



## Three Strikes Policy March 2011

In response to requests from Minnesota Auto Dealers, MADA and the Steering Committee, the Three Strikes Policy has been developed to ensure consistency in response to advertising concerns and violations. All parties agree those dealers who decline to participate in the self-regulation process must understand the advertising review process and the consequences of non-participation.

**Normal/Customary Ad Review:** BBB will continue to be responsible for reviewing ads, contacting dealers, tracking trends and problems, and providing dealership education as needed to promote self-regulation of advertising and monitor the marketplace.

**1st Strike:** At their discretion, BBB will determine which issues are of a certain level of severity or are occurring at a certain level of frequency that special attention be given a dealership. When BBB first notices the pattern and/or a non-response by an automobile dealer, defined by frequent contact for not adhering to the Ad Standards, the BBB Code of Advertising or has disseminated a particular advertisement that is of great concern:

- BBB will initiate informal contact with the dealer, the general manager and/or other dealership staff as appropriate, providing support and education to the dealership. BBB will closely monitor the dealership's advertising, in all media for evidence of changes in the advertising.

**2nd Strike:** The 2<sup>nd</sup> Strike trigger will be if the dealership does not respond to BBB's contact by modifying their advertising or declines to work with BBB informally.

- The dealership will be notified by BBB of the requirement that they will need to send all of their ads (print, electronic and broadcast) to BBB's Prior-to-Publication (PTP) for a certain time period (discretion of BBB) until such time as BBB is comfortable that the dealership has a proper grasp of the ad standards and is operating in good faith as they develop or approve promotions for their dealership. The 2<sup>nd</sup> strike letter will be copied to the owner of the dealership – not just to the GM or complaint contact. This letter will be sent via certified mail.

Additional Action:

- Dealers who are at the 2<sup>nd</sup> strike point- dealership names will be communicated to MADA, who will in turn notify the members of the steering committee.

**3rd Strike:** If dealership refuses to act in good faith by participating in the PTP process and/or does not respond to contacts by BBB, the following will occur:

- BBB will issue a press release
- BBB will include details of the matter in the BBB public report on the dealership (which may impact BBB accreditation status and BBB grade)
- MADA will include/spotlight the BBB decision in the MADA newsletter

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