



How to Outsmart the Car Dealers' Tricks

Skilled persuaders use a few key principles to influence potential buyers.

Steve Lehto, a U.S. attorney, wrote an interesting **article** last year about the common lies car sellers tell potential buyers. Some may find these sales tricks infuriating, whereas others might think they're hilarious. Either way, understanding them may be quite helpful the next time you need to negotiate a car purchase.

Many of the examples Lehto describes are based on techniques laid down by Robert Cialdini in his book, ***Influence: The Psychology of Persuasion***. Out of his observations and experiences working with skilled persuaders, including car salespeople, Cialdini compiled six key influence principles: reciprocity, social proof, authority, liking, scarcity and the dual principle of commitment and consistency.

For instance, if a salesperson tells you: "This is our #1 best seller!" they are playing on the principle of social proof, especially if the product happens to be among their most expensive ones. The idea is that, if the product is good for most people, it will be good for you as well. It becomes tempting to just call off the search. However, you may have different needs from those (hypothetical) buyers, making the product a bad choice for you.

As you can see, salespeople can exploit our psychological shortcomings or emotional reflexes to compel us to act according to their desires.

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Fortunately, there are ways to protect yourself from the unethical use of Cialdini's influence principles. You may even turn some of them to your advantage.

Preparation is half the battle

The most common lies are "This is a good price for the car" and "We'll give you top dollar on your trade". These use the principle of reciprocity to reduce your desire to learn more or ask for further discounts. The logic goes like this: "I already did you a favour, so you won't ask for more, will you?" Many buyers don't dare to ask for more as they succumb to reciprocity. That said, one would expect that with the wealth of information available online these days, salespeople would have dropped these tricks by now. The fact that they haven't suggests that many buyers don't do their research.

If you do your homework, you will be less bound by reciprocity if a car dealer quotes you a high price, as it will be obvious that the salesperson didn't do you any favours or may even have tried to trick you. Sellers who see that you are well prepared will be less inclined to try to charge you more without adding value in some way. You may ask: "How do I know that this is indeed a good price?" or "Can you show me some information that proves that point?" or "Interesting you should say this is a good price, because my research indicates otherwise. Am I missing something that justifies your price?"

Playing on the principle of scarcity, another common lie is: “This is the last one in the area”, suggesting you better hurry up and buy it before it is too late. Again, this is information you can easily verify online or by calling a few dealerships in the vicinity. Better still, as you do your price research, use the opportunity to assess scarcity and figure out your next best alternative should negotiations fail. If stock is not a real issue, the dealer had better give you another reason why you should buy on the spot. Perhaps, you can turn around and reply: “While this may be your last piece, my research indicates that it is not the last piece on the market. However, it seems to me that you would like a quick sale. If so, I may be open to the idea if you give me a good discount. What do you say?”

More self-defence tactics

You will most likely be assured that “This car runs well” or “We inspected it”. These statements try to leverage the principle of authority: Since the car dealer is an ‘expert’ and believes the car runs well, then it probably does. However, being expert in selling cars doesn’t guarantee expertise in car mechanics. Moreover, even if the car was inspected, it wasn’t for your benefit. Thus, it is worth the time and money to take the car for a test drive and have an expert look at it before buying.

Should an expert find some problem with the vehicle, you can call on the salesperson to sort out the issues “accidentally” overlooked during the dealership inspection. To save on expert costs, you could say: “Are you sure that the car is well inspected and runs well? If I were to take it to a mechanic and a problem was found with it, would you pay for diagnostics and repairs?” If the answer is no, you may ask the dealership what is it afraid of since the car was already inspected. You should also contemplate the possibility it’s trying to sell you a lemon.

The salesperson will probably insist that you are “required” to buy extras with the car. This trick plays on the principle of commitment and consistency: Once you commit to buy the car, you may now feel obligated to follow through with additional purchases, such as a car insurance, a gadget or a safety feature. The dealership may also require you to use its preferred loan or insurance provider. Don’t fall for this, unless these offers truly meet your needs.

Every decision you make on the spot gives the salesperson an opportunity to nudge you in the direction of buying more. After all, if you’re spending thousands on a car, what’s another few hundred? To protect yourself against this tactic, prepare a list of what you really want in your car. Consider seeking advice from experts or other

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consumers on extras that may add real value to your purchase. You can also turn this to your advantage: “If I were to choose your favourite loan and insurance providers, how much more of a discount would you give me on the car?”

Getting it in writing

One of our favourite sales tricks is: “If you have a problem with the car, bring it back to us”. You can actually test this by asking directly where in the purchase agreement is the clause that allows you to bring back the car for free repairs. Most likely this clause is nowhere. But you can always try to get it included in the “Other Terms” box. If the salesperson starts backpedalling and explaining why this or that cannot be written down, it should raise a red flag. If you still choose to go forward, at least you will know what you can and cannot count on.

As Lehto points out, all these sales tricks are, in fact, legal. That’s why some salespeople feel quite free to use them. Your best course of action may just be to leverage the information provided by the dealer to negotiate a better deal. It may even be fun.

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