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(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 savvier 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)

"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 "<u>Confessions of a</u> <u>Car Salesman.</u>" 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 shoopers.

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

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The car salesman might not be around much longer. It's sad, because a good salesman is valuable. (Photo by Kurt Niebuhr)

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Sign up for the Edmunds Automotive Network Newsletter and get the latest news, reviews and more. 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 reminded me of "high school, with ties."

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 savvier 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, <u>rebates</u> and <u>hold-backs</u> — and don't take advantage of <u>true-market pricing resources</u> — 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.

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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.



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