



Dealership or Broker?

Your Next Vehicle Finance Options!

For some, buying a new car or work vehicle is relatively straightforward. For others it can be a more time-consuming process given the number of decisions that need to be made and the importance of getting them right.

The decision process usually starts with the make and model of your ideal vehicle. Then you need to decide on the specifications and options that you need (or want). Some even struggle with colour selection.

After making these key decisions, the next step is usually a lot of running around from dealer to dealer to unearth the cheapest deal.

However, your buying journey should ideally start with a phone call to your finance specialist if you are purchasing the vehicle with finance.

Why?

There are many reasons, but initially it helps to determine if your ideal vehicle is within your financial reach and if there are any budgeting restraints.

Remember, you are not alone in financing your vehicle. A recent survey¹ found that approximately 14% of Australians have a car loan with an average borrowed amount of \$31,738.40².

Comparing apples with apples

It is not uncommon for many purchasers to think that the only option for vehicle finance is through the car dealer. And why wouldn't you, given it is usually one of the first things the salesperson asks – 'Do you have your finance sorted?'

However, when making your comparisons between dealers, you need to make sure you are comparing like for like.

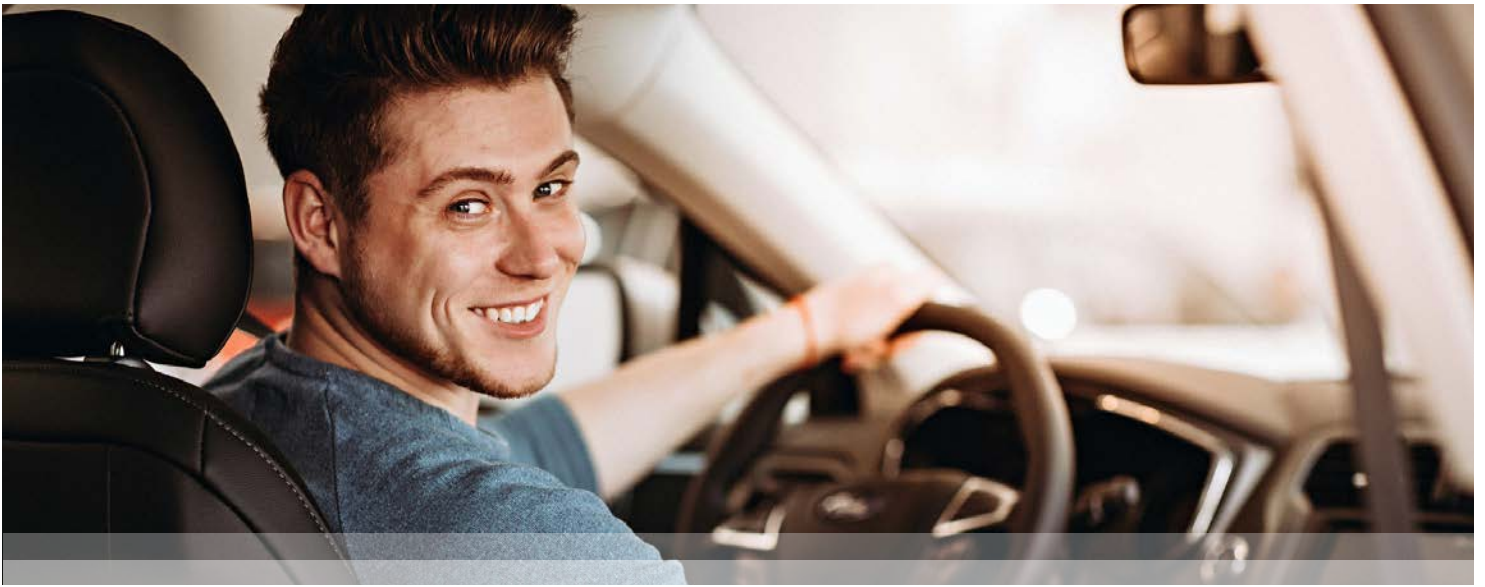
You need to be comparing the cost of the vehicle between dealers (apples with apples) and the cost of finance between lenders (oranges with oranges).

While it is easy to compare vehicle pricing between dealers, it is often more difficult to obtain a comparison on finance through a dealer with the majority only providing a single lending solution – a car loan through their preferred lender.

So how do you now pick the best apple and orange?

It all starts with making separate decisions.

1. Comparing car pricing options between car dealers, and
2. Using a finance specialist who has access to a range of lenders to create competition for your finance.



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This will eliminate the risk of you doing all the hard work shopping around for the best deal on a car, only to be undone by accepting the dealer's ONLY finance option.

Negotiation power

Having first visited your finance specialist to provide the assurance in your ability to gain vehicle finance, you can then walk confidently into any dealership looking to negotiate the best deal possible. Better still, you will be able to compare their pricing directly against another dealer's pricing.

Your personal financial position

As your finance specialist, we are not only able to compare the finance costs between a range of different lenders, but we are also able to offer a range of finance strategies having regard to your personal or business circumstances. In addition to obtaining a loan for your car, we can also consider other finance options:

- Finance lease
- Commercial hire purchase agreement
- Novated lease
- Business loan if purchasing through your business
- Mortgage extension if purchasing for yourself, and
- Others

Ultimately, we will aim to match your financial goals and current financial position to the most appropriate finance option. Then we can seek comparisons in pricing within the preferred option.

1. Finder's Consumer Sentiment Tracker, March 2021
2. Plenti - finder.csom.au/car-loan-statistics

Make sure you read our article
**'What Are My Vehicle
Finance Options?'**

