

# A CAR-BUYER'S HOW-TO

## STEP-BY-STEP GUIDE FOR PURCHASING A VEHICLE

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### BUDGET

Do you know how much you can afford to pay for your vehicle? **Balance your household budget** and consider getting **preapproved for a loan** to determine what you're eligible to borrow.

**ONLY 21%**

of car buyers take advantage of getting preapproved.  
SOURCE: NATIONWIDE

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### APPRAISAL

One of your biggest assets is **your existing vehicle**. If you have one to **put up for trade**, investigate how much it's worth before you go to the negotiating table. That way you'll have a better idea of how much money you'll need to put down.

**73%**

of car owners research their vehicle's value before buying a new one  
SOURCE: COX AUTOMOTIVE

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### NEEDS & WANTS

Determine **what you need in a vehicle**—do you have a growing family (or anticipate one in the near future) or do you need a vehicle for commuting or a car with room for moving big loads? **Identify needs first—then** consider wants such as color, amenities and style.

**48%**

of car buyers take one to three months to car-shop  
SOURCE: LAB42

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### PRICES

Now that you know your budget and your preapproval amount, as well as the collateral your existing vehicle could provide, start **investigating prices** of vehicles that fit your needs. Write a **realistic rundown** of vehicles in your area that would make your "wish list."

**89%**

of car buyers value price above all other factors  
SOURCE: NATIONWIDE

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### NEW VS. USED

By now you should have a handle on whether a **new or used car** is the best fit for you. Just keep the following in mind when making your final decision:

#### NEW

- Often comes with a brand-new warranty
- Features the latest amenities
- Has most recent safety features
- Likely has highest potential MPG

**31%**

of car buyers *only* consider new cars  
SOURCE: LAB42

VS.

#### USED

- Often considerably less expensive
- Can carry lower insurance costs
- Avoid the near-instant depreciation in value of a new car

**10%**

of car buyers *only* consider used cars  
SOURCE: LAB42

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### REVIEWS

When it comes to new cars, there is likely a host of available **ratings and reviews** freshly written and at your fingertips online. Do your homework and get a sense of how other consumers found this new model. Compare your notes against your list of needs to see whether it can fulfill them.

### HISTORY

When shopping for a used car, it's a good idea to pull **vehicle history reports** before buying. This way you'll have a better sense of whether or not it's been involved in collisions, has been "title washed" to seem undamaged or has an accurate mileage reading.

**52%**

of car buyers don't know what model they prefer before visiting a lot  
SOURCE: LAB42

**800,000+**

damaged American cars have been "title washed" to appear undamaged  
SOURCE: CARFAX

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### TEST DRIVE

You won't know for sure how you feel about a given vehicle until you've **test driven it yourself**. (It's never a good idea to agree to buy a car before you've taken it on the road.) On your test drive, make sure you hit roads similar to ones you'll make day-to-day on your commute, such as city streets or interstate highways. And test drive more than one vehicle!

**33%**

of car buyers briefly test drive *one* car before buying  
SOURCE: DME AUTOMOTIVE

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### WARRANTY

It's one of the biggest benefits of buying a new car—it most often comes with the **manufacturer's warranty**. Make sure you understand the terms of the warranty, from the length to the benefits that are covered.

**3-5 YEAR WARRANTY**

is the length of a typical basic manufacturer's warranty

### INSPECTION

Every used car needs to be **properly inspected** before purchase. Many dealers will perform one in-house, but many will allow you to have one done by a third-party mechanic before you hit the negotiating table.

**\$200-300**

typical cost of a pre-purchase inspection of a used vehicle

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### NEGOTIATION

When you're in the **position of negotiating**, it's best to start small. Make sure the amount you were preapproved for or budgeted for isn't the **first** amount you offer—leave some wiggle room. Also, make sure you've done your homework on the vehicle and bring your data with you to the negotiating table

**73%**

of car buyers prefer to not negotiate price at all  
SOURCE: LAB42

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### CLOSING

At closing, you'll more than likely be **offered additional products**. If it's a used car, you may be offered a warranty. You could also be offered promotional rates on tire protection or oil changes. Set your budgetary boundaries ahead of time so you can respond to these offers comfortably and sensibly.

**↓ 68%**

since 2004, number of dealerships average consumer visits when buying  
SOURCE: MCKINSEY