

How to Start an Online Car Dealership in California

In California, all dealerships are required to be licensed. Even if you only plan to sell your vehicles online, you will still need to have a qualifying physical location in order to deal cars.<http://www.dmv.org/ca-california/buy-sell/ca...>

Part 1 of 3:

Becoming a Dealer



Decide whether you will sell new cars or used cars. In California, you can either be a new car dealer or a used car dealer.^[2] In order to deal, sell, or broker you must be licensed as either a new car dealer or a used car dealer. Think about the types of vehicles you will be selling. Franchised, new car dealers are allowed to sell new and used cars, but used car dealerships are only allowed to sell used cars.^[3]

1. New car dealerships must be franchised through a manufacturer. If you plan to sell new cars, then you will have to check with the manufacturer of the new cars that you plan to sell to make sure that you will meet their guidelines. New car dealership may also sell used cars.
2. Used car dealerships may only sell used cars and they are not allowed to sell new cars.
3. Keep in mind that selling cars online will still require some in-person paperwork. This is because the paperwork required to purchase a car must be done in ink.^[4]

2.



Take a Pre-License class if you want to be a used car dealer. All used car dealers are required to take a six hour Pre-License Class with a Licensed Car Dealer Education Provider. New car dealers must contact their franchising manufacturer to determine what the specific licensing requirements are for the manufacturer. Manufacturers have their own educational standards for car dealers.

1. To find a list of course providers for used car dealers, visit the DMV website:
https://www.dmv.ca.gov/portal/dmv/?1dmy&urile=wcm:path:/dmv_content_en/dmv/vehindustry/ol/dlr_edu

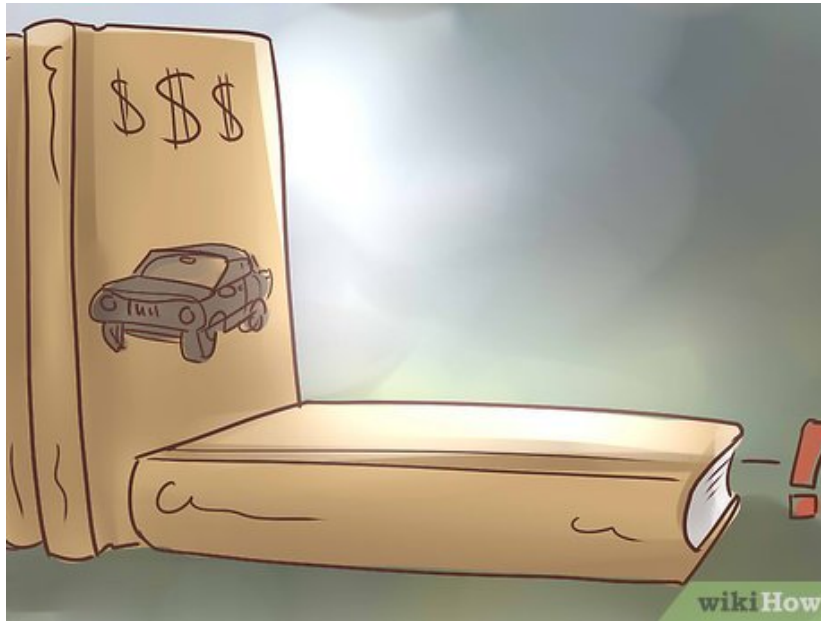
3.



Contact your local inspector's office. These are the people responsible for evaluating your application. They will be able to answer any questions you may have about the dealer licensure process.

1. If you have questions about the dealer licensing process, then you can call (916) 229-3126.
2. You can also visit the DMV website to find a list of inspectors who can evaluate your application:
http://www.dmv.ca.gov/portal/dmv/?1dmy&urile=wcm:path:/dmv_content_en/dmv/fo/inspector_office

4.



Get the dealer's handbook. The dealer's handbook contains lots of important information for anyone who wants to become a car dealer in California. Obtain and read this handbook because it can help you to navigate the entire process.

1. You can find the dealer's handbook at:

http://www.dmv.ca.gov/portal/dmv/detail/pubs/reg_hdbk_pdf/toc/

5.



Undergo a criminal background investigation. In order to get a dealership license, all applicants must get a background check done, which may take up to four months to complete.^[5] This investigation is done to help avoid licensing people who may turn out to be unethical dealers.

1. If you are concerned that you might not pass a background check due to a criminal record, then you can file what is called an 'abbreviated application.' You will still have to pay a fee of \$175, but this option will allow you to wait and see if you pass the background check rather than paying all of the other costs involved up front.^[6]

2. Keep in mind that all dealers and salespersons are required to get fingerprinted.^[7]



File an application for a dealer's license. There are various forms you will need to file, depending on the kind of dealership you wish to run. Make sure you file all of the appropriate paperwork. Contact the inspector's office if you have questions regarding proper forms. The DMV recommends that you:^[8]

1. If you plan to open a new car dealership, then you can download the required forms at:
<http://www.dmv.ca.gov/portal/wcm/connect/aa0a7d1c-8084-40d2-9266-7801a9f498e8/ol248n.pdf?MOD=AJPERES>
2. If you plan to open a used car dealership, then you can download the required forms at:
http://www.dmv.ca.gov/portal/dmv/?1dmy&urile=wcm:path:/dmv_content_en/dmv/forms/ol/ol248u



Pay all fees associated with licensure. If you do not pay all the fees, you will not get your license to operate. Manufacturer fees and government fees may differ. It may cost upwards of \$800 to fully pay for your license.^[9] These include:^[10]

1. \$175 nonrefundable initial application fee
2. \$1 Family Support Program fee
3. \$100 Auto Broker fee (in addition to application fee)
4. \$70 per each branch location
5. \$300 New Motor Vehicle Board fee
6. \$71 per car dealer plate, plus county fees
7. \$73 per motorcycle dealer plate, plus county fees

Part 2 of 3:

Becoming a Salesperson



Decide on a physical location. Even though you will be selling your vehicles online, you will also need to have a physical location where people can come and see your cars. This is called your display area. The display area must be large enough to accommodate all of the vehicles that you have listed on your website, so you may need to find a commercial space to rent.

1. Keep in mind that your display area will need to be inspected before you can open your online dealership.^[11]

2.



Pay the fees. These fees may total around \$116. Check to make sure new fees have not been added. You can call your local inspector's office to make sure. These fees may include:^[12]

1. A \$5 non-refundable application fee
2. A \$50 Reinstatement fee
3. A \$15 Duplicate or transfer license fee
4. A \$1 Family Support Program fee

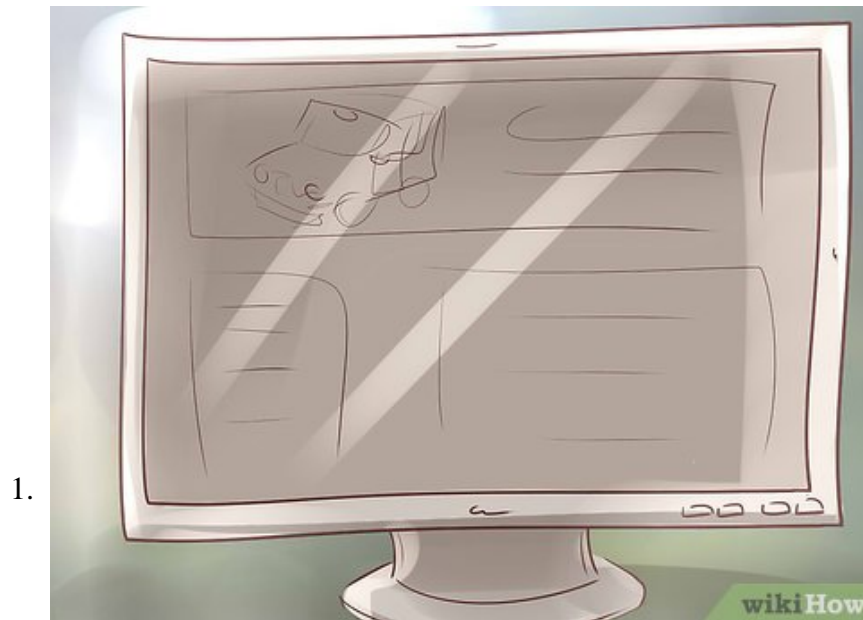
3.



Wait about 120 days to hear back.^[13] The DMV has to examine your application, location, and other aspects of your business before they will approve your license. If your application is approved, then you can begin selling cars.

1. Be aware that it is illegal to sell cars without your license.
2. Keep in mind that you will also need to renew your license and show proof of continuing dealer education once every two years.^[14]

Getting Online



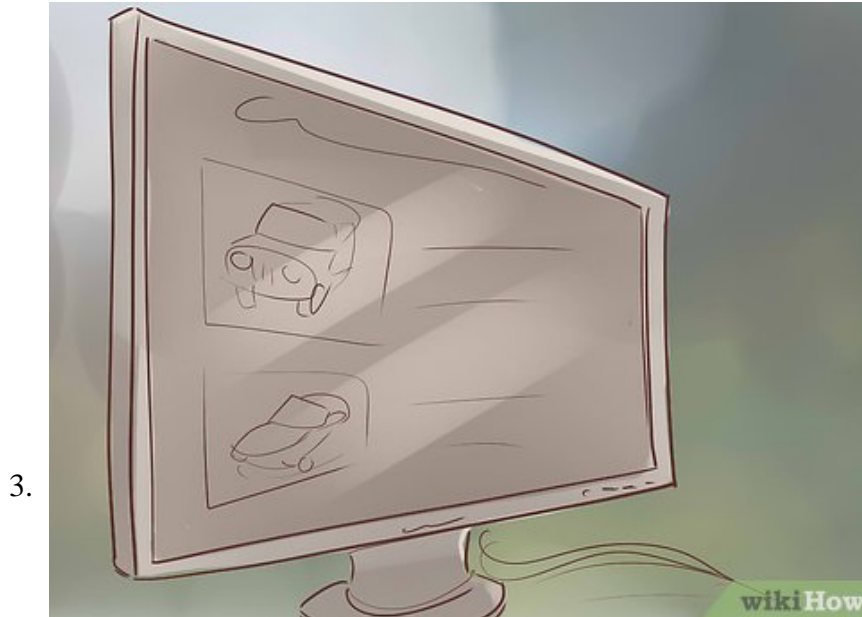
Build your website. Decide what type of online dealer you want to be. Some online dealers find clients and sell them vehicles from dealer-only auctions. Others may refurbish pre-owned vehicles. Or you may use your website as a way to promote your new car dealership.^[15]

1. Think about how you will use the website sell your cars and then start building your website to serve that purpose.
2. If you have never built a website before and you do not feel comfortable with the idea, then you can always hire someone to build it for you. Professional website builders will talk to you to find out what you want and create a website that meets your needs and expectations.



Offer a live chat feature. Many online dealerships have a live chat feature that will allow potential customers to ask questions about the cars that you have for sale.^[16] If you include a live chat feature, then you (or someone else) will need to be available to respond to any messages that come in day or night.

1. Having a live chat feature can be a great way for you to connect with potential customers and close a sale, but it can also be a big time commitment depending on how many messages you get in a day.
2. You may want to consider limiting your live chat hours to regular business hours, such as Monday through Friday from 8am-5pm, or hiring someone to manage the live chat when you cannot.



Post lots of photos of your vehicles. Plenty of great, high-quality photos are essential for an online car dealership. Your website visitors are going to expect to be able to look at many photos of a car before they decide to buy, so you may want to invest in a good camera.^[17]

1. Photograph your vehicles from many different angles and include interior photos as well. Your website visitors should be able to see the vehicles on your website from every angle.
2. Clean your vehicles on the inside and the outside before photographing them. Dust and dirt can make a car seem less appealing to your online visitors, so take the time to deep clean each of your cars before you photograph them.
3. Take photos of your vehicles outside as the sun is setting or rising to get the best light. Natural light will help to make your photos look more professional and the details of the car will be easier to see.
[18]

4.



Write detailed descriptions. Since you cannot show website visitors all of the features of your vehicles, you will need to include some detailed descriptions. Make your descriptions as detailed as possible. Include information about each vehicle's features and any other information that website visitors might want to know. Some things you may want to include are:

1. year, make, and model
2. mileage
3. details about how the vehicle runs
4. basic features such as horsepower, whether it is automatic or manual, whether is it two-wheel or four-wheel drive, etc.
5. special features such as power windows, power locks, sound system, etc.

5.



Include prices for all of your vehicles. Part of the reason people shop online for cars is to compare prices before they decide to buy.^[19] If you do not provide prices for your cars, then your website visitors may be

less likely to consider your vehicles.

You finished reading the article "**How to Start an Online Car Dealership in California**" edited by the [TipsMake](#) team. We hope this article has provided you with many useful tech tips and tricks. You can search for similar articles on tips and guides. Thank you for reading and for following us regularly.
