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Automobile salesmen have honed stepwise selling into an artform.<sup>3</sup> I not only took jobs selling cars during my research but studied many other dealerships.<sup>4</sup> Some have converted to nonnegotiable, "no hassle" Saturn-type pricing. Most, however, have retained the classic methods of car sales to one degree or another.

I encountered vast differences in techniques. But I was struck by how many of the best salesmen employ the grammar of patient, stepwise sequences. In most dealerships, the staff is required to follow specific steps. I observed programs using everywhere from seven to twelve or more steps, all of which covered pretty much the same ground. Some agencies require sales staff to review the steps on a daily basis or at weekly meetings; that's because if they have to turn a customer over to colleague during the sales process, they can tell their colleague what step they're on. One of the most impressive salesmen I came across was Michael Gasio, who sold new cars for fifteen years. Gasio followed a ten-step procedure, which he explained to me.

The initial step, as in any sale, is getting a foot in the door. In the auto business, this means getting the customer on the showroom lot. Sometimes customers come on their own, other times the salesman needs to push in front of his competition. This may entail a bit of deception. There is, for example, a variation of the foot-in-the-door technique known in the trade as "throwing the lowball." "The lowball," Gasio says, "is when I give you a price that no one else can beat. I quote you a figure that's lower than invoice and tell you not to pay any more somewhere else. I know that no matter what price they give you at another place you're going to come to see me." (There's also what's called "throwing the highball," which is when the salesman offers an unreasonably high trade-in price for a customer's old car.)

When I myself was selling cars I heard a lot about a related technique called the bait and switch. In this case, the salesman quotes a low price for the exact car the customer wants. When the customer comes to the lot, however, he learns that the advertised car is missing an important feature. The salesman then finds another car on the lot with that feature—but at a higher price.

The lowball and the bait and switch are often thrown at customers who are in the “just looking” stage, such as when they’re phoning around for price comparisons. Gasio’s response when he gets these phone inquiries is “I’m pretty sure I can get it for you at ———” and then names a sub-invoice price. He tells the customer to come in and ask for him by name when he or she is ready. “I’ve dug a hole I’ll have to work to get out of,” he observes, “but I know the customer will come back.” The lowball is phrased to elicit the first small commitment from the customer, Gasio says. “The big question I ask is ‘If I could, would you?’ That’s the key to a telephone call. Knowing that I can’t do it, I still ask him, ‘If I could, would you?’”

Most important, it gets the customer physically on the lot. The moment the customer comes and asks for him, the lowballing salesman becomes entitled to split half the commission should another colleague eventually make the sale. This split is recognition from the agency of how crucial it is to get that first foot in the door.

The lowballer knows his deception will eventually work against him, so he makes a fast exit. “I immediately ‘turn’ the customer to another salesman,” Gasio says. “I’ll have a phone call. I’ll have an emergency. I’ll need to go to the bathroom. I’ll have some excuse to turn you over to another salesman.” Later on, the new salesman explains that the lowballer made some mistake when he quoted such a low price. During my research, I heard a multitude of excuses: “He misunderstood which model you were asking about.” “He forgot to figure in the options you wanted.” The new salesman might distance himself from the lowballer: “He’s had a lot of personal problems lately.” “Frankly, we’ve been having terrible trouble with him.” My favorite explanation came from Gasio himself: “Because there’s a contest here and he wanted to get you in so he could win a prize.”

Once the customer is on the lot, the salesman proceeds to steps two and three: selling himself and the dealership. This begins with the “meet and greet.” “There’s a five-minute window to decide whether or not the customer likes you,” Gasio says. “If they don’t like you, they’ll

use you for the information you have and they’ll dump you. If I don’t feel I’m in control after the first five minutes, I’ll turn you to a new salesman.” If the customer was lowballed into coming in, this means seeing a third salesman. During those first five minutes, however, a good salesman would have sized up the customer well enough to decide whom to turn him to. Usually it’s someone who has things in common with the customer. The “turner” tells the new salesman what step he’s on in the sales process and then disappears.

A cardinal rule in sales is to avoid questions that may result in the answer “No.” This is particularly true in the early stages of the process. A dangerous meet-and-greet question, for example, is “May I help you?” The invariable response is “No, I’m just looking,” which stops the salesman cold. (Every salesman I interviewed said the most common opening words they heard from customers were “I’m just looking.”) Instead, one manager I worked for instructed, I was to hold out my hand and say, “I’m Bob Levine. And you are . . .” Virtually every customer will return the handshake, and the vast majority will respond with at least their first name. Similarly, later on in the sales process, instead of asking the customer a question such as whether she liked a particular car, the salesman might ask, “Would you prefer the economy of the four-cylinder engine or the power of the six-cylinder?”<sup>5</sup> Avoiding “No” answers discourages the chain of commitments from being broken.

The salesman then sells the dealership. “I want you to know you’ve made a wise choice in coming to my dealership,” Gasio explains. “At the last place I worked, we’d tell you, ‘The company has been here for twenty-seven years. The owner has a good name in the community. I may not be here when you need something, but he will.’” Another approach at this step is to bring up social proof. One dealer I studied would say, “I know your neighbors like us because we’re growing twenty-five percent a year.” Another dealership—one where I worked—made a point of letting the customer know that it was the biggest volume dealer in our city. The salesperson applauds the customer for choosing that dealership.

These early steps ask the customer for very small commitments—essentially to acknowledge the credibility of the agency. More important, however, they start the clock ticking. This is no small matter. One of the early goals is to slow the customer down. The passage of time, in fact, almost always works in favor of the salesman. For one

thing, as we've seen earlier, the time spent with the salesman activates the reciprocity norm. We know that since the salesman is working on commission, the time he spends with us is, in a sense, costing him money. If he's established good rapport with us, we're left with a feeling of obligation (i.e., the reciprocity rule) to do something for him in return.

The passage of time also works against the customer in other ways. Since we live in a society where time is money, it means any time we spend at this dealership is an investment—a deposit of sorts. If nothing productive comes of the visit, we've wasted our time. We've blown our deposit. It's the sunk-cost trap.

"You have to stall them," Gasio observes. "The main thing in sales is you make it such a long process they don't want to go through it again." The customer is inclined to say, "Just tell me your best price. I'm in a hurry." But if the salesman does that, it rarely leads to a sale. "The salesman needs to cover all the steps in their precise sequence," Gasio observes. "Before we talk about price, I need time to get you to surface all your objections. As long as you're willing to express your reservations, I'll find a way to overcome them. Otherwise, I know you're not serious and I'm going to 'broom' you [sweep you off the lot]. The rule is 'If you don't have time to drive it, I'm not going to give you a price.'" You'll notice that many salesmen—Gasio included—don't wear a watch. Like casinos without clocks in Las Vegas, they want you to stay longer than you'd planned.

Now the salesman turns to the product. Step four is "the walk." "I'm going to take control now," Gasio says. "I'm going to have you follow me all around the lot. I show you every car. 'I don't want to look at trucks,' you might complain when we move in that direction. 'But I need to show you this Ranger,' I explain, 'because I want you to see the stereo since it's the same system I can get for you in the Maverick you want.'" The salesman gets you in deeper and deeper by "giving you" as much of his time as possible. Gasio points out that time also works for him in another way: "Maybe I waste so much of your time that the next dealership is closed."

"All the while, I'm establishing in you a mind-set of obedience to my authority. The walk begins when I say, 'Come with me.' I've given you an order. You can choose to follow it or reject it. But I can tell you from experience that almost every customer is going to come with me. I get you to follow me in as many ways like this as I can."

Some agencies teach salespeople to do the "turn and walk" whenever they start losing control. "If I see you fading off while I'm showing you a car," another salesperson told me, "I turn and walk toward a different car. Or toward my office. Ninety-nine percent trail right behind me. I walk. You follow."

Step five is the "walk around," sometimes known as the "seven-point walk around." You're getting closer to a car here. "I'm now going to find out if I'm still in control," Gasio says. "We start in the front of the car. I pop the hood and tell you to look under it. If you follow my instructions, I know everything's going fine. Then we go around to the passenger side. When I sold Volvos, for example, I'd emphasize the safety features, things like the childproof door locks. Eventually I work you over to the driver's side. I tell you to sit in the car and I show you the dashboard. During the walk around I explain everything I can think of about the car to you. Most people get bored by this, so I give you a reason to listen to me, maybe that 'Someday you'll have to know these things to resell the car.' I'm not selling you a car. I'm educating you. I'm your friend."

Step six, after the customer gets in the car, is the watershed commitment—the test-drive. When my student researchers and I went car shopping, we found that if we appeared the least bit reluctant at this point the test-drive might begin by surprise. Jenny Gutierrez, for example, was being led on the walk around when the salesman told her to get inside and see how it feels. "Next thing I knew, he sat himself in the driver's seat, closed the door, and off we went. He never asked if I wanted to go for a test-drive." Gasio confirmed the common use of this approach. "When I worked for Ford, the front seat made it easy. You'd set the customer in the driver's seat and then you'd scoot them over and we were gone, off the lot and on the demo drive." For some customers, Gasio uses a softer approach. "Sometimes I'll say, 'I know you may not be ready to buy this car, but I'll get ten points if you go with me on a test-drive.' (There are no such points, of course.) Once we start, I always drive far enough away so you'll have a nice long drive back when I put you behind the wheel."

The overriding goal of the test-drive is to build "mental ownership." One of my sales trainers taught me to refer to everything about the car as "yours" during the test-drive: "Let me show you how to adjust your mirrors." "How do you like your sound system?" "These are the controls for your air conditioner."

Used-car dealers sometimes take mental ownership a step further by following the test-drive with a technique called the “puppy dog close.” The customer is encouraged take the car home for a while with the expectation that the car, like a puppy, will grow on you and everyone else at home. A saleswoman from the used-car sales division of a large rental company told me that her agency aggressively encourages potential buyers to borrow the car.<sup>6</sup> “We try to generate attachment during the test-drive,” she observed. “But if that doesn’t work, we encourage them to take it home by themselves overnight, or even for the weekend. When they do, that usually makes the sale.” If the attachment takes as planned, the idea of returning the car becomes as uninviting as returning your puppy to the pound.

But the test-drive itself is often attachment enough. “After the test-drive,” Gasio says, “I do what we call ‘the assumed close.’ I’m assuming that one hundred percent of the people who have followed me to this stage are going to buy a car. Otherwise, you just wasted my time. So I’m assuming we now have an agreement to sell you a car.” One agency I trained with taught us to test the assumed closed by stating/asking (auto salespeople are good at masking statements as questions), after the test-drive, “Looks like we found the right vehicle for you and your family?” If the customer doesn’t immediately object, the salesperson becomes more assertive: “Bob, go ahead and park it in the sold line and I’ll start the paperwork.” “Bob, were you going to register this in just your name or did you want Vickie on the title, too?” “You folks are going to love your new van. Did you want us to install the roof rack today, or do you want to bring it back on Thursday?” The salesman may now do a turn and walk into his office.

Step seven is requesting a hypothetical commitment. “I ask you,” Gasio says, “how much would you be willing to pay for this car to buy it today? Give me an offer, even if it’s ridiculous, to bring to my boss.” One of the rules in the automobile business is ‘Don’t come to the manager without a commitment.’ Most of the time the customer’s in a hurry and asks you to just go to your boss and ask the lowest price he’ll take. If the salesman does that, he’s lost control and isn’t going to finish the sale. So I ask you again, ‘What’s it going to take today?’ I want a commitment.”

The customer usually responds with an impossible offer—say, \$20,000 for a \$25,000 car. The salesman doesn’t challenge the offer. He explains that he’s not authorized to change the marked price. Only

the boss can do that. But if we work together, the salesman tells you, we can figure a way to convince the boss to agree to your proposal. “I turn to the trade-in now,” Gasio explains. “‘What if I can get you a good price for your old car?’ I ask. I start very low. ‘We took a car like yours in about a month ago. It wasn’t quite as nice as yours’—we always say that, to give us flexibility later—and I think they only gave him \$500 for it.’ I write the figure ‘\$500’ on the paperwork so you’ll be aware of it the whole time we’re negotiating.” The customer is usually startled by the low price. The salesman calms him down and eases up in small increments. “You don’t want to give the money away fast,” Gasio says. “It’s important to leave room for a lot of steps. Maybe I say, ‘What if, instead of five hundred, I could go seven hundred and fifty?’ I now put one line through ‘\$500’ on the paper—making sure you can still see the number—and write ‘\$750’ above it. ‘No, no, I want \$3,000,’ the customer screams. In the corner of the paper, very small, I write ‘\$3,000.’ I say, ‘Sir, if I can get the manager to go to \$1,000, would that make us a deal?’ The customer undoubtedly says no, again. But I’ve made some small steps here which set up my next move.”

Now the salesman plunges aggressively for a commitment. “You asked for a \$5,000 discount on the new car. Is that correct?” Gasio asks the customer. “I wait for them to answer ‘Yes.’ ‘And you want \$3,000 for the trade-in?’ ‘Yes,’ they say. Then I ask, ‘What if I can get you eight thousand for your old car? Will we have a deal today?’ I proceed to negotiate the same way on the down payment and your monthly payments. I need to get a commitment about how much you can afford a month. I write the figure down. What I don’t write down is the number of months of payments.”

Eventually, the customer agrees to the proposal. The salesman, of course, hasn’t committed to anything other than bringing the customer’s offer to his boss. “Now we have the customer initial the page,” Gasio says. But this round isn’t over. “Since you’ve agreed to this offer,” he tells the customer, “you shouldn’t have any objection to filling out a credit application.” The customer is made to fill out the application completely. If you don’t have some required information about one of your references, the salesman may have you phone the person. (The dealer rarely has any need to call the references. When they do phone the references, it’s sometimes to try to sell them a car by emphasizing the great deal their friend or relative just got.)

Some dealers squeeze you further during the credit check. For example, a finance manager may come out and ask how serious you are about buying the car. It costs money, he explains, to run a credit check. He might toss out a figure like \$20 or \$50 or whatever. You're getting in deeper and deeper.

Step eight—if you're trading in a car—is the appraisal process. Before turning your car over to the agency's appraiser, the salesperson may tell you that he needs to get some information about the automobile. He walks around the car taking down information like your license and vehicle numbers and the car's mileage and features. While doing this, he makes a point of touching, usually without making comments, every obvious flaw—scratches, stains, oil leaks. This is known as “trade devaluation.” It's intended to lower your expectations for the trade-in price.

Other commitments occur during the appraisal process. “In order to appraise your car,” Gasio says, “you're now going to give me two things you've probably given to no other salesman—the keys and registration to your car. Mentally, you're kissing that car good-bye. And if I'm successful, you'll never see these items again.” Giving up your keys can also lead to other problems: if you decide to leave during negotiations, some devious agencies have been known to “misplace” the keys to hold you hostage while the salesman applies more sales pressure.

Some dealers use your old car to rub a contrast effect in your face. The buildings in most car lots have glass all around. The salesman takes advantage of this by parking the car you've just test-driven so you're looking right at it. When your old car comes back from the appraisal it gets parked next to the new one.

At step nine, the customer is asked to commit money. “You need to give me something to bring to my boss that shows him your offer is in good faith,” Gasio tells them. “What can you give my boss to show you'll buy this car if he accepts your offer?” The salesman might suggest the customer write a check for \$1,000. If the customer doesn't have a thousand, he's asked to come up with whatever he can. The dollar amount is less important than making some commitment. In dealer terminology, the salesman is now trying to “tie 'em in close.” If the customer says he doesn't have his checkbook with him, the salesman might come up with some money himself under the assumption that just getting the customer to sign the form is a better commitment than nothing.

ing. (The salesman's money is removed from the order as soon as the customer leaves.) The salesman wants to “put the guy on paper.” But it's most effective to have the customer commit his or her own money, no matter how little the amount.

The salesman now carries the offer to the manager. After an appropriate lapse of time, the salesman returns with the news, which you on some level expected, that your offer has been refused. The boss doesn't give a counteroffer. This sets the stage for step ten—the “bumps.” The customer is asked if there's a way he or she can raise their earlier offer, perhaps by increasing the monthly payments or the down payment or accepting a lower trade-in price. “I don't set the size of the bump. You do,” Gasio points out. “I ask you, ‘What can you come up with?’ And the size of your bump gives away something critical, because a big bump predicts another big bump.” The sequence of bumps plays the rule of escalating commitments to the hilt: “As soon as I get a bump,” Gasio says, “I write down the new figure, have you sign your initials, and I get up and leave. I'm not going to try for another bump right then. I'm only trying for one bump per round.”

Other psychology may also be used here. The salesman may, for example, coerce you with limited-time, scarcity pressures. You might be offered limited-time-only rebates or told this price is *today only*. The salesman may emphasize that people who hesitate may lose their first choice. In an agency where I worked, there was a sign posted on the wall of every salesperson's office that read “The car you looked at today and want to think about till tomorrow may be the car someone looked at yesterday and will buy today.” In another agency, one of my students, Amanda Morgan, was negotiating the price of a white '99 Ford Escort when a voice came over the loudspeaker announcing: “Congratulations to Mr. and Mrs. Marcus Smith on their purchase of a '99 white Escort.” “The salesman's head jerked up,” Morgan recalled. “‘White '99 Escort? I hope that's not the one we were looking at!’ He then punched in some numbers and breathed a sigh of relief as he assured us it wasn't the car we wanted.”

Some salesmen exert more generalized time pressure. Tony Razzano, who works out of the Gold Coast of Long Island, is reputed to be the most successful salesman of used, ultraluxury cars (Jaguars, Rolls-Royces, Bentleys, etc.) in the country. (“I could sell ice to an Eskimo,” he says about himself.) Razzano encourages reluctant

customers with the *carpe diem* philosophy. In a world of anthrax and terrorists, he reminds them, “why would you wait for tomorrow to get what you want today, when tomorrow may never come?”<sup>7</sup>

The salesman hopes that some of this motivates you to up your offer. If you do, he then brings the new offer to the manager. But, alas, he soon returns with the news that it, too, has been rejected. Again the customer is asked if he can raise his offer. If so, the salesman gets your initials and immediately leaves. This process is repeated over several rounds. If the customer refuses to bump up to an acceptable price, he’s turned over to another salesman or manager or whatever for another try. Some agencies are known as T/O (turnover) houses, meaning that at some point in the process every customer gets turned over to a higher-up who presses for a new bump.

The bumps continue until the deal is closed, which is the final step. As salespeople say, “Closers are the winners.”

For Gasio, this is the end of the process. “Buying and paying for the car are different stories,” he observes. “I just want you to sign to buy it. Someone else can figure out how you’ll pay for it later. That’s the finance manager’s problem. As soon as we get that sold sticker in the window, we’re done. We could care less about you.”

What advice does Gasio have for potential car shoppers? “Buyer beware, always,” he says. “You need to recognize that your hormones become imbalanced in this process and that this can make a difference between having a clear head and making the wrong deal. Be patient. Never forget that if it’s a good deal today, it’s going to be a better deal tomorrow. And there’s no such thing as an absolute best deal. You have to decide when you’re comfortable. Is the car something you can afford and something you like? If not, there’s absolutely no reason to finish the transaction without sleeping on it. You’ll have a better perspective in the morning.”

And beware of the illusion that you can outsmart the dealer. “People almost always think they’re good at negotiating,” Gasio observes. “It’s worst when they’re with close friends or lovers—then the macho and ego feed their illusion even more. As a salesman, I’ll let you look like a big shot for a while. Until I go in for the kill. The salesman will joust with you all day. I’ll let you think you’re in control at first. But when the time comes, I’ll knock you off your horse. Even if I don’t, you’re not going to win the match. You can’t. Because it’s always the

manager who decides when it’s over—either when he gets his price or decides to broom you.”

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