

How to Buy and Sell Cars Online (ebook)

By [Gerard Fairley](#)

The idea of this ebook is to show you the mechanics of how to buy cars online and then flip for a quick profit...online. Of course the actual transactions will take place physically in person...but the idea is the internet is your source of cars and customers.



Disclaimer: The Federal Government says that if you are selling more than two (2) cars per calendar year for profit...then you are committing a misdemeanor crime punishable under law by fine, jail or both. Most states have a similar law or provision on the books... but usually allow for two and up to five (5) cars annually to be sold by you for profit *without* an Auto Dealer License. So..beware of this before embarking on this path. With this ebook, it is my intention to show a person how to flip a few cars for profit...then ideally at that point they would go to DMV and get their Auto Dealer License ... or go thru a program like what I offer (Valid Nationwide [Sponsored Auto Dealer License](#))

Summary

Your biggest challenge first and foremost... will be where to source your vehicles. If you are **not** affiliated with an auto auction house..you have a few choices:

- Public Auto Auctions

- Government Auto Auctions
- Online (Craigslist, Ebay, etc)

You would never go to another retail Dealer to buy a car to flip...there just isn't enough profit in there to extract. That would only work if you have a wholesale agreement in place. If you are just starting out, you definitely don't have that yet. You have to find a source of cars that are below market price....that can be spruced up than be re-sold. Its just like flipping houses.

Everyone has seen these shows on TV and all over the internet. The idea is a person or crew searches for and finds undervalued homes that need a little fixing up. These homes all always undervalued compared to their peer or neighborhood houses of similar size and configurations. So you have a team come in do the numbers and decide that if they spend \$60K on a project (expenses), they can re-sell at full market value and...and still make \$100k (in profit...net of expenses). I use this just as an example obviously. But this is exactly what you are doing ..looking for cars that are undervalued...you drop some "fix it up" money (touch of paint, crack windshield, minor bodywork, etc) into them ..and re-sell at market value for a profit.



Again, if you are not an Auto Dealer yet..and are not affiliated with an auto auction house like Adesa or Manheim, etc.... you only have 3 other major sources for your cars. Public Auction, Government Auction, and Online (private citizens). In this ebook I focus only on the Online method. Let me explain why. The online method you can look for undervalued cars..while your sipping coffee in the morning. Everything is laid out right there..no traveling. Now when you see

something that catches your eye...you just open a new browser and start doing your price research. Again, still no traveling...still in your pajamas. Next, you can text or call the seller and arrange a one-on-one meeting and take your sweet time and very **thoroughly** inspect and drive the vehicle. Finally and most importantly..since you are dealing with the seller directly, you can greatly influence the final purchase price. Of course I mean being friendly, asking a lot of questions, dressed neatly, eye contact, and going into rapport with the seller. You can easily shave off \$100's of the final sale price. This person to person personable interaction will get you the best prices for your undervalued cars. Ask why the seller is selling. If the seller has a pain or discomfort induced reason to sell ...listen intently and sympathetically.

The Public and Government Auctions source their vehicles from a variety of places.... reposessions, tax liens, salvage, etc. Yes, you can get good deals here. Im not against them. Im just more for using Craigslist..because I can find better deals easier (for me). Most auctions do not allow you to actually test drive the vehicle. A lot only allow limited time in which to inspect the vehicles..before the actual bidding starts. So how do you have enough time to do your price research ? See what Im saying ? But anyway you can test it out for yourself. So, having said that about the auctions...I do embrace them **ONLY** If you can bring a mechanic with you to the auctions that you trust (of if you are a mechanic yourself !), you will be able to get some good vehicles at a great price.

How to buy your cars online

If you are not an auto dealer with access to 'Dealer Only ' Auto auctions...then you will have to get your cars from government/public auctions or Craigslist/Ebay. In this ebook, I will discuss the Craigslist method...Ebay is very similar...just a different interface.

Go here to find out how to become an [Auto Dealer](#) with an Auto Dealer License and access to exclusive network of 'Dealer Only' Auto Auctions. Adesa and Manheim run the largest Dealer Only Private Auctions in the country. Most of these vehicles are from "off lease", corporate fleets, and rentals.

Most of your traffic and customers will come to you from the internet. Even if you have a car lot, people will stop and look only if you are in a great location. But what if you are not in a great location ? You can still generate a lot of traffic to your auto dealership whether you have a huge lot with 100 cars on it...or you have one car sitting on the curb outside your home (with a for sale sign in the window)....because you have the Internet. The Internet is a great way to bring people to your digital store to see your inventory...and then get them to your physical location to buy the car.

Let's deal with the issue of where to get your cars from. When I first started out, I didn't have access to any auctions. I simply used Craigslist and you can do. Craigslist auto category is divided into two sections. One section for "Dealers" and one for section for "Private" sellers. Ignore the Dealer section and look only in Private sellers category. It is here where you will find the best financial deals. The idea is to look for undervalued cars, cars that people want or need to sell fast. I call these distressed sellers. They need to sell their car ..because their moving, need some quick cash, brought a new one, estate sale, ..etc etc.

You will have cars that are listed as "needs a little work". These cars you should only look at if you can bring a mechanic with you (or you may be a mechanic yourself). Yes, you will find some gems... but my advice is to keep away from them if you don't have the skill to sift the junk and find the gems. I'm not mechanically inclined, so I only search for distressed sells without the mechanical problems You can even do a search on Craigslist. Go to the auto section and do a search for these terms :

"Must sell"

"Sacrifice"

" Or best offer"

"Priced for quick sale"

"Needs a little work"

Note: if you look at cars that need "a little work" ..its only because you are a mechanic or have one that will go with you to see the cars...to make sure that you are not buying junk.

So anyway, you want to do this every day...scan thru the listings and set your targets on 5 or 6 cars that look promising in local area.

Make arrangements to see the car...and be sure that you bring cash. You will always have extra leverage with cash. Also note that the price listed in the ad has to be your starting point for negotiations. Let's look at an example.

You have \$3,000 to buy a vehicle to re-sell. You like Hondas and Toyotas...so that is what you look for. You see a Honda Civic listed for \$2,800 needs a little work. The Craigslist ad says car needs a new bumper and radio replaced. Looks promising. First thing you have to do is discern (research) how much is this car worth in "Good Condition". Then you need to calculate the "Street Value". I define the street value as the midpoint between the highest and lowest sale prices for that car.... I usually check 2 or 3 sources to come up with the value of a car. The street value is the price you have to target if you want to sell your car quick (less than 30 days).

Ok, so let's go back to our Honda Civic. You calculate the street value to be \$4,200 - \$4,500. So far the car is looking like a good candidate.

Next you have to ascertain how much it will cost you to fix the car and get it to "Good Condition" for sale. Your mechanic says no problem, he can replace the bumper and radio for \$350. Now you are getting excited. You can make a profit on this car. SO you go back to your seller and offer \$2,500 cash for the Honda. The price listed is always your started point for haggling. I don't care how pretty the car is looking..never pay the full asking price. Walk away. Have that vibration on you like you don't care about the car...you can take it or leave it. Once you approach every purchase like this, you will always get the better (lower) prices. You have to learn how to feel your way with this. Buying good cars from distressed sellers is one way to source your vehicles. This is a little tricky at first but you will get the hang of it. Never buy something that doesn't feel right. If you are savy enough you can draw up an agreement that says gives you 3 days (72 hours) in which to return the car if it is deemed to have some large unforeseeable mechanical problem. Most people will be agreeable to this. I have done it myself on many occasions. If the seller balks...then take that as a sign that there is some hidden problem that they are hiding. Walk away. There are tons of cars online for sale. There is no lack...only abundance.

Ok...so we got our first car ...a honda civic which we brought for \$2,500 and needs approximately \$350-\$400 in work to get to "Good Condition". This brings us to \$3,000 in costs for inventory. Factor in another \$100 for sales ads ...and you can expect to make about \$1,000 on this vehicle.

Now a lesson to learn is never cut yourself short. The research has to be accurate. When you are checking on the price of a car, equipment trim levels, engine size and type, etc . all play a part in the valuation of a car. When in doubt, always value it lower. When you are looking at whether to buy a car or not, look at the gap between your total cost to acquire the car (including mechanic costs, sales costs, prep detail, etc)... and the lowest price point of the Street Value. If you don't have at least \$1,200 gap there...then don't bother. Look for another car to invest in.

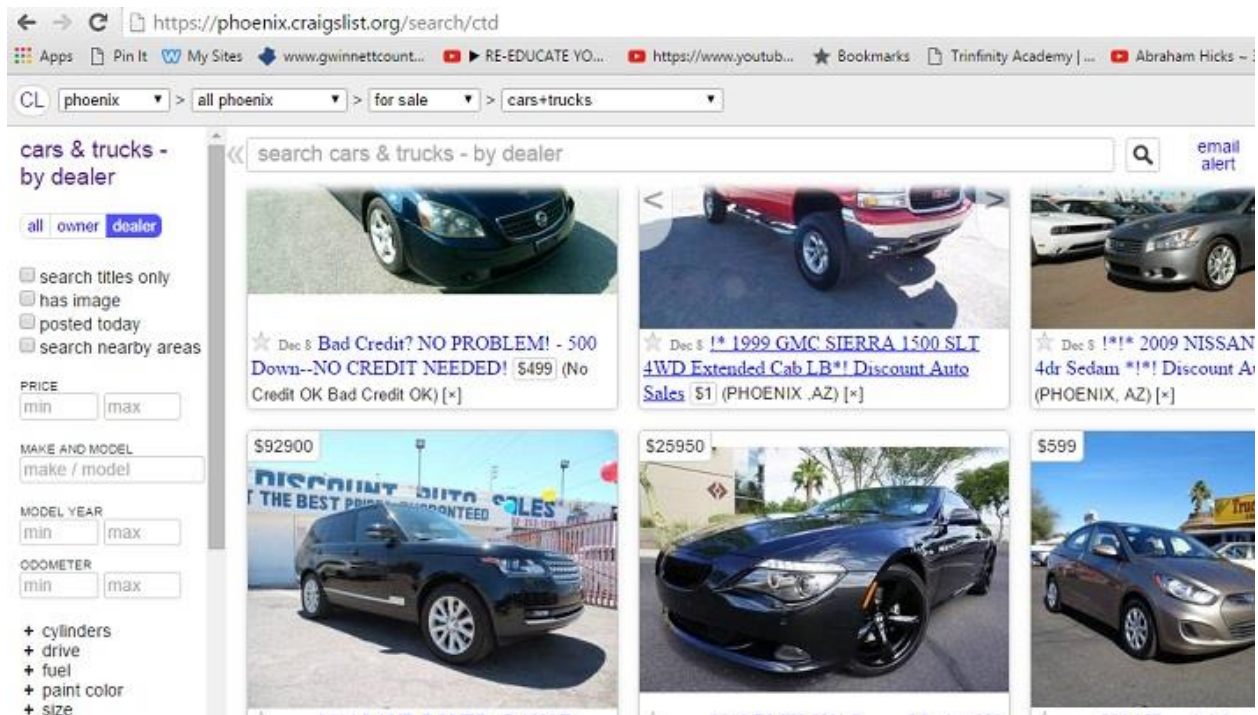


You have to have a Mechanic on standby

If you are planning to make money in this business, you have to have a mechanic that you trust. Develop a relationship with someone that you can keep on retainer or a fixed price to do any necessary “prep mechanical work” before you resell your vehicles. If you are attending only Adesa or Manheim auctions..the cars are of greater value and in better mechanical shape, but you will eventually come across a car you bid on and buy..that needs a transmission or a new starter.

This is going to happen. I would suggest you factor in \$250 - \$500 per vehicle for this mechanical fixes. It is even worthwhile to develop an automatic business savings plan where you take 10% of the profits from every car you sell and place into a bank fund just for “emergency” Mechanical Repairs

How to Sell Cars Online (Craigslist)



How to sell cars online using the Internet....its not hard at all. All you have to do is focus on a few key places. If you are thinking of getting an Auto Auction Dealer License, you are also thinking about how to sell your cars. I'm going to cover in this article, the main ways to sell cars online. You don't want to spend hours trying to figure which sites are worthwhile to list on. '

How to sell cars online is all about getting enough eyes balls on your inventory. These are the 5 websites you need to be on so you can sell faster.

1. Craigslist.org
2. AutoTrader.com
3. Cars.com
4. Cargurus.com
5. Ebay Motors

Then you can pick one Social Media network (Facebook, Instagram, YouTube, etc)

The two (biggest in terms of traffic and amount of buyers) main websites to list your cars on are Craigslist.org and AutoTrader.com. Cars.com is very good too. The whole idea with selling

anything online is to get traffic back to your website or telephone. Before you actually put up ads ..you should have a nice website built. It shows a certain level of professionalism. You can post on websites with just pictures and a telephone number. ..but if you plan to be in this for the long haul, get a website. The more premium cars will be easier to sell with a website. You can collect names and emails on your website. Having a website keeps all of your inventory in one place. As long as your website is mobile optimized, you can share all of your inventory with one click (this is great for sending in a text).

I typically use only Craigslist to sell my cars..because its quick and easy to set up ads... free and paid ads. You can also re-post your ads quickly with just a click of the button. Reposting your ad brings it back to the top of the listings.

Craigslist is built on price. When you search the site, you can filter by price. When people are looking for cars, they tend to just put in their budget and then go looking. Some will even break down the models they want to see. This is where your price is going to set you apart.

If you are selling Cars on you have two options in which to post.



Three ways to view car/truck ads:

- **ALL CARS & TRUCKS**
(dealer + by-owner)
- **BY-OWNER ONLY**
(private party, no dealers)
- **BY-DEALER ONLY**
(no private party)

[avoiding scams](#)

Craigslist allows you to post in two categories. If you are a private party you can post in by-Dealer or by- Owner. But if you are Dealer...they only want you to post in by-Dealer. Dealer ads cost \$5. Owner ads are free.

If you are in the car business to make money, then you will factor in the cost of doing business. This includes paying for ads on Craigslist. There are many potential customers who will only look for a car in the Dealer category. The idea is that they feel that they will get a car in better mechanical condition and therefore are risking less money in the long-term. This is not always true...but again that is the perception. But you have to be where your customers are , so I advise you to post at least a few times in the by-Dealer category..at least on the weekends. So ...that's \$20-40 ads (within 30 days) for Craigslist.

The idea is to sell your cars fast. So you start with Craigslist...put up an ad in the “by-Owner” and “by-Dealer” right away.

All ads on Craigslist are searchable by keywords but keywords in the title typically will line up first. Its supposed to be by date of submission...but it's been my experience the title will many times take seniority. So, what does this mean to you ? It means that of you are selling a BMW 740ilyou want to have all the pertinent information in the title.

Look at these two titles:

“Mint condition BMW 4 dr Sedan – always Garaged kept.. leather seats !”

“2006 silver BMW 325i – 6 speed manual \$7,999”

The first ad reads better...but the second ad will attract a serious buyer quicker. Why ? because the title gives him or her value information about the car.

Now Craigslist will ask you for the model name and number as you fill out your ad; but that information is not actually the title information. That info becomes part of the ad body itself...

People are conditioned to post and look for catchy titles in most categories and in most places on the Internet. But it has been my experience when selling cars..... you have to try and place the entire ad in the headline title itself !

The headline title of your ad is 75% of the ad !
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That means the year, the name and model must be in the title. A person who is buying a car already has their mind set on two things...**Price** and **Name/Model**. Now I'm not saying what is more important, it all depends on the customer of course.

So now you know when posting your ads.... the big thing is to lead with, the model Year, Price, Name, Model ..and then anything else you may have room for ...that makes your car stand out. This would be your car description and pics!

Pics and Description

OK, so now we are at describing your vehicle and uploading some good pics. Always upload a front shot, side shot and interior shot. That has got to be the basic three (3) must have pics of your car...and then you just build on top of that. The price is what draws people's attention, but the description and photos is what causes them to call or not call you. Don't make your ad copy sound desperate. Sound casual and honest...as if you were talking to a friend or your mother in the ad. Don't sound like a sales man....people will feel that and it will turn them off. Don't try to sell the car. Let the car sell itself.

Speak about the car's good points objectively (facts) and subjectively (with emotion).
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"This car runs really great... always starts right up and is roaring to go on these cold Boston mornings...With 3 cup holders for your coffee..."

If you try too hard, it becomes apparent. Always put a telephone number in all of your ads....for quick reply. You can ask people to "Reply" or email you, but that just slows down the entire process.

If the price is right and the ad is worded decently, you will get calls right away. Your Craigslist ad will be up and live in less than 1 hour in most cases. You will get some casual callers and some serious callers. Treat them all with the same respect. At some point you will get an offer, always know your numbers.

- What is your lowest price you will accept
- What is your asking price

Once you have all these numbers in your head and have went over them a few times..you are ready to give tests drives and talk to customers. If you stumble on the price you are asking for...or seem unsure of something relative to the price or cost, the customers will pick up on that vibe. It will either make them not trust you, or they will just try to draw you down to the lowest price point they can.

OK...After you meet that customer who loves your car and is ready to buy; you have to close up the deal.

Close the Deal

*DO NOT sign the title before you sell the vehicle. Some states require that the title be notarized before you can actually sign the title over to someone (and complete the sale). The notary will deny the signature and you might have to go get a duplicate title.

Agree upon **how** the money will be transferred. You can meet at your local bank to complete the transaction. ...or Starbucks..whichever you (and your customer) are comfortable at. I have closed deals at my local Publix food market ! - They have great wifi and hot coffee too lol

If you can go to a local bank, then that will make it easier to transfer the cash as well. Once you have the title notarized (if necessary) and the cash changes hands, then you have completed the sale.

Taxes

You been living in this country long enough to know that you have to pay taxes on profits. There are state sales taxes that have to be collected too. So you have to know what you are doing. If you are a licensed auto dealer, you would collect state sales tax from your customer and then turn that in yourself at the point of registering the car for your customer. Or the customer can pay the state sales tax at the point of registering the car at DMV. Either way, you...have to keep track of the profit from the sale, because you will pay a Federal tax when you file at the end of the year. This is a transaction to put into your spreadsheet to give to your tax accountant.

So that's how you swing Craigslist and typically this is all that I use on most of my inventory. If I have a luxury vehicle...I will add in Autotrader.com or Cars.com into the mix.

So anyway let's look at some other options for selling your car -

Cars. com syndicates their listings to over 175 newspapers and partners such as Yahoo Autos. They have about 3 million used cars for sale at any given time. Their premium listing is \$49 and comes with a free CARFAX report (worth \$39.99). Carfax service does help you to establish trust about your cars. They also offer a \$20 basic ad listing which will show your ad for 60 days, and they have a free package as well. Of course you want to do what feels best for you.



AutoTrader. com offers a similar package. A \$50 listing gets you a 8 weeks on their website while their less-expensive \$25 listing stays active for 4 weeks.



Cars. com and AutoTrader offer a huge database of used car listings, but most are actually dealer listings.

The largest for-sale-by-owner site is Craigslist. Definitely worth including your vehicle – and the best part: it's Free! There is also a dealer section that costs \$5 to list your cars...but this is optional..I sell enough cars on the free side.

Then you have eBay Motors Local Classifieds section. They will display your listing to anyone that searches for your car within a 200 mile radius of your location. The service is free and even comes with a limited CARFAX report worth \$19.95.

In General, CarFax is a good marketing tool to have (buy) for your high end vehicles. Occasionally I pick up a luxury vehicle like a Mercedes or Audi at auction...If I am asking for \$5 or more for a car...then I usually spring for the CarFax.



Last but certainly not least, you want to have some kind of social media presence.

https://www.instagram.com/loving_life_4_real/



You can sell on Facebook, on Instagram..two very popular and visual social networks. Most of your buyers are located right in there. If you get a bit more creative, you can sell on Twitter, or LinkedIn and Youtube too.



The whole idea is to pick any network that you are currently on and that you like and/or have some momentum flowing with already. You can sell from your personal profile or set up a group (or fan page). Post about cars, how to fix cars, how to buy cars, picture of cars, how to sell cars, fun facts about cars, etc etc...and every 3-4 posts..promote your inventory.

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