

Bidding Tips and Tricks

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Below is a free abbreviated guide on the dealer auction. This is just a mere snapshot of what is in my “Dealer Auction Survival Guide”, which goes into much more depth. The only thing we ask is that you visit <http://www.dealerlicense.com> after you read the free guide, and browse through the very useful products we have to offer to make it easy to get your dealer license and learn the car business.

"It's not your State's job to make it easy for you to get a license... It's OUR job!"

Be sure not to follow too closely to the car you want to bid on. The owners of the car are probably watching who is interested in their car. If the owner thinks someone is interested, they won't be as willing to sell the car for dirt-cheap. By the way, it is customary in the industry for the sellers of auction cars to bid on their own cars to drive the price up. Therefore, if someone is bidding against you, chances are, they are the seller of the car. This is done at all dealer auctions. Get used to it!

OK, I'm at the bidding block and my car comes up. An attendant opens the hood so people can inspect the engine compartment. At the same time, the auctioneer makes announcements about the car. The major announcements are the year of the car, whether the car is guaranteed or as-is, whether the car is salvaged, etc. If I don't like an announcement I hear, I walk away. If the announcements are OK to me, I'm ready to bid.

The auctioneer always suggests a price that is ridiculously high. For example, if the seller wants \$5,000 for his car, the auctioneer will say, “Anybody want to pay \$8,000”, etc. Dealers know this is

a tactic, so they remain silent. The auctioneer then gradually lowers the starting price. He suggests \$7,000, then \$6,000, etc. If nobody bids, he drastically lowers the bidding to, for example, \$3,000. Then bidders begin bidding.

I don't like to bid right away so I can get a rhythm of the bidding. If I sense that the price won't get too high, I make a bid by briefly raising my hand. I'm careful to not raise my whole arm, because I don't want the seller of the car to see me if I'm there. Sellers like to know who is bidding because the body language of bidders tells the sellers how far they can drive up their own price before the bidder backs out. It's sick, but true.

If I'm in the bidding and the price is going up too fast, I bid a half. For example, if the last bid was \$3,900, and the auctioneer asks me if I'll pay \$4,000, I'll make a sign that tells him I want to bid \$3,950 instead of \$4,000.

The sign for bidding one half is just like holding your hand up to bid, except you put your hand horizontal instead of vertical. Bidding one half is a tactic used to slow down the bidding so the bidding does not get too high and out of control. Keep in mind that whether you can bid one half is up to the discretion of the auctioneer.

Below is an example of how to make a "Half Bid".



Beware! It is very common for the auctioneer to “pretend” that numerous people are bidding when in actuality, nobody is bidding! This is a tactic used by auctioneers (who are tipped money by the sellers) to attract interest in the car being sold. Bottom line: Be alert so that you know if people are actually bidding or not.

NEVER ACT TOO INTERESTED IN THE CAR YOU ARE BIDDING ON!

When the seller is bidding on their own car, they are **always** watching you. If you look like you are happy and interested in the car, they will keep bidding against you until you show signs of slowing down.

Here’s how to handle the situation to save a few hundred dollars every time you buy a car:

When the bidding dwindles down to you and one other bidder, BEFORE you raise your hand to bid, wait about 5 seconds before bidding and pretend that you are upset and give a frown to pretend you are disgusted at how high the bidding goes. Then after you put in the hesitant bid, turn your body while looking at the auctioneer and slowly begin to walk away from the bidding floor.

If the person bidding against you is the seller of the vehicle, you have conveyed to them that that is your last bid. As a result, they will most likely NOT bid again and you just saved yourself a few hundred dollars.