



Since this booklet is designed to be helpful to you when it comes to buying your next car, we suggest that you

*Keep for Future Reference*

but please fill out the enclosed questionnaire and return it to

Customer Research Staff

General Motors

Detroit



What You GET

*for*

What You PAY

# AN EXPLANATION

*and*

# AN INQUIRY

This little booklet discusses some problems that are of vital concern to the automobile industry and it is our feeling that they should be of equal concern to you as a buyer of motor cars.

Anyway we've tried to make it interesting and helpful from your viewpoint as a car buyer, in the hope that you may be willing to read it through and give us the benefit of your reactions on the points raised in the accompanying questionnaire.

*Thanks a lot!*

CUSTOMER RESEARCH STAFF  
GENERAL MOTORS, DETROIT

## What You GET for What You PAY



The trend in modern merchandising is to make it just as easy as possible for the customer to buy the goods that are offered for sale.

One might say that the automobile business is out of line with this modern trend because, in contrast to most other lines of business, there is considerable confusion surrounding the quoting of prices.

This unfortunate confusion grows out of the fact that the automobile dealer renders certain extra services that are not found in the ordinary business.

First and foremost is the fact that he accepts **USED MERCHANDISE** as part payment on **NEW MERCHANDISE**.





Second, the automobile industry, in spite of the fact that it operates on a highly standardized mass production basis, caters to the personal needs and tastes of the individual customer to a greater degree perhaps than any other industry where the manufacturing operations are on a highly standardized mass production basis. Thus, in the purchase of an automobile *you get the benefits of mass production efficiencies but with a wide variety of choices as to special finishes, special equipment, accessories, etc.*

Variations in used car values, variations in motorists' desires as regards special equipment, variations in freight rates to different sections of the country and variations in adapting the time payments to meet the needs of the individual customer—all of these things serve to complicate the quoting of prices.



Because of these conditions it is difficult to see how motor car prices can ever be reduced to the same simplified basis that characterizes other businesses, *without seriously curtailing the breadth of services now rendered to the customer.*

At the same time it cannot be denied that the variety and complexity of the factors involved, make possible certain abusive practices that are against the best interest of the customer as well as the industry itself.

It is the purpose of this booklet to delve into some of these problems and air them out from a standpoint of what they mean to you as a buyer of motor cars.

After you have finished reading the booklet, we hope that you will be good enough to give us the benefit of your personal reactions—with special reference to the points covered in the enclosed questionnaire.

## Your Old Car is Part of What You Pay



When you set about to buy an automobile you want to get the best possible value for what you pay.

Since the typical customer pays for his new car partly with dollars and partly with his old car, this question of "what you get for what you pay" definitely involves the trade-in allowance.

As a new car buyer you are naturally interested in the "trade-in" allowance offered on your old car and there is quite a temptation to buy from the dealer who offers you the biggest allowance.

**But—the BIGGEST ALLOWANCE is not necessarily the best deal. Sometimes it IS. Sometimes it IS NOT.**

## When the BIG ALLOWANCE IS the BEST DEAL

The dealer who has a highly efficient business and who operates a well organized used car department is frequently in a position to handle your used car more efficiently and more economically than some other dealer. This puts him in a position to make a more favorable allowance.

It may be that the dealer offering the big allowance is short of the make or model that you have to trade, or that he happens to know just where he can sell your particular car.

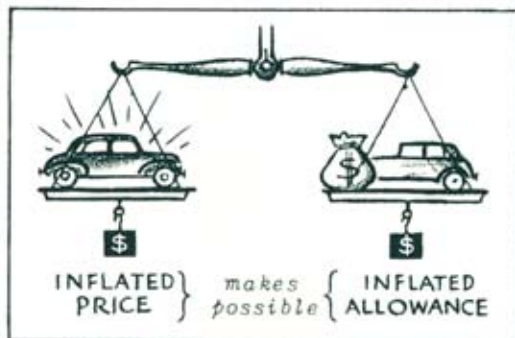


In such cases, what appears to be an excessive allowance is justifiable.

Such a dealer is sharing with you the benefits of his efficiency and, other considerations being the same, it is definitely to your advantage to do business with him—provided he handles the make of car that you desire.



## When the "Big Allowance" Is NOT a Big Allowance



It's not always easy to tell whether a big allowance is a justifiable allowance resulting from conditions such as the foregoing because not infrequently what APPEARS to be a big allowance is really not a big allowance at all.

An excessive allowance may mean—and frequently does mean—that you are being asked to pay an excessive price for the new car—a price that is out of line with its *true value*.

So the trade-in allowance, although an important consideration, cannot be taken at its face value unless one can be certain that the price quoted on the new car is free from inflation.

If the prices on new cars were all on a uniform basis in relation to value and if all dealers followed the same policy in the quoting of retail delivered prices—then the trade allowance would be a dependable guide in influencing your choice.

Unfortunately, however, there is a wide variation in the methods of quoting prices.

### The Price "Pack"

There is, for example, a growing tendency in the retail end of the business to inflate quotations on retail delivered prices by padding the freight, over-pricing the special equipment, throwing in "miscellaneous" charges without any explanation—adding five dollars here—ten dollars there—and twenty-five dollars somewhere else.

This artificial inflating of the delivered price quotation is known in the trade as "packing".

The practice of "packing" came into existence because of the desire on the part of the dealer to impress the customer with a big trade allowance—as an *easy way to get the business*.

But when the "big" allowance is brought about through an artificial inflation of the new car price, it does not follow that it is the best deal.

Perhaps a practical example will help to make the point clear:





Suppose that the correct delivered price of a car, including the legitimate charges for freight, all extra equipment, insurance coverage, etc. is \$900.

Assume that the dealer offers you \$300 for the car that you have to trade.

Then the *money difference* would be \$600.

In other words, you could take possession of the new car by turning in your old car and paying \$600.

Now then, let us suppose that the *same dealer*, selling the *same automobile*, instead of quoting you a price of \$900, built the price up to, let us say, \$990, by padding or "packing" the various extras that make the difference between the Factory Advertised Price and the Local Delivered Price.

He could then offer you \$390 for your old car and still come out exactly the same on the deal. ★

In each case you would be getting exactly the same new car and paying exactly the same money difference.

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★ *If, on the inflated basis, he offered you anything less than \$390 it would NOT be as good a deal.*

What appears to be an extra allowance in the latter case is purely fictitious. It exists only on paper.

The sky is the limit on what may be offered you on your used car *so long as a corresponding amount may be "packed" into the price that is quoted you on the new car.*

It might, of course, be argued that so long as the used car allowance is inflated by the same amount as the inflation in the price quoted you on the new car, then the money difference paid by the customer remains exactly the same and no harm is done.

It might also be argued (as it is often argued) that the customer gets a certain satisfaction out of getting an extra allowance on his old car *even though he may realize that its bigness is purely artificial.*

***That may be true and it's one of the points on which we are especially anxious to get your viewpoint through the enclosed questionnaire.***

Before making up your mind, however, there are certain underlying considerations that should be taken into account.

These underlying considerations are briefly reviewed on the next two pages, and although we are presenting them from our viewpoint as a manufacturer, we believe them to be of vital importance to you as a car buyer.



## From Our Own Selfish Viewpoint

Naturally General Motors is anxious to do all the business that it can do on a proper economic basis. We like to feel that we are more concerned than any other manufacturer in reckoning with the customer's viewpoint in the running of our business—and that that is the surest way of maintaining our position—year in and year out.

Since the progress and growth of the automobile industry has come about very largely as a result of the manufacturer concentrating his efforts on providing greater value for less money, General Motors as an important factor in the industry is inclined to resist any tendency that has the effect of taking the emphasis off of fundamental values—in other words “what you get for what you pay.”

Our success in the automobile business, has, we feel, come about as a result of bending our every resource and our every energy toward making every dollar that we spend in building our cars contribute to a maximum degree in increasing the value of our products to the ultimate consumer.

And since that is such a dominant consideration in the building of our products and

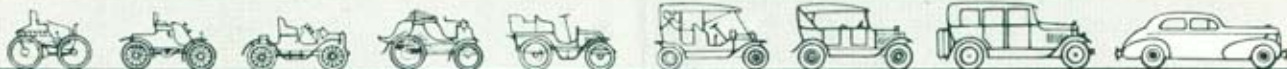
in setting the prices on them, we are tremendously concerned that no artificial factors shall take the emphasis off of the value aspect.

It is our feeling too that while artificial padding or packing does not necessarily change the *average* cash difference that is paid by the *automobile buying public as a whole*, it does introduce the temptation for the dealer to give an excessive allowance when he is up against an expert “horse trader” and then make up for it by “short changing” the person who is accustomed to accept price quotations at their face value.

Please understand that we are not talking about “fixing” prices nor are we desirous of standardizing used car allowances.

The automobile industry is a highly competitive industry and we would not have it otherwise. The fact that it is highly competitive keeps the manufacturer on his toes and insures better value to the customer—*so long as the competition is kept on a basis of true value rather than on a basis of fictitious inflation.*

We want you to get full value for your used car because unless you do get full value for your used car there will be less tendency for you to trade and that would mean less business for us.



On the other hand, unless such values are real and tangible—that is, unless they are brought about through greater skill and efficiency in the building of new cars and greater skill and efficiency in the reconditioning and reselling of used cars—then nothing is gained *either for you or for us*.

In other words, as we see it, there are two ways and only two ways in which we, as a *manufacturer*, can help you to get maximum value for your used car:

**First, by doing our utmost to give you extra value in your new car.**

**Second, by helping our dealers to build up the highest possible efficiency in their used car operations, to the end that the extra allowance may be REAL rather than FICTITIOUS.**

### What can YOU do about it?

*How can you tell when the biggest allowance IS the best deal?*

*How can you detect the difference between a real allowance and a fictitious allowance?*

*What can you do to protect yourself?*

*What can you do to make certain that you are getting the maximum value for the price you pay?*



It is not always easy to detect the difference between a deal that *LOOKS GOOD* and a deal that *IS GOOD*.

As already pointed out, the highly efficient dealer is frequently in a position to give you a better deal than the dealer of less efficiency, but taking it by and large, the simple arithmetic of the situation pretty well eliminates the possibility of the customer getting an exorbitant allowance on a used car and, at the same time, getting a rock-bottom price on the new car.

When the allowance that you are offered on your old car appears to be in excess of its resale price on the used car market, you should proceed with caution.

**You want to make sure that the BIG allowance is a REAL allowance**

We offer two suggestions which we believe will be helpful irrespective of what make of car you may now own or what make of car you may be planning to buy next time:

**1st—Thoroughly analyze the **PRODUCT****

**2nd—Thoroughly analyze the **PRICE****



## 1. THOROUGHLY ANALYZE THE PRODUCT



Remember that what you get *IN* your new car is just as important—in fact more important—than what you get *FOR* your old car.

**Don't let anything distract your attention from the fundamental question of what you are getting in your new car.**

Take plenty of time to analyze the value of the product in relation to the money difference that you are asked to pay. ★

Consider the trade allowance and consider the cash difference — but consider them in relation to the value that you are getting in your new car.

Don't take it for granted that all cars offered you at the same price — or at ABOUT the same price — are the same in quality and equipment because that is not true. They may look about the same on the outside, but the exterior appearance is obviously only a small part of what you are buying.

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★ *Since the size of the trade allowance may be influenced by artificial inflation in the price quoted on the new car, the money difference is by far the more important figure to watch. (See page 8.)*



Don't hesitate to ask questions. Get complete information from the dealer or salesman regarding engineering details, equipment and constructional characteristics. Take plenty of time for a thorough demonstration and consult with your friends who have had first hand experience with the product or products being considered.

The choosing of an automobile is serious business, and paraphrasing an old saying,

***"The memory of quality remains, long after the TRADE-IN ALLOWANCE is forgotten."***

## 2. THOROUGHLY ANALYZE THE PRICE

Get complete information regarding all the detailed items that go to make up the delivered price quotation, such as factory advertised price, freight, optional equipment, extra accessories, state and local taxes, if any — time payment charges, insurance, etc.



## To Help You Analyze the PRODUCT



General Motors has recently issued a Motorist's Handbook and Buyer's Guide which is designed to help you appraise new car values *more or less independently of what the price tags may say.*

Written in the language of the practical motorist, this 80-page non-advertising book will bring you up-to-date on modern developments in design.

It tells you what to LOOK FOR. It tells you what to LOOK OUT FOR.

It also includes practical suggestions for making an independent estimate as to what your used car is really worth.

A copy will be sent free on request to those answering the enclosed questionnaire.

## To Help You Analyze the PRICE



General Motors has developed for its dealers a "PLAINVIEW" procedure designed to provide the customer with full and complete information regarding the various items that go to make up the delivered price.

There is no guesswork. You see every charge. You get exactly what you pay for and you pay only for what you get.

This procedure is outlined and illustrated on the following page, and pages 20 and 21 provide you with convenient memo forms for your individual use in analyzing delivered price quotations on any car or cars that you may be considering.



## G. M. "PLAINVIEW" PRICES

This "Plainview" Wall Chart gives itemized information on local delivered prices and shows the cost of optional equipment, extra accessories, etc.

① →



The General Motors Standard "Plainview" Price Tag gives corresponding information regarding each car on display.★

② →



As a final confirmation, the "Plainview" Itemized Invoice explains every charge that goes to make up the total delivered price.

③ →



★On page 20 we are including a form patterned after the G. M. Plainview Price Tag. We believe you will find it helpful when it comes to buying your next car.



When It Comes To Buying

## YOUR NEXT CAR

the following form, which is patterned after the G. M. Plainview Price Tag, may prove helpful:

Make .....	Series .....
Model .....	No. of Wheels .....
Advertised Price at Factory .....	\$ .....
Transportation Charge .....	\$ .....
OPTIONAL EQUIPMENT, EXTRA ACCESSORIES, Etc. ....	\$ .....
.....	\$ .....
.....	\$ .....
.....	\$ .....
.....	\$ .....
.....	\$ .....
.....	\$ .....
State and Local Taxes (if any) .....	\$ .....
<b>TOTAL DELIVERED PRICE</b> —on cash basis .....	<b>\$ .....</b>
Used Car Allowance .....	\$ .....
Money Difference .....	\$ .....
Down Payment .....	\$ .....
Monthly Payment .....	\$ .....
Number of Months .....	

*For your personal notes*

—when it comes to buying your next car—

We hope that you will keep this booklet for future reference and that it may prove **helpful to you** when it comes to buying your next car. We also hope that you may be willing **to help us** by answering the questionnaire enclosed herewith.