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Pricing Terms to Remember when Car-Shopping in Edmonton by Ellsworth Mciltrot

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When youâ€™re buying a car anywhere in the world, there are three common pricing terms that youâ€™d have to keep in mind. Not knowing what these pricing terms mean can spell disaster for your car-buying endeavor. A lot of Edmonton drivers would tell you that walking into a car dealership with no knowledge of the process whatsoever will result in you spending way more than youâ€™d like.

This is why it is very important that you come to a dealership prepared. This is not to say that dealerships here in Edmonton are peopled with sharks that will tear you to piecesâ€”but dealerships are businesses. And it is your responsibility, as a customer, to know what youâ€™re talking about. Dealers will do what they can to give you the best deal, but you also have to do your homework.

Sticker Price

When you walk into any car dealership here in Edmonton, youâ€™re going to see big numbers plastered on every car on the lot. These numbers are what people call â€˜sticker pricesâ€™. Theyâ€™re basically th price that the dealership would want you to pay for that particular vehicle. Sticker prices are also known as MSRP or â€œManufacturerâ€™s Suggested Retail Priceâ€•.

Invoice Price

The invoice price is the amount that the dealer had to pay to the manufacturer for the car that youâ€™re looking at. This is typically much lower than the sticker price, because everything above the invoice price becomes the dealerâ€™s profit. A popular car-buying strategy would be to ask the dealership about the invoice price, and simply offer to add a couple of bucks to that price for the car.

True Market Value

The vehicleâ€™s true market value (TMV) is that price that hovers between the invoice and the sticker price. Most Edmonton residents rely on online pricing guides to help them gauge a vehicleâ€™s TMV, like Edmunds or the Kelley Blue Book. These pricing guides take into account different factors to determine the TMV of cars in Edmonton and other parts of the world.

Considerations

Hereâ€™s how negotiations with the dealers Edmonton has typically goes: the dealer would negotiate from the sticker price, while you negotiate from the invoice price. Usually, youâ€™d reach an agreement near the carâ€™s TMV. So when you walk into a dealership, be prepared to pay for the TMV, but still aim to pay lower if at all possible.

You should also bear in mind that not all dealerships offer the same sticker prices, or will agree to negotiations until you reach the TMV. This is why you should shop around and compare prices until you find the best dealers in Edmonton. For more information, check out kbb.com/.

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