



# Why the “Dealer’s Best Price” may not be “Your Best Price”

The new car and truck business has become extremely competitive in the last few years. Margins have never been smaller, but advertising low prices just isn't enough to move the needle anymore. Prices need to be “too good to be true” to stand out. This has caused an epidemic of misleading advertising that, unfortunately, wastes the customer's time or leaves the honest dealer off many of their shopping lists.

How does this happen? Well there are a number of ways to deceptively show an artificially low price. Most prevalent right now is advertising a price reduced by a number of rebates that 99% of shoppers aren't eligible to receive. The incredibly low price looks like it applies to anyone, but once in the dealership you learn that you, like the majority of people, are not on some list or manifest. Your price is hundreds or even thousands more.

General Motors as an example presently has over 20 programs to access niche markets. To show how obscure some of these target groups can be, the USAA Private Offer applies only to USAA members, so basically current or retired military that have purchased USAA insurance, yet the \$750 rebate is routine in many advertised prices with little or no disclaimer.

While these ads are certainly confusing, probably deceptive, and maybe even illegal, nobody has done much to curb their spread. The Better Business Bureau, State Attorney General, and maybe even the automobile manufacturers will certainly look into them on an individual basis, but their hands seem to be tied because there are a few people who might actually qualify. Ultimately, is this the kind of dealer you really want to enter into a relationship with?

The Valley Group of GM Dealers is embarrassed for our industry and frustrated because it's all so unnecessary. If you visit a Valley Store, the sales person can reference you personally on a factory incentive check website to insure you receive all the rebates and credits available. Then your trade can be estimated with a number of online tools like Kelly Blue Book or NADA. Finally you can view the factory invoice and we can mutually decide on an acceptable profit margin. It's simple and completely transparent, or in other words “The Valley Way.”

Thanks for taking the time,

**Jim Paul**

VP/GM Valley Automotive Group



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