Introduction: Bought a Car Lately?

*The sale begins when the customer says yes.*

—Harvey Mackay

With hundreds of books and courses available on negotiation, why on earth would you need another one? The answer, in short, is that the world has changed in profound ways in the last decade, and techniques that worked in that world are not effective today—and certainly won’t be tomorrow.

As a brief example, let’s consider the one negotiation that almost everyone dreads: buying a new car. Each of us had that task this year, and our three experiences illustrate just how much the rules have changed.

John set out to help his daughter with her purchase. She’d already selected the model she wanted and had test driven it; their mission was simply to buy the car for the best price. The salesman was adamant—before talking about price, she just had to drive the car. It took John and his daughter ten minutes to explain several times that they had already done that—they just wanted to buy the car. Reluctant to relinquish this time-tested technique to soften up the customer, the salesman finally ushered father and daughter into his tiny office.

They asked about the price and terms. Following his script, the salesman wouldn’t give them a price, and instead insisted that they tell him what John’s daughter could afford to pay each month. They declined, asking the salesman again to tell them the price of the car. He refused and asked again what she wanted to pay. They asked again about the price. By this time, voices were raised, and John’s daughter left in disgust. Ultimately she bought another brand.

Clearly, this salesman was following the negotiating strategy that has long been used in car sales. The test drive gives customers the
physical feeling of the car, but more important, it helps them see
themselves driving *this very car*, and they start to develop an emo-
tional attachment to it. The salesman’s next step is to get the customer
to make the first offer and to commit to a price he or she is willing
to pay. Typically, this takes the buyer down a path toward commit-
ment, and the salesman can then jiggle the terms to match the price
the buyer has already committed to. The salesman retains the power
since he has all the information, and the buyer has already come more
than halfway toward purchase. This strategy is typical of the com-
petitive/transactional approach, where one person’s gain is another
person’s loss. And this is a primary reason that people hate to buy
cars, especially in the United States, where most other sales do not
involve bargaining.

William took a different approach and sought the advice of a friend
who had been the finance manager at a number of car dealerships.
Trained as an attorney, William knew only too well that the selling of
a car was one of the most highly choreographed commercial negotia-
tions in the United States, which is why he turned to his friend.

But even here, the friend (who in essence served as a broker/deal-
maker) asked the same questions as John’s salesman. Considering your
status and needs, what kind of car do you see yourself in? How much
are you willing to pay? Test-driving was not an option, and William’s
friend sent him carefully selected webpages. William drove the car
virtually, and began establishing an emotional connection. Things
such as status, personal needs, and certain auto features were quickly
identified and put into the equation. Next came the price.

Just as in John’s experience, the price was never discussed. Instead,
what William was willing to pay became the critical point, now that
the emotional connection was even stronger. In the end, William
came away with almost exactly what he had sought: a Jeep Grand
Cherokee 4x4 with all the bells and whistles. The lease price he had
originally expected plus $30 per month for 36 months became the
final agreement.

It had finally boiled down to whether William perceived the deal
to be “fair.” For the “fairness of the transaction” he trusted a friend
who he knew understood the sales dance. In the end, William thought
the price was fair, but then again, he did not determine—and did
not necessarily want to invest the emotional energy necessary to find
out—whether the deal was in fact “fair.”

Lynda, who *really* hates car dealerships, took a third approach. For sev-
eral days, she searched the Internet, looking at one-year-old, low-mileage
cars for her daughter and comparing them with cars listed in newspaper