

The Military Advantage: Save **Big** When Buying a Car in 2011

by Janine Boldrin



The Ridgeway family, Teresa, Jason, Samuel and Catherine, bought their new vehicle using the USAA Auto Circle program.

Photo by Mandy Watson Photography

Is there a military discount? It's a question that service members should ask before purchasing most products or services; and buying a car is no different. Whether you have just started your search for a new car or are standing at a dealership about to make a decision about a purchase, it is important to exercise your military buying power.

Three ways to save

Typically, there are three different ways that service members are able to save when buying a vehicle:

• Individual Manufacturers

Many auto manufacturers offer savings to service members through discounts and/or financing deals which can be found on their website or by contacting individual dealerships in your area.

• Financial Institutions

When purchasing a vehicle, some credit unions and banks offer decreased interest and discounts to their members who are also members of the military.

• Car buying programs

Through pre-negotiated dealer discounts, financing and/or enhanced rebates, these programs are aimed at saving you money and making buying a car less complicated.

USAA's Auto Circle Program

"Auto Circle was launched publicly in August (2010) and encompasses all of our auto strategies," said Steve Thompson, Assistant Vice President at USAA Federal Savings Bank. "It links the whole process from the time you buy until the time you sell."

USAA's Car Buying Service is offered to USAA members as part of its Auto Circle program and can be used to get upfront member pricing for new cars at participating dealerships. On average, their members save \$4,500 off MSRP on a new vehicle when using the service.

"What we're trying to do is shed light on the auto buying process which can be very mysterious," said Thompson. "The idea is to save members time and money. Instead of going out to various sites and dealers, we have it all in one spot."

You can research cars, look at member reviews, editorial data on test drives, learn about features and cars, said Frisch. Then, if you want to make a purchase, there is no haggle up front pricing. You can walk into a dealer and get the car for that price.

"We saved about \$2,000 off the MSRP without any haggling," said Teresa Ridgeway, a military spouse and USAA member, about her purchase of a 2010 Subaru Forester while her husband was stationed at Fort Leavenworth, Kan.

"We walked in and gave (the dealer) a paper that you print out at home. I loved that the whole process was simple."

Members can also access the service via their mobile device, which Frisch said is critical when people are out looking at cars.

"If you they are at a dealership, they can enter in the car, make, model and then go to Google maps so they can go to one of our certified dealers and get a better deal," said Thompson. "It's a real time tool they use during the car buying process."

From choosing their car, to financing their vehicle to buying insurance, USAA members can enter and exit the Auto Circle program at any time, using some or all of its services

"Our members are busy and have a lot going on," said Thompson. "Auto Circle is easy, integrated and saves them money."

For more information on USAA's Auto Circle program, visit www.usaa.com.

"Our program was set up so that servicemen could have a safe and easy car buying experience," said Steve Frisch, Senior Vice President of Corporate Retail Operations for Overseas Military Sales Group (OMSG). ENCS is a division of OMSG. "And, with 500,000 satisfied customers, we are truly a global service."

Through ENCS's Military Advantage Program (MAP), service members are able to save time and money, according to Frisch.

"We are audited by AAFES, and have one price, no haggle selling," said Frisch. "Other large auto groups are trying to replicate what we already do."

Savings can range from \$1000 up to \$6000 or more, depending on the price of the vehicle.

Beyond the rebates and special pricing, Frisch adds that the savings to the service members also comes through ENCS's commitment to the military customer and understanding of their unique needs when buying overseas.

"If you are in Germany and you purchase your car from a dealer in the States, while you're overseas you may have no one to turn to service the vehicle," said Frisch. "We have a true worldwide warranty."

Francisco Santos, a U.S. Navy SEABEE who is deployed to Afghanistan, recently purchased a Harley Davidson motorcycle through the ENCS program and, according to him, he saved about \$3,000 and had an easy, hassle-free experience.

"I told (my sales representative) what I wanted. He found it, had three different financing options for me to choose from, and sealed the deal," said Santos. "And mind you I'm in Afghanistan."

"We understand the military customers' situations and feel they should be the most protected customers in the world," said Frisch. "We understand our obligation to our customers."

OMSG and its divisions operate throughout North America, Central America, South America, Europe, the Middle East and Asia. They are in 30 different countries with over 100 offices. Customers can access ENCS through a physical office, by phone or by visiting their web site at encs.com, where they can chat live with a representative who will determine your eligibility and guide customers through their car buying process. Learn more about ENCS at www.encs.com.

All three of these options offer various benefits that may or may not be able to be combined with offers from the others. Additionally, there may be different eligibility requirements in order to take advantage of them. Buying a car can be an already confusing process, so to decide the best option when it comes to military discounts, consider these three questions:

- **Are you stationed overseas?**
If you are currently on active status

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and stationed overseas outside of the 50 United States on a Permanent Change of Station, Temporary Duty Assignment or other assignment orders for 30 consecutive days or more, you may be eligible to purchase a vehicle through Exchange New Car Sales (ENCS). Serving the military community for the past 45 years, ENCS operates in U.S. Military Exchanges outside the continental United States and aboard select Navy ships at sea as a factory-authorized distributor for Chrysler, Dodge, Jeep, Ram, Ford, Lincoln and Harley-Davidson. If you are interested in these manufacturers' vehicles and meet the eligibility requirements, ENCS is a good place to start your car buying process. Buyers who have used the ENCS service say they have saved thousands of dollars in buying their vehicle while overseas, through special rebates and price breaks. The service also provides price protection and price guarantees on their vehicles.

- **Have you already decided on a specific vehicle?**

If you're not overseas and have already made a decision on the type and model of vehicle that you would like to buy, a good place to start is by looking at the individual manufacturer's website for the vehicle you are interested in and seeing what they offer to service members. Their offers may also be combined with those from local dealerships or your financial institution. Manufacturers offer cash allowances, service offers, financing options and/or military pricing as some of the incentives for purchasing their vehicle. However, consider expanding your search to other vehicles as the discounts the different manufacturers offer may affect your decision on what vehicle to buy.

- **Do you belong to a financial institution that offers discounts or services?**

If your financial institution offers financing and discounts for service

members compare them to what the manufacturers offer and see if their offers can be combined. Ask if they have a car-buying program that can help you with purchasing your new vehicle. USAA, a diversified group of financial companies who has been serving military families since 1922, offers their Car Buying Service, which provides a written price guarantee prior to talking with a dealer. USAA's Car Buying Service aims at taking the mystery out of the car buying process by arming its members with the information they need to make an informed car buying decision. Other financial institutions, especially credit unions, can offer pre-approval and low interest rates on new and used vehicles. Pentagon Federal Credit Union, for example, also offers a car-buying service, and currently offers a 2.99 percent online rate for new cars—which compares well to many dealership incentives. Check with your financial institution for details on what they can offer.

Purchasing your vehicle

Whether you go with a car-buying program or go directly to the manufacturer, take the time to understand your options before making a final decision. Remember:



Don't make the mistake of thinking your local dealership is aware of all of the savings that are available to you.



Don't sign anything before making sure all of your discounts and incentives have been factored into your purchase agreement.



Combining the manufacturer's discounts along with offers from a local dealership and your financial institution can bring you big savings. This is called "stacking" your offers. And it may be the way you get your best deal.

Even if you are standing in a dealership about to sign a contract, it is never too late to ask if there is a military discount or incentive. This may be your biggest purchase in 2011. And it can also be your biggest chance to save some money. ●

Janine Boldrin is a freelance writer and military spouse who lives in West Point, N.Y. She recently exercised her military buying power when purchasing her family's new SUV.