

## **Car Buying Help – Expanded Glossary of Common Terms**

### **MSRP (Manufacturer's Suggested Retail Price)**

The manufacturer's recommended selling price for a vehicle. This number is displayed on the Monroney Label (window sticker) and serves as a starting point for negotiations. It does not include dealer-installed options or market adjustments.

### **Addendum Sticker**

An additional label placed near the Monroney Label by the dealership. It lists dealer-installed accessories or service packages (like paint protection or GPS upgrades) and their added prices. These items are not part of the official MSRP.

### **Market Adjustment**

A price markup added by the dealer due to high demand or limited supply. This increases the retail price above MSRP and is typically shown on the addendum sticker.

### **Invoice**

The amount billed to the dealership by the manufacturer. It does not reflect final dealer cost, as it excludes holdbacks, bonuses, or incentives the manufacturer may pay the dealer later.

### **Margin**

The difference between the invoice price and the selling price of the vehicle. This is the potential profit a dealership earns before subtracting costs like advertising, reconditioning, or employee pay.

### **Pack**

An internal deduction applied by dealership management before calculating a salesperson's commission. It reduces the amount of gross profit that the salesperson is paid on