

A Better Way to Buy a Pre-Owned Vehicle

Most car owners have purchased at least one used car in their lifetime. Thinking back to your used vehicle, ask yourself how you enjoyed the experience? ...Never mind, you don't have to answer that because the story has been repeated so many times.

New car you say? Some drivers prefer brand new cars for very good reasons: new car warranty, high reliability, most features, prestige, etc., but buyers pay heavy prices for those reasons. Typical new vehicle value drops about 25% (known as the initial depreciation) as the papers are signed. Note that you don't even have to drive it away, but your commitment has been made and you will likely (have to) enjoy that car for 24, 36 or 48 months while your loan company enjoys your regular payments in exchange. Finally, you can go back to the dealer for another new car and the process starts all over again. This time, the dealer will graciously offer you a trade-in amount for the car that is likely far less than it is worth.

At some point your car is about to need replacing for one reason or another... lease is up, warranty expired, not reliable anymore, whatever your reason. So, you weigh your options and decide to replace it with a used car to wisely avoid taking that big initial depreciation hit. You have checked your finances and if you get the car - and the deal you want, it should work out OK, but whoa! Are you excited about taking the arduous journey through used car land?

Let the Shopping begin...

First, you did your research and you have a car make and year in mind, and likely a body style, color, and price target too. But where can you find the exact car and deal you are looking for...?

- Dealerships – Eventually, after much searching, you might find a dealer with a suitable car on the lot, but probably you will have to settle for something close to your ideal. The good news is you can drive in and leave with a new car the same day. The bad news is you are paying for that privilege, big time. Franchised dealerships consider used car sales to be their biggest money maker. New cars typically have narrow profit margins so used cars and service departments are the go-to players. The dealership has people to pay, mortgage payments to meet, insurance, advertising, and inventory carrying charges to pay for, and stockholders to please. Most dealerships can help you arrange financing too (help which you pay for also, of course, even if you don't need that service). Many of the used cars on their lots are customer trade-ins which were obtained at low costs from the former owners. Hmmm, remember when the salesperson gave you the figure for your last trade-in? It was probably about half of what you thought it would be. The dealer has done some reconditioning at his cost, and puts a price on the car which guarantees a good profit. Then you are offered a warranty package, which is marked up, yielding a profit as well. If you trade in an old car the process begins all over again. The dealership makes money twice on each used car deal. You, the customer, keep paying... and you keep settling for what they have in stock when you come into the lot.
- Internet sites – Yes, they are likely to have a car you are looking for, but unless it happens to be a local dealer or close-by private seller, you may have to travel out of town to see the car, and take it to a local mechanic to make sure that you don't buy someone's problems. You won't get help with financing, insurance, plate transfer, or a trade-in deal. You are basically on your own... which may actually be OK if you know what you are doing.
- Classified ads – the newspaper is an excellent place to look locally, but the listings are limited (just try it once - randomly pick out a specific year and make car in the ads!) Ads in the paper appear from private sellers and some dealers advertising what they have on their lots. Again, you won't get help with financing, insurance, plate transfer, etc. and you definitely need to have your mechanic check out private cars.

Eureka, I found it!

Now, let's say you find a dealership that just happens to have a car that's acceptable to you, and now the fun begins, right? You take the test drive and then you follow the salesperson into his office to talk turkey and write up the deal.

Great, but remember the classic sales motto, "People don't buy things, they buy how owning that thing makes them feel." The salesperson will of course try to make you feel good about owning the car you are buying.

But, really, how can you feel good if you don't know what you are paying for? They don't tell you how much the car cost them (what the low trade-in offer was), nor will they tell you the cost of the reconditioning, if any. They won't tell you the cost of the warranty but they will tell you the price. Bottom line includes the sales tax of course, and they will

tell you that. But they won't tell you that if your trade-in value is higher, the tax on your new car would be less. How much of the price of your new used car goes to the dealership's overhead, commissions, profit margin? You will never know.

Here's a Better Way: **2nd Hand Lions Inc.** Professional Auto Brokers

Jump back to where you decide to get another car but this time, instead of *shopping for the car yourself*, tell an auto broker what you are looking for and let him or her find it and bring it home for you.

What is an "auto broker"? Simply stated, an auto broker is a pro who works for the buyer, not the seller because it is important to know who is paying whom, and for what.

Here's how 2nd Hand Lions works: for a fixed commission we, the broker, will use the tools of the auto trade to locate a much more exact match to the vehicle you want, taking everything into account. 2nd Hand Lions will source the car nationally from a wide pool of inventories including auctions, other dealers, fleet sales, leasing companies, and in some cases, private individuals. When we find it (usually within a week or two) we double check with the buyer, then take action on the buyer's behalf. If everything is satisfactory, the car is obtained and brought here for final touches and the buyer's inspection. Then, 2nd Hand Lions will handle the paperwork to transfer your plates or get new ones for you. In most cases, the manufacturer's warranty remains in effect (based on mileage and time), and if desired a top quality extended warranty is available, with no markup.

Best of all worlds!

2nd Hand Lions offers a modern efficient and lower cost alternative to traditional used car shopping. We work for you, the buyer, and we show you ALL of the costs and fees that you pay. Everything is transparent and clear because there is nothing to hide. We will even take your trade-in and show you exactly what it is worth, so you can be sure you are getting a fair deal, and saving the sales tax you deserve to save. Our commission is fixed at 7% with a top limit of \$1,600. Incidental items such as new floor mats are passed on to the buyer with no markup. All that is required by 2nd Hand Lions is a signed service contract specifying the desired vehicle and a refundable \$500 deposit. Please visit our website www.2ndhandlions.com to learn more and to download the contract form.

Much of our business has come from referrals by satisfied customers who enjoy knowing they received the fairest of deals and they are proud of their car purchases. They love their late model cars: Audi, BMW, Mercedes-Benz and Volvo. Know that 2nd Hand Lions can deliver most makes, models and ages of vehicles.

So, stay at home and let 2nd Hand Lions work for you.



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