about your deal, but *those people* are completely impossible." Actually, he didn't say "those people." He named an Asian country where, he had earlier told me, the people were all "grinders." Ironically, in my attempts to make conversation with Mr. Park I had learned that he wasn't from that country at all. He was from a neighboring country which wasn't on Michael's list of primo grinders. So here was my boss, adhering to stereotypes — but doing it incorrectly. That struck me as the worst of both worlds.

All week Michael had been telling me about the Friday morning sales meeting. Each time it came up he would say, "Make sure you're on time."

"What happens if I'm not?" I asked.

"You don't want to find out."

Friday morning rolled around and I made sure I was there in plenty of time. The meetings were held in the lunchroom upstairs and the only way to reach this room was to climb a flight of outside stairs. All the salesmen were gathered at the bottom of the stairs, milling around smoking cigarettes and drinking coffee. Some of the guys were in street clothes, black leather jackets or wearing baseball caps turned backwards. That was because they were working the late shift. They had come in just for the meeting and then would go home and come back again later. Those few lucky salespeople who were off on Friday were required to come to the meeting. If they didn't they wouldn't be allowed to work that weekend.

The rules of the dealership are enforced by threatening to send the offender home. Since we all worked on straight commission, to be sent home meant you eliminated your chances of making any money. The concept of being sent home always reminded me of being in grade school. "If you do that again, we're going to send you home and call your mother."

One day I was standing "on the point" with my hands in my pockets. The point is the entrance to the dealership where cars pulled in from the street. Another salesman came up to me and said, "You're not on my team, but you're from Boston so I'll tell you. If the owner of the dealership sees you standing there playing pocket pool, he goes ballistic. I got sent home one day for doing that." Apparently the owner felt we looked idle and inattentive if we had our

hands in our pockets.

Salespeople also got fired at the drop of a hat. This was known as, "getting blown off." I came into work one morning and heard the guys talking about how another salesman got fired the night before. He had done something to a customer that the GM (general manager) didn't like. The salesman was called into the tower and he stumbled out moments later in a state of shock. He said to the other salesmen, "I don't believe it, he just blew me off." The GM saw the fired salesman talking to the other guys and charged out on the lot, screaming, "Get away from them! I don't want you talking to anyone!"

So the salesmen were very careful to show up for the Friday morning sales meetings on time. I was wondering what was going to happen in the meeting when the door at the top of the stairs burst open and loud, pounding music poured out. The general manager appeared and yelled, "All right guys, get in here!"

We all ran up the stairs, high-fiving the sales managers as we went like we were taking the field in an all-star game. As we gathered in the room, we were all clapping to the music that was booming from a stereo set up in the corner. It was as loud as a rock concert and was playing that music they use at ball parks: "We will, we will, ROCK YOU!"

The music died and one of the sales managers, a short guy in his forties, with wavy black hair, ran out in front of us pumping his fists and screaming, "Killer, killer, KILLER WEEKEND!!!"

We all cheered.

"What are you going to do this weekend?" he yelled.

"Sell cars!" we yelled back at him.

For 45 minutes we listened to motivational speeches from the managers. Then the GM appeared and told us about the various bonuses. If you sold three cars you got \$250, four cars and you got \$350, five cars and you got \$500. And then he added, "If the dealership sells 60 cars, all the bonuses double. Sell five cars you get a grand. It's that simple." More ballpark music followed this and we left the room shaking hands and giving more high fives. We were pumped. We ran outside to sell cars. There was only one problem.

Where were the customers?

I had been warned that Fridays were bad because you have all the salespeople on the lot and no customers until late in the afternoon. But still, there was a lot going on. They had set up an inflatable bouncing room for kids, a petting zoo, and a grill preparing free hot dogs and hamburgers under a tent set up to one side of the showroom. The smell of cooking burgers began drifting across the lot. Soon there was a long line of salesman waiting for the free chow.

But that wasn't all. In the lobby, a table was set up and "free gifts" (are gifts ever anything but free?) were on display. If you came in and test-drove a car, you got either a key case or a portable camera. I don't think I need to tell you about the quality of these items. The gifts were handed out by young women with bored expressions and tight tops.

Moving back outside I saw two people roaming the lot dressed in animal suits. One was a brown fuzzy bear and the other was a floppy-eared rabbit. Later I talked to the women inside the suits and they complained about how hot the costumes were and how little kids kept poking them to see if they were real.

It wasn't until the next week that I finally "popped my cherry." It was about 8:30 p.m. and a couple came through the bushes again. Coincidentally they were also interested in the minivan — the exact model that Mr. Park had wanted to buy. Apparently they had been at the dealership next door and just decided to stroll over to see what we had.

A truck was parked on the lot shining searchlights into the air to attract buyers. A diesel generator was cranked up to provide power. As I approached this couple, it was very hard to hear what they said because of the roar of the generator. But the body language of the tall, heavy-set man in his 30s, was hostile. His wife was shy. I told them we had more minivans in the back, and invited them to come with me to look at them. As we walked together I was able to shake their hands and get some general information about them.

They found a few minivans that they liked but had questions about inventory — did we have any other minivans still available? This was a good chance to bring them inside. It was also cold out and they were tired from shopping.

Inside, they sat down as I filled out a guest sheet with basic information. They were surprisingly willing to provide their phone number, address and the amount they would put as a down payment.

I brought Michael, my assistant sales manager, into the office and he met the couple. I noticed that he always began by praising the car the customer was considering, as if they had made a wise decision. He would say something like: "So you're interested in the minivan. Did you know that's our best-selling vehicle here? Everyone loves it. It can hold seven people, but it drives like a car. You can't go wrong with it. And the prices here are the best in the area." Later, I would learn how this was called raising the customer's excitement level. If they were excited about the car, they wouldn't be rational when it came to making a deal.

Naturally, the couple began asking about the price of different models. Michael pointed to me and said, "He'll take you back out to the lot. Find one or two minivans you like. Get the stock numbers and we'll get specific about payments. How's that sound?"

We went back outside, and located a minivan that was buried deep in a row of trucks. The couple made their choice based on color and sticker price. We went back inside, and Michael quoted them a monthly payment of about \$550. The man balked at these figures saying he had been given lower numbers by another dealership. Michael countered by saying it was difficult to compare two vehicles with different options.

"I just had an idea," he said. "There may be a rebate on this vehicle we could use to bring the payment down. I'll go see if it's still in effect." He disappeared into the sales tower.

Whenever someone failed to accept the "first pencil" (the high numbers they begin with) Michael would always have "an idea" or "remember" a rebate or special interest rate program. This avoided the head-to-head confrontation. It also promoted the sense that we were working in the customer's best interest.

When Michael left to go to talk to "the desk" (the sales managers) I sat down with the couple and made small talk. I noticed that the man had his cellular phone out and was punching the keys. I asked if he was playing computer games. He smiled and said, "I'm playing a game called 'calculator.'" I realized he was running the numbers Michael suggested. It struck me that this might be a good way to check numbers at a dealership. If a customer whips out a calculator it could really tick off the salesman. But we're getting used to seeing cellular phones in everybody's hands.

Michael went back and forth with the guy several times, but they seemed to be settling on monthly payments of \$475. Finally, Michael held out his hand and said, "Do we have a deal?" They shook hands.

If the minivan was selling for a sticker price of about \$24,000 with options and tax, a 60-month loan at 9 percent interest would be \$475 a month. However, I later checked Edmunds.com True Market Value prices and saw that this van should have been discounted about \$1,700 from the sticker price. Then, monthly payments at 9 percent would have been \$430 a month. Over the life of the loan this was a \$2,520 difference.

The long paperwork process began. They ran a credit report and the couple had a good score. Still, they needed to sign the contracts in the finance and insurance room, or "F&I."

The dealership was closed now, and most of the salesmen and customers had left. But I had been warned that we would stay as long as it took to get the deal done. After about a half an hour, one of the sales managers told me to move the couple into the "fish room." This meant I was to put them into a waiting room built around a large aquarium. Apparently, it was thought that gazing at fish relaxes people.

Later, Michael told me that on weekends he doesn't like people to go into the fish room. "I've had a couple of deals blow out of the fish room. They start talking to each other, comparing deals and payments, next thing you know one of them is pissed off and they leave. I like to stay with the customer the whole time."

Luckily, my customers were the only ones in the fish room. I took the minivan to the service department and told a porter to wash and detail it. Then I took it down the street and bought a full tank of gas. It's funny because, here is a customer who has just spent about \$24,000 on a new minivan. But when you tell them you're buying them a free tank of gas they get all excited.

Back inside the dealership, I checked on the couple in F&I. Apparently, they were having difficulty approving the \$3,500 down payment on their American Express card. It was after midnight and the approval office was closed. By now this poor couple was slumped in their chairs utterly drained. Michael pulled me aside and said, "If their credit card doesn't go through you're going to have to follow them to their house and get a check." Eventually, the charge was approved and the people were allowed to buy their new minivan. We gave them a short demonstration of all the features and they drove off into the night.

By now it was 1 a.m., but I still wasn't done. The desk manager told me I had to put up "the blocker" — a vehicle parked across the entrance to prevent the new cars from being stolen. This was part of the nightly ritual called "lock and block." You check to make sure all the vehicles are locked, and then you move a car to block the entrance.

I put the blocker in place, and told Michael I was leaving. He shook my hand. "Congratulations on your first sale," he said.

I asked him how we did on the deal.

"The problem was, he made me bargain against the other dealership. But we sold the car for sticker. That's the good part. There'll be \$300 or \$400 in it for you."

Actually, when I got my voucher, I made a \$501 commission on a payable gross of \$1,689 — almost the \$1,700 discount that Edmunds.com advised. Our commissions were paid twice a month. But we received vouchers within a day or two showing how much we had to look forward to. The vouchers were yellow carbon copy slips from the dealership's books. The salesmen kept the vouchers in their wallets and took them out to show each other like scalps.

A friend came up to me on the lot one day and said in a confidential voice, "Want to see a bomber?" He unfolded the voucher and showed me the yellow slip: \$1,274. "Is that unreal or what? What a bomber." If his commission was \$1,274 (30 percent of the dealership's profit) the dealership made \$4,242. That's a lot of profit to make on a \$25,000 car — about 16 percent.

From my commission check it was clear that the minivan couple could have made a better deal and saved several thousand dollars. So where did they go wrong? Well, first of all, they

negotiated as monthly payment buyers, rather than bargaining on the purchase price of the vehicle. When you agree to be a "monthly payment buyer" several variables are introduced that are harder to keep track of: the term of the loan can be extended up to 72 months (six years!) without your awareness and the interest rate can be raised. When you bargain on purchase price, it is a cleaner, simpler way of negotiating.

After my minivan customers left that night, I went back into the new car tower to check out. I looked up at the enormous white board on the wall that listed the salesmen on the lot. The sales manager was coloring in a blue box next to my name. My first sale. I was finally on the scoreboard.

[previous](#) | [next](#)

More Buying Articles



[10 Steps to Buying a New Car](#)

The following steps will tell you how to locate, price and negotiate to buy the car you want.



[10 Steps to Buying a Used Car](#)

The following steps will tell you how to locate, price and negotiate to buy the used car you want.



[10 Steps to Finding the Right Car for You](#)

The following steps are devoted to helping you select, price, locate and test drive the vehicle that is best for you.



[Confessions of a Car Salesman](#)

What happens when a veteran automotive writer goes undercover as a car salesman? We sent our own Chandler Phillips to work at two Southern California dealerships and he came back to tell about it.



[How to Get a Used Car Bargain Part One](#)

In the second part of this series, we'll discuss Steps 3 and 4: how to locate your target cars and how to test drive and evaluate them.

[Home](#) | [New Cars](#) | [Certified Cars](#) | [Used Cars](#) | [Car Reviews](#) | [Tips & Advice](#) | [Car Loans](#) | [Auto Insurance](#) | [Forums](#) | [Inside Line](#) | [Industry News](#) | [Auto Shows](#) | [Your Account](#) | [About Us](#) | [Affiliate Program](#) | [Dealer Inquiries](#) | [Search](#) | [Car Dealers](#) | [Auto Repair Shops](#) | [Should You Buy Now?](#) | [Glossary](#) | [Directory](#) | [Help](#) | [Contact Us](#)

Edmunds Inc. is hiring! [Employment Opportunities](#)

© 1995-2009 Edmunds Inc.
[Privacy Statement](#) | [Visitor Agreement](#)

NAVIGATION

[Introduction](#)[Part 1](#)[Part 2](#)[Part 3](#)[Part 4](#)[Part 5](#)[Part 6](#)[Part 7](#)[Part 8](#)[Part 9](#)[Glossary to "Confessions"](#)

PHOTOS

[\(Enlarge photo\)](#)

I began looking for a new job at a no-haggle dealership that sold American cars. This would make a contrast to a high-pressure dealership that sold Japanese-made cars. (Photo by Scott Jacobs)

[\(Enlarge photo\)](#)

He taught a system called "Needs Satisfaction Selling." You found out what the customer's needs were and then you presented the car in such a way as to meet their needs. (Photo by Scott Jacobs)

[\(Enlarge photo\)](#)

I was called up in front of the class to role-play with the teacher. With 14 other salesmen watching, snickering and hooting, I couldn't remember the lines I had memorized. (Photo by Scott Jacobs)

Buying Articles

[10 Steps to Buying a New Car](#)[10 Steps to Buying a Used Car](#)[10 Steps to Finding the Right Car for You](#)[Confessions of a Car Salesman](#)[How to Get a Used Car Bargain](#)

New Car Pricing

Buying Tips

Confessions of a Car Salesman

Part 6: Learning From the Pros

I first started working as an undercover car salesman I was e-mailing my editors every day with accounts of car lot life. But as I settled into the job, my e-mails tailed off. There just wasn't much room in my schedule for writing. For example, one night I had a deal that didn't wrap up until 1 a.m. I had to be at work the next day at 9 a.m.

I must have let several days go by without writing my editors because I received an e-mail from my boss asking: "Have you gone native on us?" Maybe they thought I was making so much money, or enjoying life on the lot so much that I was going to change my profession. Not a chance. Sales isn't in my blood. I didn't like "tap dancing on rain drops," as one salesman described the sales pitch.

However, I had agreed to work at one more dealership — a no-haggle car lot — before I ended this undercover project. Before I could do that, though, I needed to leave my present job where I had worked for about a month and sold five cars. And I needed to find a way to make a graceful exit. Little did I know the unexpected form it would take.

One Friday morning I was trying to sell a pickup truck to a college student. During a break in the dealing I phoned home to get my messages. I heard my brother's voice on the message machine calling from the East Coast. He said he had sad news. My brother-in-law had died the previous night. It was completely unexpected and it left me in a state of shock.

I stumbled outside and told my sales manager what had happened. He said to take as much time as I needed and he would hold my job open for me. Later that week, I phoned him from the East to say I would not be returning.

When I got back from the funeral I began looking for a new job at a no-haggle dealership that sold American cars. This would make an interesting contrast to a high-pressure dealership that sold Japanese-made cars. I called several places until I found one where they were actively looking for salespeople. They asked me to come in for an interview.

It was a small dealership on a busy street filled with storefront businesses and strip malls. The used cars were parked along the front row facing the street with signs in their windshields listing the year, model and price. The new cars were parked farther back in two short rows and there were another 40 new cars on the back lot. Inside the showroom, two new cars were on display, surrounded by desks for the "sales consultants" — as the salespeople were called here. I noticed that, unlike at the previous dealership, about half of the salespeople were women. The uniform here was a polo shirt with the car manufacturer's logo on it.

My interview was with the sales manager, a laid-back guy in his mid-30s named Kevin. When I arrived he was in his office off the showroom floor. Evidently, there was no sales tower here. Kevin reviewed my application and recognized the name of the dealership at which I had previously sold cars. He whistled.

"How long did you work there?"

"A month."

"You lasted that long, huh?" he laughed. Then he added, "Why did you leave?"

"I got tired of lying."

"Right. When you work here you won't have to lie —." But then he stopped, reconsidering what he had said. "Actually, it depends on your definition of lying. But the point is we won't ask you to do anything that conflicts with your core beliefs."

He explained that the way they handled the trade-in is a judgment call for the sales consultant. Say the used car manager appraises the car at \$4,500. The sales consultant could then tell the customer that we would give them \$4,000 for their trade — thus adding \$500 profit to the deal.

But in general, Kevin told me, things were as straightforward as they appeared.

"We don't hit people with stupid high numbers," he said. "We don't pack payments. We tell people we're no haggle, no hassle and we stick to that. It's a good place to work."

He offered me the job starting immediately. But first, he wanted me to attend a four-day sales seminar. I resisted because there had been so much training at my previous job. What I wanted was more of a chance to sell cars. Eventually, though, I agreed to go because I thought it might add a new dimension to the experience.

I attended the seminar with two other salesmen starting at my new dealership. They were both in their early 20s. One was a surfer dude named Al who had long brown hair combed straight back and a big tattoo on his upper arm. He blinked constantly — an affectation either left over from his surfing days, or caused by all the chemicals he'd poured into his

ADVERTISEMENT



Our New Car Replacement coverage gives you the value of a new vehicle if yours is totaled.

[FREE QUOTE](#)

More Buying Tips

[10 Steps to Buying a New Car](#)
[10 Steps to Buying a Used Car](#)
[Confessions of a Car Salesman](#)
[What is the "Kelley Blue Book" Price?](#)
[Vehicle History Report](#)
[More Car Buying Articles](#)

ADVERTISEMENT



The automotive world is changing rapidly. Edmunds Green Car Advisor can help you keep up with it.

[TAKE A LOOK!](#)

Browse By:

[Hybrid](#)
[SUV](#)
[Truck](#)
[Sedan](#)
[More Types >>](#)

Incentives & Rebates

[Latest Incentives](#)
[Deals of the Month](#)

2009 Buying Guides

[Hybrid](#)
[SUV](#)
[Truck](#)
[Sedan](#)
[More Buying Guides >>](#)

Edmunds Newsletter

[Sign up](#) for the Edmunds Automotive Network Newsletter and get the latest news, reviews and more.

bloodstream. The other salesman was Jeff, a sincere guy who was a gearhead.

There were a total of about 15 salespeople in the seminar. The others were from a variety of dealerships selling many makes and models of U.S.- and foreign-built cars. The class was taught by a tall, handsome man named Roy, who had sold cars for 17 years and wore an exquisite suit and silk tie. He told us that when he first started selling cars he was terrible at it. But then he decided to imitate the successful salesmen on his lot. Eventually he made a bundle using the skills he would teach us here. I had to wonder just how big a bundle he made if he was teaching seminars like these.

We then went around the class and introduced ourselves. I was struck by how the other salesmen described themselves in ways that revealed extremely low self-images. Most of them were divorced or refugees from other unsuccessful careers. Others were downright bitter and hostile. One salesman, 50-ish with a pink, bald head and white fringe of hair said, "I'm the kind of three-time loser that hasn't kept a job, a wife or kids for more than three years."

I prepared to listen attentively during this seminar since, after my first job, I had questions about how to sell cars more effectively. One thing that baffled me, for example, was how to get people into the sales office after the test drive. In some cases, the customer loved the car, they felt comfortable with me, but they wouldn't take that big step through the dealership door.

In one case, I had a husband and wife interested in a crew cab pickup. It was obvious the husband wanted to "buy today." The wife didn't. After the test drive I held the door open so they could walk into the dealership. He stepped in. She stayed outside. They had a little spat right there. The wife won and I lost the sale.

It didn't bother me that I didn't sell the truck. I wasn't there to sell cars as much as to understand the process. I felt bad about pressuring this couple when it was obvious it was causing conflict between them. But it came at a time when I hadn't sold a car for a few days and my boss was beginning to give me heat.

The names of slackers such as myself were put on a white board in the sales tower labeled, "Three-Day No Sale." This meant you had to meet with your manager to figure out why you were in a slump. Usually they told you the problem was that you weren't taking enough customers on test drives (called "demos"). The general manager of our dealership was fond of saying that if we demo-ed three cars without selling one, he would give us a "come-to-Jesus talk." This was like being read the riot act. You had to come to Jesus — to give everything to the dealership — or you'd be fired. Then, he added, if you demo-ed another car and the customer left without buying, you'd follow them home (because you'd be "blown out"). He reinforced his point with another of his favorite expressions: "You'll do it my way, or hit the highway."

Roy, the instructor at the seminar, was like the GM at my first dealership. He was filled with trite phrases and platitudes about sales. The difference was, Roy taught a total system for sales, called "Needs Satisfaction Selling." You found out what the customer's needs were and then you presented the car in such a way as to meet their needs. This meant you needed to know the car's features so well you could present it in a number of different ways. If the customer wanted safety you had to talk about ABS, airbags and crumple zones. If the buyer wanted performance you talked about the V6 engine, the silky-smooth tranny and the platinum-tipped spark plugs.

The selling system was built around a progression of questions we were told to memorize. That night I took these questions home and my 9-year-old, who loves role-playing, helped me practice using them.

I'd shake my son's hand and say, "Welcome to the dealership! And your name is?"

"Freddie."

"Good to meet you Freddie. Are you familiar with our product line here?"

"Uh uh," he'd say, trying to be serious like an adult.

"Fine. Do you mind if I ask you a few questions? That way I can better understand which cars on our lot to show you."

"OK!"

"Freddie, let me ask you, what are you driving now?"

"A BMX bike."

"OK. And what do you like about that bike?"

"Goes real fast."

"So Freddie, what you're saying is performance is important to you. Is that right?"

"I guess."

"Well, we have a model over here with a V6 engine that puts out 210 horsepower. Follow me."

He always followed me when I turned and walked toward the imaginary cars. I wished all the customers were like Freddie.

The next day in the seminar I was called up in front of the class to role play with the teacher. With 14 other salesmen watching, and snickering, and hooting, it was difficult to remember all the lines I had memorized. But I began to appreciate the way the questions helped identify and address the customer's needs. I thought back to all the haphazard sales pitches I had given at my first dealership. And I was glad I'd have another shot at selling cars in my new job.

During a break in the seminar I stood outside with my two buddies from my new dealership. Al, the surfer dude, told me his dream was to work at a Mercedes dealership. His father had once owned a Mercedes and he knew everything about every model ever made.

"Test me, dude," he said to me, blinking rapidly. "Dude, I'm serious. Test me. I know everything."

The other guy, Jeff started testing him and, sure enough, he did know everything. He could talk forever about how the taillights had changed from one year to the next, how they had added chrome or flashing to such and such a model. Jeff, on the other hand, knew everything about the motors they put in the cars.

Back in the seminar we learned about how to present "feature-benefits." It wasn't enough just to say this car had, for instance, an antilock braking system. You had to point out the feature — ABS — and then link a benefit to their needs — in this case, safety.

The teacher then took out a \$20 bill and taped it to the easel he had been making notes on. He told us all to stand up. He then went around the class and named a benefit, and we had to name a corresponding feature. The last man standing (actually, our group included one saleswoman) got the twenty.

As we stood up, I whispered to Jeff, "You're going to win this thing, man."

"I wish."

"You will," I said. "You're like an encyclopedia."

"Economy," the teacher said, pointing at a standing salesman.

"Fuel-injected four-cylinder engine," the salesman said.

"Safety," the teacher said, pointing at another salesman.

"Dual front airbags," the salesman responded.

In the beginning, it was easy. But one of the rules was that you couldn't repeat any features that had already been mentioned. So we began to run out of benefits for our features.

Finally, there were only three of us standing: me, Jeff and the salesman who described himself as a loser.

"Performance," the teacher said, pointing at me.

"Twin-cam engine," I said.

"Aaaaant!" the teacher said, imitating a buzzer. "Sit down. Someone already said that."

I didn't hear anyone say that. I was disqualified on a technicality!

Jeff and the guy battled it out and Jeff finally won. I had identified Jeff as a winner and the other salesman had accurately described himself as a loser.

Jeff went to the head of the class and got his twenty. As he sat down, he said to me, "Good thing I won. I didn't even have gas money to get home."

An assignment for our class was to go to a dealership and critique a salesman or woman who waited on us. We weren't supposed to tell them this was for a class or that we were car salesmen. We were merely supposed to evaluate their performance in relationship to what we had learned. I chose a German car dealership along a street near my home. As I walked inside, it occurred to me that this was getting complicated. I was an undercover car salesman for Edmunds.com, sent to a dealership, which sent me to a seminar, which sent me to another dealership as an undercover shopping evaluator. I guess that made me a triple agent. Very good lines.

At the seminar we had been taught how to meet and greet, how to shake hands, how to evaluate needs and even how to overcome objections about discounts and pricing. The woman who waited on me at the German car dealership never shook my hand. I had to ask her for her business card. And when I raised a question about the car's performance she snapped, "Well you obviously haven't been reading *Motor Trend*. It was their top pick in all categories." I left the dealership feeling vastly superior.

We all graduated from the seminar a few days later and received cheesy little diplomas. The other salesmen were psyched up to go out and sell about 10 cars that very day. I went back to my no-haggle dealership and was eager to use my new sales skills. But there wasn't a customer in sight. So I hung around and shot the breeze with the other sales consultants.

In the car business, there's a lot of down time. All you have to do is drive past a car lot in the middle of the week. What do you see? Six or seven sales guys hanging around out front, sipping coffee, puffing on cigarettes, and watching the traffic flowing past, hoping someone will turn in. If a customer appears, they park their coffee cups behind the bushes and pop a breath mint. During the slow times, the conversation turns to dealerships where the other

salespeople used to work. On this day, a saleswoman asked me about the place I had just worked.

"Was it as bad as that TV news station made it out to be?" she asked me.

"What do you mean?"

"Didn't you see the piece they did on it?" she said. "They went in there with a hidden camera and caught them packing payments and doing the old bait and switch."

I was amazed. "Are you sure?"

"Yeah. It's been running all week."

When I got home I logged onto the news station's Web site. Sure enough, the expose targeted the dealership I had previously worked at, along with several others across the city. Judging from the dates, they did their "investigation" just after I quit. I skimmed the article, looking for the names of Michael, my assistant sales manager, and the members of my team. As my eyes flew over the text, I realized I was hoping I wouldn't find their names. Why did I feel loyalty to them? When I reached the end I saw that they had escaped. But the hidden camera had caught a guy I knew vaguely.

The TV news investigation seemed pathetically shallow to me. A reporter went in posing as a customer to see what kind of service she would get. Six hours later they came out with the earth-shattering news that the salesmen were guilty of pressuring customers (you're kidding!). They also accused the dealership of overcharging the customer (stop the presses!).

It gave me renewed respect for my Edmunds.com editors who had made the commitment to send me into this world for several months. But with my deeper level of understanding, the morality of the issue began to blur. I don't think I'll ever be able to make sweeping generalizations like I once did, by declaring, "Car salesmen are scum!" I knew a lot of salesmen whose skills I admired. Besides that, it's a tough life. The hours stink and you live or die by your ability to sell dreams and move cars. So for the TV reporters to crucify the salesperson was a farce. The system was corrupt from the top down. This was proved when the TV reporter went to the head of the dealership. He said he was going to launch a thorough investigation into his dealership's practices — as if all this went on without his knowledge. And yet, he had been present in every Friday morning sales meeting, whipping the salesmen into a frenzy, urging them to go for "pounders" — a deal with a \$1,000 commission for the salesman.

It was a pretty good bet that we would never be investigated here at the no-haggle dealership. We didn't pressure people, we didn't pack payments or steal trade-ins. The only problem was, we didn't have customers. I found myself wondering whether this phase of the undercover project was going to be a bust. If there's no dirt, what is there to talk about? But that was before the weekend arrived and we actually got some ups. And it was before they sent me into the phone room to drum up business with a technique that didn't exactly fit the company's customer-friendly image.

[previous](#) | [next](#)

More Buying Articles



[10 Steps to Buying a New Car](#)

The following steps will tell you how to locate, price and negotiate to buy the car you want.



[10 Steps to Buying a Used Car](#)

The following steps will tell you how to locate, price and negotiate to buy the used car you want.



[10 Steps to Finding the Right Car for You](#)

The following steps are devoted to helping you select, price, locate and test drive the vehicle that is best for you.



[Confessions of a Car Salesman](#)

What happens when a veteran automotive writer goes undercover as a car salesman? We sent our own Chandler Phillips to work at two Southern California dealerships and he came back to tell about it.



[How to Get a Used Car Bargain Part One](#)

In the second part of this series, we'll discuss Steps 3 and 4: how to locate your target cars and how to test drive and evaluate them.

[Home](#) | [New Cars](#) | [Certified Cars](#) | [Used Cars](#) | [Car Reviews](#) | [Tips & Advice](#) | [Car Loans](#) | [Auto Insurance](#) | [Forums](#) | [Inside Line](#) | [Industry News](#) | [Auto Shows](#)
[Your Account](#) | [About Us](#) | [Affiliate Program](#) | [Dealer Inquiries](#) | [Search](#) | [Car Dealers](#) | [Auto Repair Shops](#) | [Should You Buy Now?](#) | [Glossary](#) | [Directory](#) | [Help](#) | [Contact Us](#)

Edmunds Inc. is hiring! [Employment Opportunities](#)

© 1995-2009 Edmunds Inc.
[Privacy Statement](#) | [Visitor Agreement](#)

NAVIGATION

[Introduction](#)[Part 1](#)[Part 2](#)[Part 3](#)[Part 4](#)[Part 5](#)[Part 6](#)[Part 7](#)[Part 8](#)[Part 9](#)[Glossary to](#)["Confessions"](#)

PHOTOS

[\(Enlarge photo\)](#)

I took Ron to the lowest level sedan on the lot and he examined the sticker price. We had been told in the seminar that it was "easier to sell up, than down" -- you started at the least expensive model and let them bump themselves to the expensive models. (Photo by Scott Jacobs)

[\(Enlarge photo\)](#)

Ron told me he liked the roominess of the car but he wanted power. No problem, I told him. (Photo by Scott Jacobs)

Buying Articles

[10 Steps to Buying a New Car](#)[10 Steps to Buying a Used Car](#)[10 Steps to Finding the Right Car for You](#)[Confessions of a Car Salesman](#)[How to Get a Used Car Bargain](#)

New Car Pricing

Browse By:

[Hybrid](#)[SUV](#)[Truck](#)[Sedan](#)[More Types >>](#)

Incentives & Rebates

[Latest Incentives](#)[Deals of the Month](#)

2009 Buying Guides

Buying Tips

Confessions of a Car Salesman

Part 7: No-Haggle Selling

When I was hired at the no-haggle dealership, I was told I would be doing some phone work to build up leads. "Phone work" is a euphemism for calling people at dinnertime and harassing them. I realized I had become one of those people that I despise — a telemarketer. Still, to complete this experience, I attacked it with enthusiasm.

The leads we were given were names and numbers of people who had bought cars several years ago (and presumably would be ready for a new one) or people who had recently brought their cars in for service. We were given about 20 names a day, and those people who seemed like hot prospects were then called more frequently. Other people who had responded coolly were called again in six months. All our calls were logged into a computer database.

We were given a script to follow when making our calls. To me the dialogue sounded stilted and ridiculous. But I made a point of following it word for word. For example, after we had identified ourselves, we had to ask, "Am I interrupting anything important?" This seemed like a poor strategy to me. I felt they would tell us if we were interrupting anything. Or we could tell from their tone of voice if they were busy.

Assuming we hadn't interrupted something important, we then explained why we were calling: "We have a shortage of quality used cars on our lot right now and my manager would like to offer to buy your car at above market value. We would like to invite you to come down here for a free appraisal. Is the afternoon or the evening better for you?"

The beauty of this system, the BDC manager told me, was that "they're expecting you to *sell* them something. But you're not! You're offering to *buy* their car!"

Of course, all you're really doing is offering to take their car as a trade-in. Because, when you are appraising their car, it will begin to occur to them that — if they sell their car — they will need another one. So they begin looking around our car lot and before you know it, you have a sale and a trade-in deal. Nice idea. But it never worked for me.

Another ploy was to call someone who had once bought a car from our dealership and leave a brief mysterious message such as, "Mr. Jones, I have some information about your 1996 (fill in make and model of car) and I need to contact you as soon as possible. Please call me at — ." This method nearly always brought a return call from a customer with visions of recall information or maybe even police trouble. When they found out that we merely wanted to "buy" their car, they were often quite annoyed.

Still, I was surprised at how receptive most people were to talking with me on a cold call. They were more open than I am to people who call me at dinnertime or while I'm not "doing anything important." I was even more surprised at the loyalty customers showed toward this car manufacturer. Apparently this "no haggle, no hassle" style of selling created a feeling of good will that lasted throughout the entire ownership of the car. And it was an American car at that! I was filled with patriotic pride thinking how these cars might someday be as popular as the hot-selling Japanese models.

But still, I hadn't sold a car at this dealership. I had attended class, talked on the phone and even taken a few ups on the lot. But no one was buying. When I looked restless, the assistant sales manager, a heavy blond woman, said: "Please don't quit! I know it's slow, but wait till the weekend. You'll sell a car this weekend."

"Wait till the weekend," was a popular refrain in the car business. Everything revolved around those two days when ups were supposed to stream onto the lot. One of my other sales managers told me, "On the weekends, we have so many ups, we call it the tuna run."

"Tuna run?" I asked.

"You know — so many fish it's hard to pull them all into the boat. You'll see."

The tuna run never materialized at my old job. I was anxious to see if it would come true at my new job. I made sure I arrived early Saturday morning because, I was told, salespeople took ups in the order in which they arrived for work.

At noon I was still waiting for my first up. I decided I better eat something before the tuna started running. I began walking toward my car when Al called me back, "Dude, where're you goin'?"

"McDonald's. You want something?"

"Dude, dude. You can't leave. You miss an up, that would be like a \$300 burger."

Al was very persuasive. We ordered a pizza to be delivered. When it came it had the wrong topping and Al didn't have enough money for the extra charge. He was going to send it back. I made up the difference and we sat down to eat in the break room. I never saw food

ADVERTISEMENT

Find out about Liberty Mutual Home Insurance.

[Learn More](#)

More Buying Tips

10 Steps to Buying a New Car
 10 Steps to Buying a Used Car
 Confessions of a Car Salesman
 What is the "Kelley Blue Book" Price?
 Vehicle History Report
 More Car Buying Articles

ADVERTISEMENT

edmunds GREEN CAR ADVISOR

The automotive world is changing rapidly. Edmunds Green Car Advisor can help you keep up with it.

[TAKE A LOOK!](#)

[Hybrid](#)[SUV](#)[Truck](#)[Sedan](#)[More Buying Guides >>](#)**Edmunds Newsletter**

[Sign up](#) for the Edmunds Automotive Network Newsletter and get the latest news, reviews and more.

disappear so fast. He hunched over the pizza, I heard muffled grunting noises and it was gone. He belched a few times and headed back outside to look for ups.

One thing I discovered was that car salesmen are easy marks for anyone selling things. That's because they are always hanging around — they're a captive audience. And some of them are flush from a recent sale. At the first dealership, I was in a sales cubicle one day when a guy stuck his head around the corner. "Silk ties, 10 bucks," he said, and disappeared.

Outside I found a cluster of salesmen gathering around the open trunk of a shiny black BMW. In the trunk were boxes packed with ties in protective plastic sleeves. I picked out two ties and gave him a twenty. The tie guy (as he was called) fingered the tie I was wearing and then compared it with the two I had selected. He nodded approvingly. "You've, like, got this pattern thing going. Cool."

After the tie guy visited the dealership, the salesmen would congregate in the bathroom trying on their new purchases, complimenting each other. Gold ties were the most popular. They went nicely with the watches, rings and chains the salesmen wore.

Besides the tie guy we also had the sandwich lady and an older guy who sold golf balls he had found in water hazards. The balls were neatly arranged in egg cartons in the trunk of his car. "Three bucks a dozen. Mix and match," he told me. "Lotta Titleists there." Then he dropped his voice confidentially, as if he was giving me a special deal. "Got a Callaway three iron in the backseat. Ten bucks." I imagined an irate golfer giving it a heave into a water hazard. Little did he imagine that it would be resurrected in this way.

Then there was the chicken man. You never *saw* the chicken man so much as *smelled* him. He seemed to appear on weekend nights when it got busy. You would smell fried chicken and see a figure out of the corner of your eye carrying a cardboard box on his shoulder. Then the word would spread: "The chicken man's here!"

I went into the F&I office one night and found a sales manager hunched over a chicken dinner with his tie thrown back over his shoulder to protect it from grease splatter. He was eating with great purpose, making *harf, harf, harf* noises.

"Is it as good as it smells?" I asked.

"No. But I was starved," he said, throwing the bones in a trash can. He wiped his mouth, picked up his contracts and moved back into the hallway to a waiting customer.

It was almost 2 o'clock that Saturday afternoon when I got my first up. I saw a man wandering among the new cars. This was the first real up I had gotten since I took my sales seminar. As I walked toward him I began rehearsing all the things I had learned.

His name was Ron and he told me his car was in the service department. He wasn't going to buy a car today but since he had a few minutes to kill he wanted to see the new family sedans we offered. The top of the line model came with a V6 engine that had been highly praised.

I took Ron to the lowest level family sedan on the lot. We had been told in the seminar that it was "easier to sell up, than down." This meant that you always started the customer at the least expensive model and let them bump themselves to the more expensive models. The reasoning was that, once they had sat on leather and felt the power of a V6, how could you get them excited about driving around in cloth and plastic, powered by a whiney little four-banger?

The strategy worked. Ron told me he liked the roominess of the car and the way it handled, but he wanted power. No problem, I told him. Then, as if the thought just occurred to me, I said, "Tell you what, while we're on the test drive, I'll have your car appraised. Then, if you decide you want to buy, I can give you an idea of what your payments will be."

He agreed, although he told me he would pay cash rather than finance or lease the car. I got all the information on his trade-in and gave it to the assistant sales manager. She began feeding the information into her computer, then pounded on the keyboard in frustration.

"Damn thing's locked up," she said. "I'll have to do it the old-fashioned way. She pulled out a small reference book and added the cost of options and the mileage allowance. She gave me a trade-in value of \$4,200.

"Great news," I told Ron, who had been waiting in the showroom. Salesmen always return to their customers with what they call "great news." I told him: "We can give you \$4,200 for your trade-in. Believe me, that's high. You'd never get that anywhere else."

Actually, \$4,200 really did seem like a lot. But I wondered if that was just in relation to the ridiculously low figures we gave for trade-ins at the first dealership I had worked at. Ron seemed encouraged by this figure so I decided to give him a little sales pitch about leasing I had cobbled together from bits and pieces of presentations I had heard, or overheard, from other salesmen.

Leasing is very popular these days. One of the benefits, from the salesman's point of view, is that it is so complicated that the customer sits transfixed during negotiations, unable to defend themselves. Usually, the salesman hits the customer with incredibly high monthly payments on a purchase plan. Then, as if the idea just popped into their mind, the salesman will say, "You know, there might be another way to get the payments down... Have you folks ever considered leasing?"

Personally, I think leasing can be a good way to go. For one thing, leasing allows people to drive more expensive cars. But you have to be careful. Some dealers base leases on 110

percent of the vehicle's sticker price. This is called a "full pop lease" and it's what most dealerships aim for. Also, it's easy to disguise the interest rate in a lease because it is expressed as a decimal multiplier instead of a more recognizable percentage rate. For example, a 9 percent interest rate becomes .00375.

At the first dealership I worked at, a veteran sales manager rounded up all of us green peas and taught us how to present it to Mr. Customer. He said to tell customers: "In three years, you can turn your old car back in and get one that has the latest technological inventions. And what do you think cars will be able to do in three years? Who knows? Fly in the air! Go across the water! Go *under* the water? Who knows?"

I didn't give Ron that speech. But I did tell him that if he paid only the drive off fees (about \$650) and gave us his trade-in as a down payment, he would have a \$257 monthly payment for 39 months. I pointed out that we offered interest rates of 4.9 percent.

"Why take your money out of a mutual fund at 16 percent when you can use our money at 4.9 percent?" I asked him. "Then, at the end of the lease, if you love the car, you can buy it at about half its current value."

I looked up and saw the assistant sales manager frantically waving me into her office. I left Ron to ponder the advantages of leasing and stepped back into the sales manager's office.

"You didn't give him the price on his trade-in did you?" she asked.

"Of course I did. Why?"

"Damn. The computer just came back up. We're offering him about a grand more than what it's worth." She thought it over. "Look. We have to stand by our offer. But tell him it's good for today only. And if I were him, I'd jump on it, big time."

I walked back out into the showroom and rejoined Ron. "You're going to like this," I said (using a variation of the "great news!" opener). I explained what had happened, then added, "You can tell all your friends how you outfoxed the car salesman."

He chuckled. If you could get people laughing it got them on your side.

Still, there was a problem. Of course, there was always a problem in every deal. Ron's problem was simple and very common: he had to talk to his wife first. He kept calling her on his cell phone. But she was out with the kids. He confided in me: they had agreed his wife would be the next one to buy a new car. He was worried that she might be upset with his purchase.

By now I had been with Ron for about two hours. It had gone from being a hot, sunny afternoon to a cool, windy evening. Ron was hungry and so was I. But after all this, I didn't want to turn him into a "be-back."

Ron had given up trying to reach his wife. He was about to go home and talk it over with her when his cell phone rang. It was his wife. I moved outside to give him some space. It might sound corny but I began visualizing that I had made the sale. This is a popular technique with salespeople. It just means that you picture the outcome you want before it happens. I pictured shaking hands with Ron and saw him signing the contracts. But life isn't that simple. When Ron was done talking to his wife his answer wasn't yes or no. He merely said, "She's coming down."

A few minutes later a van pulled up and Ron's wife stepped out. Before she could speak I said, "I'm the pushy salesman who's been holding your husband hostage all afternoon."

She laughed. And I knew I had a sale. They leased the car for three years. I even sold them a service contract.

After Ron and his wife signed the contracts, I led them outside. They transferred all the crap from their old heap to their gleaming new car — cupholders, maps, cassette tapes, Kleenex, flashlights, etc. After they drove away, I pulled their trade-in to the back of the lot. The thing was a real beast. The interior had a moist, funky smell. At this very moment, I thought, Ron was driving home, inhaling new car smell. I enjoyed imagining how happy he must be.

Back inside the dealership everyone was hurrying to lock up and go home. The F&I manager came over and said, "You did a phenomenal job with that guy. I'm going to break my rule and speak to you before you've been here for six months."

So, did Ron get a good deal? Well, he drove in behind the wheel of an old heap. He paid only \$650 out of pocket (drive-off fees on his lease) and he drove out in a more powerful, more reliable, safer, top-of-the line car.

Was the no-haggle method of selling better? From the salesman's point of view, it allowed me to focus on what the customer really needed. Also, the good will I built up on the test drive was preserved during the deal-making process. The only problem I could see with no-haggle selling was with my commission — I made about \$350 on the deal. Not bad for four hours of work. But, as it turned out, it was the only car I sold that week.

[previous](#) | [next](#)

More Buying Articles



[10 Steps to Buying a New Car](#)

The following steps will tell you how to locate, price and negotiate to buy the car you want.



[10 Steps to Buying a Used Car](#)

The following steps will tell you how to locate, price and negotiate to buy the used car you want.



[10 Steps to Finding the Right Car for You](#)

The following steps are devoted to helping you select, price, locate and test drive the vehicle that is best for you.



[Confessions of a Car Salesman](#)

What happens when a veteran automotive writer goes undercover as a car salesman? We sent our own Chandler Phillips to work at two Southern California dealerships and he came back to tell about it.



[How to Get a Used Car Bargain Part One](#)

In the second part of this series, we'll discuss Steps 3 and 4: how to locate your target cars and how to test drive and evaluate them.

[Home](#) | [New Cars](#) | [Certified Cars](#) | [Used Cars](#) | [Car Reviews](#) | [Tips & Advice](#) | [Car Loans](#) | [Auto Insurance](#) | [Forums](#) | [Inside Line](#) | [Industry News](#) | [Auto Shows](#) | [Your Account](#) | [About Us](#) | [Affiliate Program](#) | [Dealer Inquiries](#) | [Search](#) | [Car Dealers](#) | [Auto Repair Shops](#) | [Should You Buy Now?](#) | [Glossary](#) | [Directory](#) | [Help](#) | [Contact Us](#)

Edmunds Inc. is hiring! [Employment Opportunities](#)

© 1995-2009 Edmunds Inc.
[Privacy Statement](#) | [Visitor Agreement](#)

NAVIGATION

[Introduction](#)[Part 1](#)[Part 2](#)[Part 3](#)[Part 4](#)[Part 5](#)[Part 6](#)[Part 7](#)[Part 8](#)[Part 9](#)[Glossary to](#)["Confessions"](#)

PHOTOS

[\(Enlarge photo\)](#)

I leaned against the wall and watched the traffic pass in the street. I began thinking back on my experiences, summarizing what I had learned from my three months as a car salesman. (Photo by Scott Jacobs)

Buying Articles

[10 Steps to Buying a New Car](#)[10 Steps to Buying a Used Car](#)[10 Steps to Finding the Right Car for You](#)[Confessions of a Car Salesman](#)[How to Get a Used Car Bargain](#)

New Car Pricing

Browse By:

[Hybrid](#)[SUV](#)[Truck](#)[Sedan](#)[More Types >>](#)

Incentives & Rebates

[Latest Incentives](#)[Deals of the Month](#)

2009 Buying Guides

[Hybrid](#)[SUV](#)[Truck](#)[Sedan](#)[More Buying Guides >>](#)

Buying Tips

Confessions of a Car Salesman

Part 8: Parting Shots

It was the last day of my career as a car salesman. I was working the evening shift at the no-haggle dealership, on a day in the middle of the week. A typical day. A slow day. I made my sales calls in the "business development center," trying to set up sales appointments I knew I would never keep. My heart wasn't in it and, not surprisingly, I couldn't convince anyone to sell me her "quality used car" for "above market value."

I sat at my desk in the showroom hoping for some diversion to pass the time. I had done that a lot as a car salesman. And on this day, sure enough, something happened to kill a few minutes. It involved a salesman I'd gotten to be friends with, a guy named Craig. He had recently moved from Montana and true to his roots he looked like the Marlboro man — rugged features and a thick graying mustache. Unfortunately, Craig also had bad teeth and was a foot shorter than what I imagined the Marlboro man to be.

Early on, I had been told a good salesman "walks the lot" every day to check on inventory. Craig did this religiously and memorized the location of every car on the lot. If you were in the middle of a sale, and the customer decided he wanted a white coupe instead of a black four-door, you had only to call over to Craig and he would instantly give you the location of the car that would seal the deal. I later realized Craig had another reason for walking the lot. He had a bottle hidden out there somewhere. He'd always return from the lot a touch more animated, a glow in his face.

On one return trip from walking the lot, he went to sit at his desk and missed the center of his chair seat. The chair was on wheels and began sliding backward as he continued downward. Despite his heroic efforts — clawing for handholds on a nearby potted plant — down he went. And all this happened right in front of the boss's office window.

There was silence in the showroom for a few seconds, then high-pitched squeaks of laughter from a saleswoman, named Allie. Her laughter continued until it infected the rest of us. We stumbled outside to recover ourselves and, as Allie lit up a cigarette, she began regaling us with stories of other mishaps involving the parade of salesmen and women who had worked there during her tenure. I felt odd as she talked about past co-workers since I knew I would soon be joining their ranks, disappearing into the anonymous job market.

Allie told us how she had helped a friend named Mark get a job as a salesman there because, "He was an even bigger klutz than me." One day he took a customer's driver's license into the showroom to photocopy before going on a test drive. Turning back to the customer, he walked right through a plate glass door, saying, "Here you go," and handing back the license as if nothing had happened. As he turned away, Allie saw blood spurting from his knee where an artery had been severed. They wrestled him into the break room and a mechanic in the service bay, who had been a medic in Vietnam, staunched the bleeding. They rushed back outside to tend to the customer and discovered he had a long shard of glass protruding from his foot.

Another time, Mark went outside to "lock and block" and never returned. Lock and block is a nightly ritual where the sales staff makes sure all the car doors are locked and the entrance is blocked by parked cars. In this case, the salesman had pulled on a chain link gate to see if it was locked but succeeded in pulling it down on top of himself, pinning him to the ground. When they lifted the gate off him, he had a waffle pattern on his face from the chain link fence.

As we talked, the afternoon turned to night and a chilly wind came up. Allie went inside to make more sales calls and Craig drifted away to do a thorough check of our inventory. I leaned against a car and watched the traffic passing in the street. From where I stood I could see the guys across the street at the Dodge dealership drinking coffee and smoking. It was slow over there too. I began thinking back on my experiences, summarizing what I had learned from my three months as a car salesman.

Of course, I absorbed a lot I couldn't easily describe, bits and pieces of information I knew would come back while I was at Edmunds.com. But how had my view of the big picture changed?

I know for sure I'll never look at car salesmen and women in the same way. I used to hate and fear them, to lump them all in the same category with sweeping generalizations. Now, I had some insight into the waters they swam in. I sympathized with them, I pitied them, and — in some cases — I admired them.

I saw that many car salesmen and women, like myself, were just moving through the dealership experience, on their way from one point in their lives to another. Most of them didn't have college degrees and were trapped in lives that they thought offered few chances for advancement. The car business offered them a way to use a lot of hustle and little book learning to make money. I admired anyone who was trying to improve his (or her) life, particularly through hard work. But making big bucks in the car business wasn't the slam-dunk it was made out to be.

Previously, I had known car salesmen from the outside, as I encountered them while buying a

ADVERTISEMENT

Find out about Liberty Mutual Home Insurance.

[Learn More](#)

More Buying Tips

10 Steps to Buying a New Car
 10 Steps to Buying a Used Car
 Confessions of a Car Salesman
 What is the "Kelley Blue Book" Price?
 Vehicle History Report
 More Car Buying Articles

ADVERTISEMENT

edmunds GREEN CAR ADVISOR

The automotive world is changing rapidly. Edmunds Green Car Advisor can help you keep up with it.

[TAKE A LOOK!](#)

Edmunds Newsletter

[Sign up](#) for the Edmunds Automotive Network Newsletter and get the latest news, reviews and more.

car. Now I had worked alongside them. I had been rejected by customers and bullied by sales managers. I had been excited by a big sale and disappointed when a sure thing fell apart. I saw the same dream they saw: big commissions from easy sales. All you had to do, as my assistant sales manager Michael told me, was get "right in the head."

In the Friday morning sales meetings at my first dealership the managers tried to psyche us up by saying that we could make more money as a car salesman than a doctor. True, some of the successful salesmen made a lot of dough. But the vast majority of car salesmen were eking out a living, thinking that some day, somehow, their luck would change and the money would begin rolling in.

So, you think I'm romanticizing car salesmen? Trying to clean them up and excuse their evil ways? And, you might ask, if the salesmen aren't the bad guys, who is?

Having been a salesman myself, I began to view the managers and dealership owners as the real culprits. While salesmen play people games with the customer, the guys in the tower work the numbers with computers, their eyes fixed on the bottom line. They can see at a glance what kind of profit they are taking from the customer and they do it any way. Furthermore, they bully the sales staff, encouraging them to manipulate, control and intimidate customers while they take the lion's share of the profit.

Sometimes, the profit a salesman generates is not even pocketed by them. One salesman told me the F&I people can work their magic to rob a salesman of his commission. They move front-end profit to the back end where it evaporates from the salesman's voucher and returns, over the years, to the dealer in the form of high interest and steady payouts. I experienced a little taste of this myself. I leased an SUV to a single mother and at sticker price expected a nice commission. But on payday I cashed a \$65 check. No explanation. No hint of where my commission had gone.

The management pushes the salesman out the door, lets him meet and greet the customer, then takes the profit. Not only that, but the management also blames the salesman when something goes wrong. I saw this quite clearly when the TV news team did its hidden camera investigation of the dealership (more on this in Part 6). A salesman was made out to be the bad guy. When the camera was turned on the dealership owner he disavowed knowledge of what was happening in his business and promised a complete review of their practices. This, despite the fact that at Friday sales meetings, the owner was cheering the boys on to get more deals at a higher profit.

Profit.

By itself profit is a positive word. But in the car business, the dealership's profit is the consumer's loss. I'm not suggesting that the dealership be run without a profit, but in one case I heard about, the dealership made a 16 percent profit on a \$25,000 car. That meant the consumer, the average Joe buying the car, paid about \$4,000 too much.

While working as a car salesman I became impressed with the damage a bad car deal can do to the budget of an ordinary person. In one case, I participated in leasing a car to a couple at well over its value. I was haunted by the thought that this nice ordinary couple had trusted me, and I had let them sign a contract that would bind them for five years to a high-interest lease. I consoled myself thinking perhaps another dealer would have inflicted greater damage.

How did the car business get so screwed up? There's nothing else in our society that is sold with the consumer so conspicuously unprepared.

During the sales seminar I took, the instructor attempted to tackle the "Why is it this way?" question. He said that just after World War II there were a lot of people who wanted to buy cars, and there were a lot of people who had money, but there weren't enough cars to go around. So the car salesman didn't really have to "sell." Their job was merely to qualify customers, to find out who was really going to "buy today," so they could move on to the next customer. This set the tone for the business and it is still that way today.

[previous](#) | [next](#)

More Buying Articles**[10 Steps to Buying a New Car](#)**

The following steps will tell you how to locate, price and negotiate to buy the car you want.

**[10 Steps to Buying a Used Car](#)**

The following steps will tell you how to locate, price and negotiate to buy the used car you want.

**[10 Steps to Finding the Right Car for You](#)**

The following steps are devoted to helping you select, price, locate and test drive the vehicle that is best for you.

**[Confessions of a Car Salesman](#)**

What happens when a veteran automotive writer goes undercover as a car salesman? We sent our own Chandler Phillips to work at two Southern California dealerships and he came back to tell about it.

**[How to Get a Used Car Bargain Part One](#)**

In the second part of this series, we'll discuss Steps 3 and 4: how to locate your target cars and how to test drive and evaluate them.

© 1995-2009 Edmunds Inc.
Privacy Statement | Visitor Agreement

NAVIGATION

[Introduction](#)[Part 1](#)[Part 2](#)[Part 3](#)[Part 4](#)[Part 5](#)[Part 6](#)[Part 7](#)[Part 8](#)[Part 9](#)[Glossary to "Confessions"](#)

PHOTOS

[\(Enlarge photo\)](#)

There are many good dealers who wouldn't overcharge even a naive customer. But, sadly, there are enough unscrupulous dealers and salespeople out there to make caution and preparation necessary. (Photo by Scott Jacobs)

Buying Articles

[10 Steps to Buying a New Car](#)[10 Steps to Buying a Used Car](#)[10 Steps to Finding the Right Car for You](#)[Confessions of a Car Salesman](#)[How to Get a Used Car Bargain](#)

New Car Pricing

Browse By:

[Hybrid](#)[SUV](#)[Truck](#)[Sedan](#)[More Types >>](#)

Incentives & Rebates

[Latest Incentives](#)[Deals of the Month](#)

2009 Buying Guides

[Hybrid](#)[SUV](#)[Truck](#)[Sedan](#)[More Buying Guides >>](#)

Edmunds Newsletter

Buying Tips

Confessions of a Car Salesman

Part 9: Lessons from the Lot

In this final installment, I'd like to sum up what I've learned, and offer a few things that can help you the next time you shop for a car. I've decided to divide this chapter into two sections: Car-Buying Concepts and Specific Recommendations. The Concepts are general thoughts underlying the car-buying process. In some cases these are simple, fundamental realizations that you might already know. But it doesn't hurt to revisit them before we move on to the Specific Recommendations.

Car-Buying Concepts

Concept 1: The Stakes Are High

This realization hit me very strongly while I was selling cars — people can lose a lot of money by making the wrong choice when buying a car. This is a serious decision for the average household budget. If you are unprepared for the encounter with the salespeople and make a poor decision you can lose money. *A lot* of money. How?

Well, say Joe Consumer decides it would be nice to have a new car. Without doing any research he heads on down to the car lot and hooks up with a sharp salesperson. Joe Consumer might be talked into buying a car in too high a price bracket. He could also be switched to leasing without his knowledge or consent. And he might also put down too much money. In the F&I Room he might be talked into buying protection packages, road safety kits and extended warranties.

What would these mistakes add up to? Over the course of five years (the length of some lease contracts) this could mean he pays *thousands* of dollars too much for that car. This might convert into hundreds of dollars too much per month. Many people are on tight budgets. Paying a hundred dollars too much could sink the ship; certainly it would produce stress and prevent a family from saving or investing their money for the other necessities of life.

The monetary loss is only part of the problem here. People become angry, humiliated and resentful once they find out they have been deceived and overcharged. And yet, once they sign the contract, it is difficult — if not impossible — to unwind the deal.

I should add that there are many good dealers who wouldn't cheat or overcharge even a naive customer. But, sadly, there are enough unscrupulous dealers out there to make caution and suspicion necessary. I know that many of the salespeople I worked with would take an extra thousand dollars profit without a thought, then laughingly brag about it to the other salespeople. The management of the dealership rewarded this kind of profit taking and called it superior salesmanship.

Concept 2: Self Defense is Simple

OK, that's the bad news. The good news is that it's not that hard to protect yourself from severe economic loss. By doing even an hour's worth of research, by keeping in mind several simple concepts, the average person can be reasonably sure they won't be swindled. By doing an additional hour's research, they can get a pretty good deal. It's not that hard. In fact, some people find that they like the process once they learn how to handle it.

Knowledge is power. That's almost a cliché. But it holds this simple truth: if you know the numbers of the deal it will be hard for the salespeople to overcharge you. It's like going to a store and seeing a nice lamp for \$30. Then you go to a second store and see the exact same lamp for \$50. Now a salesperson approaches you and tries to talk you into buying their lamp at the higher price. Will you do it? Probably not, because you know the exact same lamp is sitting on the other shelf for \$20 less. What can the salesman say to you to convince you that their higher price is justified?

Now let's extend this concept to car buying. If you wander onto a car lot without knowing how much the cars should cost, you have no frame of reference. As your reasoning power is reduced by a combination of breathing new car smell and test driving the car, you will begin to believe the car salesperson when he tells you the car is going to cost a lot but it will be worth it. Remember, the salesperson wants you to be excited about the car because then the rational side of your brain will become disabled. Just ask yourself this: if you buy today, how will you feel when you wake up the next morning? Is this a decision you can live with?

What car buying numbers do you need to know? Find out how much the dealer paid for the car you want to buy. Find out what cars like that are actually selling for. Find out what your trade-in is worth (if you want to trade it in to a dealer). And finally, if you decide to finance the car, find out what your monthly payment should be by shopping for a car loan before going to the dealership.

Concept 3: Profit Equals Commission

I never really thought of this until I sold cars but... Car salespeople earn their living by

ADVERTISEMENT

More Buying Tips

10 Steps to Buying a New Car
 10 Steps to Buying a Used Car
 Confessions of a Car Salesman
 What is the "Kelley Blue Book" Price?
 Vehicle History Report
 More Car Buying Articles

ADVERTISEMENT

[Sign up](#) for the Edmunds Automotive Network Newsletter and get the latest news, reviews and more.

inflating the price of the car you are buying. The more they inflate the price, the bigger their commission. This might seem very obvious, but we tend to lose sight of it when the smiling salesperson greets us on the car lot. They make us think they have our best interests in mind. The good salespeople do have our interests in mind. The unscrupulous salespeople are thinking how your purchase increases their commission.

One of the dealerships I worked at had a sliding scale for commissions. The higher the profit, the higher the commission. Naturally, the salespeople tried to hit that point where the commission was bumped to the higher percentage. That might mean moving you into a higher level vehicle. It might mean increasing the profit by financing sleight of hand. In both cases, this smiling salesperson, with the personable air, didn't have your best interests in mind.

I believe in paying a dealer a profit for his car. I also believe in rewarding the salesperson for their expert help. But I don't think this justifies making an unfair profit at my expense.

Car-Buying Recommendations

Now we come to the nuts and bolts of getting a good car at a fair price. This isn't a tutorial, since we have this information already posted on the [Edmunds.com](#) Web site. Instead, these are guiding principles to help you navigate the choppy waters of car buying. These are rules I saw being broken all the time by the shoppers that turned up on the car lots where I worked.

1. Use the Internet. The Internet is an amazing tool for car shopping. It levels the playing field by giving accurate information to the consumer. It takes the anxiety out of negotiating. It forces dealers to slice profit because they must beg for your business. It allows consumers to comparison shop loans and leases, as well as extended warranties and insurance. It gives the consumer power. Use Edmunds.com to conduct research and our PowerShopper tool to solicit bids. Once you enter the information about the car you are looking for into the PowerShopper interface, the dealers will come to you.

It's likely that you will have to visit a car lot at some point in the car buying process (for the test drive, for example). The following recommendations are general tips that will help you if you insist on face-to-face negotiations with car salespeople when buying a new vehicle.

2. Don't be in a hurry. This is a tough one because many people live busy lives with tight schedules. Their car breaks down and they *have* to do something about it this weekend, or on their day off, or at night. They might be overwhelmed by the problem and just throw themselves at the mercy of the car salesperson. Big mistake.

First, if your current car is on its last legs, consider sinking a little money into repairs so you don't have to make a panicked move at the car dealership. Yes, it's tempting to think of getting a new car and leaving the old heap behind. But caving in to this kind of impulse will cost you money.

If you can't fix up your old car, rent a car for a week. And make sure you rent the kind of car you are thinking of buying. There is no better way to test drive a car than to live with it for several days, using it for your daily commute or your typical errands. I guarantee you will learn something significant about the car that will help you make your final decision.

3. Walk away from any deal/salesperson you don't like. If you aren't committed to this rule you will lose money. Car salespeople know that if you leave the car lot to "think it over" you might decide not to buy their car. So they pressure you to "buy today." This isn't good for you. It means you might buy the wrong car. It means you might agree to financing that doesn't fit your budget. It means you will probably pay too much.

If you have serious misgivings about the deal you are making, walk away. Similarly, walk away from any salesperson who seems too aggressive, overbearing, bullying, evasive or unreliable. There are plenty of good salespeople out there. Find one. And deal with that person until you have the car you want, at the best price with the right financing for you.

4. Know the numbers. Yes, we already covered this under the heading of general concepts. Now let's look at it in a little more detail.

When you visit a dealership, and go into the sales room, the salesman will reach for a 4-square worksheet. They do this to keep track of the numbers in the deal that will affect their profit. Don't you think that if the pros do this, you should do the same thing to protect your money? If you don't, how else will you know what to pay for the car? What to take for the trade-in? What your monthly payment should be?

Using Edmunds.com, find out what the invoice, sticker and Edmunds.com True Market Value[®] (TMV) prices are for the car you want to buy. TMV[®] is a new concept developed by Edmunds.com. It's a guide that provides you updated weekly pricing on what you should pay for a vehicle — without having to spend hours negotiating with a dealer.

Write these prices down. Then find the approximate price of your trade-in. Then figure out how much money you will have to borrow and how much your monthly payment should be. Consider the difference between paying cash, leasing and financing. Make sure you also find out about holdbacks, rebates and incentives.

Is your head swimming with numbers now? That's pretty normal (unless you're some kind of math whiz). That's why you should write all this down. Then, with the numbers in front of you, get out your calculator and crunch them. When they have been put through the wringer, you will get one gleaming, shiny number which represents what you should pay for the vehicle you want to buy. With that number in mind, set a range. Start low and increase your offer in small increments until they say the magic words, "We've got a deal."

5. Shop around. Say for a second you didn't know any of the numbers. Say you were in a

jam and had one morning to get a new car. You could probably get a good deal by shopping around. You can do this in person or on the phone — or even with e-mail.

What you do is this. Contact dealer number one. Tell the salesperson, "I'm ready to buy today but I want your best price on the car." When the salesperson gives you his best price, write it down. Or, if you are doing this in person, have him write it on the back of their business card.

Now contact dealer number two and do the same thing. Only, tell them you have already been to dealer number one and you got such and such price. Then, repeat the mantra: "I'm ready to buy today. But I want your best price." Naturally, they will try to undercut the first guy's offer.

Now contact dealer number three and do the same thing. By now you should have three offers. If you want, you can even go back to the first guy and see if he will whittle a few more bucks off his offer. If not, can the dealer throw in something else to make their offer more attractive?

The beauty of this is that the market will define itself in a short period of time. And when you're done, you will be confident that you got the best price possible. Incidentally, dealers hate it when you shop their offer. They hate it because it can get you a very good price.

6. The deal's not done until you drive off in your new car. You don't have to be a jerk about it, but you should be on guard throughout the entire car buying process. The biggest place that people err is when they have struck a deal with the salesperson. They breathe a sigh of relief and think the dealing is done. But the buyer needs to stay alert for the F&I process. Extra charges can appear in the contract. There may be a problem with the condition of the car. All these things can be addressed if you have the right attitude. If anything crops up during the F&I process that doesn't jibe with your numbers you can still walk away from the deal.

7. Always remember that it's your money. Car salespeople are good at making us feel obligated to buy from them. They serve us sodas in the sales room. They run to get the keys for the test drive. They brave their bosses' wrath with our lowball offer. So, when it comes time to make a decision we're tempted to think we owe it to the salesperson to buy from them. Yes, we certainly do owe them our business — *if* the deal is fair. Don't do it just for the salesperson. Do it when the numbers make sense. After all, you may be signing a contract you will have to honor each month with your hard-earned money. How will you feel about it as the years roll by and the car begins to show its age. Thinking about that can be like a bucket of ice-cold water in the face.

Final Thoughts

The world of car buying is changing rapidly. Buyers are more informed. Dealers are more sensitive to their customers' satisfaction. But, like in many industries, the old ways die hard. So it is still important to be informed and to make a good decision when shopping for a car for yourself and your family.

Of all the advice I've offered, I'd just like to stress that it's important to remember that buying a car should benefit both you *and* the dealer. While I have focused on deflecting the sales techniques in the dealership, I don't recommend becoming overly defensive. If you deal fairly with the car salesperson, and you get the same in return, the transaction can be enjoyable — even exciting. It really should be. So, I wish all of you a great shopping experience and many years of driving pleasure in your new car.

The End

[previous](#) | [next](#)

More Buying Articles



[10 Steps to Buying a New Car](#)

The following steps will tell you how to locate, price and negotiate to buy the car you want.



[10 Steps to Buying a Used Car](#)

The following steps will tell you how to locate, price and negotiate to buy the used car you want.



[10 Steps to Finding the Right Car for You](#)

The following steps are devoted to helping you select, price, locate and test drive the vehicle that is best for you.



[Confessions of a Car Salesman](#)

What happens when a veteran automotive writer goes undercover as a car salesman? We sent our own Chandler Phillips to work at two Southern California dealerships and he came back to tell about it.



[How to Get a Used Car Bargain Part One](#)

In the second part of this series, we'll discuss Steps 3 and 4: how to locate your target cars and how to test drive and evaluate them.

PHOTOS



[\(Enlarge photo\)](#)

I just wanted to earn a living. I've been a car nut all my life so I felt I could sell cars.
(Photo by Scott Jacobs)



[\(Enlarge photo\)](#)

I worked in a medium-size, triple-brand family-owned domestic dealership. It was about as old-school as you could get. (Photo by Kurt Niebuhr)



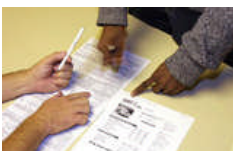
[\(Enlarge photo\)](#)

Most of my customers would rather have root canals than talk with me. My work schedule didn't jibe with family and friends either. Basically, selling cars is a tough gig.
(Photo by Scott Jacobs)



[\(Enlarge photo\)](#)

I hit the lot as gas prices soared and then the credit crunch hit. As a green pea, I sold three or four cars a month. (Photo by Kurt Niebuhr)



[\(Enlarge photo\)](#)

For savvy shoppers who access sites like Edmunds.com, the buying process is getting more transparent all the time. A few hours' research translates into a much better deal for you.
(Photo by Scott Jacobs)



[\(Enlarge photo\)](#)

The car salesman might not be around much longer. It's sad,

Buying Tips

"Confessions of a Car Salesman" Updated for 2009

Has the Business of Selling Cars Changed?

By Chandler Phillips, Contributor and Russ Wortman, Contributor
[Email](#)

It's been a number of years now since I sold cars for my undercover series "[Confessions of a Car Salesman](#)." I've been pleased and, frankly, amazed at how many readers have found the articles entertaining and informative.

As my memory of the actual experience fades, the readership for "Confessions" grows and the impact of it is felt through the marketplace. While some dealers have actually used "Confessions" as a training tool (showing salesmen what *not* to do), many car salesmen have responded with furious denials. Often, they try to discredit my experiences by saying, "Sure, that kind of stuff used to happen. But the business has completely changed. None of that happens anymore."

Well, it just so happens that I have a friend, Russ Wortman, who recently finished a stint on the car lot. He agreed to meet for a cup of coffee, and I picked his brain about the current state of the art of selling cars and just what this means for shoppers.

Phillips: Russ, you're a journalist. Were you looking for a juicy insider-type story?

Wortman: Not at all. I just wanted to earn a living. I've been a car nut all my life, so I felt I could do it. But in practice, being a "car guy" has very little to do with success on the car lot.

What kind of dealership did you work at?

It was a medium-size, triple-brand domestic dealership in the South Bay [of Southern California]. It wasn't one of those high-pressure, high-volume chain outlets, more of an easy-to-deal-with family-owned and -run store. Except for the Internet department and some cosmetic upgrading, it was about as old school as you could get.

So let's get down to it — how long did you last?

My tour of duty was six months.

Big picture: How did you like it?

Well, you're dealing with customers who would rather have root canals than talk with you. And the rotating day/night and weekend schedules don't always jibe with family and friends either. Two days off every three weeks. Basically, it's a tough gig.

Sell any cars?

I hit the lot as gas prices soared and then the credit crunch hit. As a "green pea" I sold three or four cars a month — and some of those were shared deals. With \$2,000 a month salary and \$200 per deal minimum commissions, I could just barely pay my bills.

Where I worked, we had teams of salesmen. If one guy wasn't making progress, we turned the customer over to someone else. They still do that?

"Turning" a stubborn customer to another salesperson was one of the golden rules at my dealership. If you didn't, you'd get blown out.

Fired.

Right. Turning makes sense from the store's point of view — they get two shots at the customer and then a manager takes a crack at you.

How does the customer like it?

They don't. Would you? If you have a relationship with your first salesman, you wouldn't want some new guy suddenly appearing.

Good point. What training did you get? Videotapes and back-room pep talks from the veteran sales guys?

I was pleasantly surprised here. There really was an effort to serve the buyer's needs. I was taught a six-step process designed to build rapport, find the right vehicle, get 'em inside and seal the deal *today*. At the end of the day, though, it was all about putting butts in seats and racking up numbers on the big sales tote board.

Speaking of butts in seats... How did you get people into the dealership?

Balloons...those ones you see bobbing over the cars and trucks as you drive by the auto mall. Before selling cars, I had no idea of the importance afforded them for attracting passers-by.

Where I worked, we had to go to sales meetings whether we were working or not.

Yeah, the staff cheerleading meetings were bright and early Friday mornings to get everyone psyched up for the weekend sales blitz. They were always hammering us with, "Don't pay attention to the economy, you can make some cash out there...let's go sell some rides! And just to sweeten the pot, get 10 write-ups by Sunday night and we'll give you a \$25 spiff!" It was like a religious revival meeting.

How did the veteran car salesmen interact with the new guys?

As a "green pea," it took awhile to earn even a shred of respect from the veterans. But they were great at dispensing advice about negative stereotypes — these people always grind you, those folks are credit roaches, etc. So the newbies tended to stick together, and there was the usual gossip about each others' sordid lives of sex, drugs and rock 'n roll. It

ADVERTISEMENT

Liberty Mutual
Unlimited Rental Car Coverage.
Available from Liberty Mutual Insurance.
[FREE QUOTE](#)

More Buying Tips

10 Steps to Buying a New Car
10 Steps to Buying a Used Car
Confessions of a Car Salesman
What is the "Kelley Blue Book" Price?
Vehicle History Report
More Car Buying Articles

ADVERTISEMENT

Consumers' Top Rated™
What cars score the highest with their owners?
Find out by browsing Consumers' Top Rated Winners.
edmunds.com

because a good salesman is valuable. (Photo by Kurt Niebuhr)

reminded me of "high school, with ties."

Buying Articles

[10 Steps to Buying a New Car](#)

[10 Steps to Buying a Used Car](#)

[10 Steps to Finding the Right Car for You](#)

[Confessions of a Car Salesman](#)

[How to Get a Used Car Bargain](#)

New Car Pricing

Browse By:

[Hybrid](#)

[SUV](#)

[Truck](#)

[Sedan](#)

[More Types >>](#)

Incentives & Rebates

[Latest Incentives](#)

[Deals of the Month](#)

2009 Buying Guides

[Hybrid](#)

[SUV](#)

[Truck](#)

[Sedan](#)

[More Buying Guides >>](#)

Edmunds Newsletter

[Sign up](#) for the Edmunds Automotive Network Newsletter and get the latest news, reviews and more.

Did you have an "up system" to choose which salesman would get the next customer?

I would've killed for an "up system" as opposed to the inane "car-calling" arrangement we had. We'd stand on the front corners of the dealership and verbally call cars, to claim them, as they turned in from the street. The veterans not only randomly called hundreds of cars as they sped by in the off chance one might actually pull in. They also talked facing the street, making us put our backs to the action. Guess who wound up snagging most of the drive-ins?

I remember we had a "tower" where the managers watched the salesmen out on the lot with customers. Anything like that where you worked?

Thankfully, no tower. We took our judgment at eye level in a glassed-in sales manager's office. A camera system also watched over us 24/7.

I ran into a car salesman recently who said, "No one uses the four-square anymore." How about your dealership?

Next to the gift of gab, the ["four-square" worksheet](#) is a salesman's No. 1 tool. We used it to create doubt in the customer's mind about the figures, while maximizing the value/price of the vehicle as close to MSRP as possible: minimizing the amount you'll accept for your trade-in... maximizing your down payment...and maximizing your monthly payment.

Can you describe the [negotiation strategy](#) you used?

It was limited to building maximum value in the vehicle and minimizing what you thought your trade-in was worth — leaving you more open to accepting our terms. We'd then take a completed credit application and your "offer" to the sales office where the real fun begins. This is where you realize that I really am your friend because you're about to meet the "closer."

Was there anything that surprised you about selling cars?

I was surprised by the psychology that went into it. We were taught that to sell a car you had to make them a friend, and were given specific phrases and what they called "word tracks" to use throughout our conversations. Rapport-building was so important, we weren't allowed to wear sunglasses during our introduction so we could better connect with the customer. But we could don the shades once we were under way because on the lot, in the summer, with the sun pounding down and all that chrome and glass reflecting, it was like a convection oven.

Any funny or outrageous things happen to you while selling cars?

I took an older gentleman on a test-drive in a loaded crew-cab pickup. It wasn't until we hit the freeway with his foot to the floor that I noticed we're running on fumes. Back on surface streets, crossing a busy intersection: silence.... We coasted to a stop, blocking the slow lane. I called the store for help and 20 minutes later a porter shows up without any gas, but they took my customer back to the dealership. Suddenly, a cop pulls up behind the truck to block traffic. Then this young parolee with a suspended license flies around the corner and accelerates into the back of the cop car. After a long wait I finally get a splash of gas, provide my witness statement and limp back to the store. Two-and-a-half wasted hours, one lost customer and all I got was a lesson about double-checking gas tank levels.

Bottom line, do you feel that the selling process described in "Confessions of a Car Salesman" has changed?

Selling cars seems to be a timeless sort of business transaction. "Confessions" rings just as true today for me as when it was written.

So there are a lot of dealerships that are still running the same game. What about shoppers? Have they changed?

I hit the lot when sales were going in the tank. People used to come in with wads of cash and throw like \$10 grand on the table and expect us to take that for a new truck. It was crazy.

But there must be a lot of people using the Internet whether they go through the fleet department or just do a lot of research.

For savvy shoppers accessing sites like Edmunds.com, the buying process is getting more transparent all the time. A few hours' research translates into a much better deal for you. For shoppers who lack experience and knowledge about financing, [rebates](#) and [hold-backs](#) — and don't take advantage of [true-market pricing resources](#) — well, those are just the customers that the sales guys are waiting for.

Would you say the shopping experience is more enjoyable for customers?

No, I think a great many car buyers just want to get the whole thing over with as quickly, painlessly and with as little bloodletting as possible.

Are there even going to be car salesmen much longer?

Good question. It's sad because a good salesman is valuable. But it's tough to survive in that system. And expectations have changed. Consumers want to buy everything online these days, just like they do with their music and movies and books. They're thinking, "Why can't you just order a car online and have it show up in your driveway?"

Because the franchise laws are so strong. And dealers claim a good car salesman can guide a buyer through a complicated transaction.

That's the way it's supposed to work. But how can you make a living? The sales force at my dealership was pretty bare-bones. And I drive by that dealership all the time — now, there's even fewer salespeople out there. I don't really know where it's headed.

As I said good-bye to Russ and left the coffee shop, it struck me that the car salesmen who attack "Confessions" as outdated are absolutely right — life at the dealership has changed. But they've got it backward. While many dealerships doggedly try to work the same old games, consumers are forcing them to change. The public is demanding a better shopping experience. You could even say that the process of selling cars is a broken business model which has only survived because of the political power of the dealers to preserve franchise laws that route shoppers through the dealership.

While the process of selling cars has changed very little, everything around the car lot has changed enormously. Still, anyone venturing into this environment should be forewarned and prepared to protect their best interests. While it's sad that many dealerships will close and salesmen will lose their jobs, few people will shed a tear for the dying tradition of American car buying.

More Buying Articles



[10 Steps to Buying a New Car](#)

The following steps will tell you how to locate, price and negotiate to buy the car you want.



[10 Steps to Buying a Used Car](#)

The following steps will tell you how to locate, price and negotiate to buy the used car you want.



[10 Steps to Finding the Right Car for You](#)

The following steps are devoted to helping you select, price, locate and test drive the vehicle that is best for you.



[Confessions of a Car Salesman](#)

What happens when a veteran automotive writer goes undercover as a car salesman? We sent our own Chandler Phillips to work at two Southern California dealerships and he came back to tell about it.



[How to Get a Used Car Bargain Part One](#)

In the second part of this series, we'll discuss Steps 3 and 4: how to locate your target cars and how to test drive and evaluate them.

[Home](#) | [New Cars](#) | [Certified Cars](#) | [Used Cars](#) | [Car Reviews](#) | [Tips & Advice](#) | [Car Loans](#) | [Auto Insurance](#) | [Forums](#) | [Inside Line](#) | [Industry News](#) | [Auto Shows](#)
[Your Account](#) | [About Us](#) | [Affiliate Program](#) | [Dealer Inquiries](#) | [Search](#) | [Car Dealers](#) | [Auto Repair Shops](#) | [Should You Buy Now?](#) | [Glossary](#) | [Directory](#) | [Help](#) | [Contact Us](#)

Edmunds Inc. is hiring! [Employment Opportunities](#)

© 1995-2009 Edmunds Inc.
[Privacy Statement](#) | [Visitor Agreement](#)