

What is the Difference Between Wholesaling and Retailing?

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There are two basic types of dealer licenses: A Wholesale license and a Retail.

With a **retail license**, you can sell cars to the public. You can also sell cars to dealers and wholesalers. You can also become an auto broker and you can sell cars through consignment. A retail license typically includes wholesaling privileges!

With a **wholesale license**, you can only sell cars to dealers and wholesalers. No exceptions!!!

Which is better? We recommend retail. There is more money in retail. However, if you have connections in the auto industry, wholesaling can be profitable too. For example, if you well-connected with car dealerships and financial institutions, you can buy cars cheap and re-sell them at the dealer auctions. Even if you don't have connections, you can still make money as a wholesaler. Just read our "Wholesale" book for more info.

Can wholesalers buy cars from the same sources as retailers? Yes! Both wholesalers and retailers can buy cars from any dealer auction in the United States.

What if you start wholesale and later decide to go retail? It's not a big deal - you don't need to start all over from the beginning. You can "add on" retail.