

### MADA News

## Steering Committee Tempers Conditional Pricing Standard

The Automotive Advertising Steering Committee met last month to consider amending the Conditional Pricing Standard that was adopted last spring and effective June 1, 2016. Many dealers have struggled to comply with the Standard when advertising new vehicle prices online that are eligible for a manufacturer finance incentive.

**...this newly-drawn exception only applies to factory finance incentives**

Recognizing the difficulty of making the technology work, as well as the need to advertise new vehicles consistently with their motor vehicle manufacturers, the Steering Committee decided to amend the Standard to permit a very narrow exception to the general rule that the most prominent price in an ad must be an unconditional price.

The revised Standard now provides that a finance bonus (incentive) may be reflected in the prominent price or savings if ALL of the following apply:

1. The advertised vehicle is new;
2. The incentive is offered for installment sales financing - not lease financing;
3. The incentive is offered by a motor vehicle manufacturer or its recognized retail finance subsidiary (versus at the dealership level);
4. The incentive is generally available to consumers of average creditworthiness;
5. The finance incentive savings amount is separately stated and clearly distinguishable from non-conditional incentives and savings; and
6. The requirement to finance and an available Annual Percentage Rate (APR) is clearly and conspicuously disclosed in immediate conjunction with the prominent price or savings.

*Steering Committee... continued on page 2*

### inside

New Training Opportunities with MADA

Property Crimes Update

Baton Rouge Relief

### upcoming events

oct 12 SPCC Pheasant Hunt  
Hugo

oct 20 Title Basics  
Rochester

nov 8 Certified Title  
West St. Paul

nov 9 Title Basics  
West St. Paul

visit  
[www.mada.org](http://www.mada.org)  
for details, registration  
and a complete list of  
Upcoming Events and  
Training

Steering Committee... *continued from cover*

Dealers may certainly continue to advertise unconditional prices as their most prominent price. Fully unconditional prices are certainly cleaner, simpler and easier for consumers to understand. Furthermore, they aren't burdened by a disclosure requirement. Note that this newly-drawn exception only applies to factory finance incentives. Other conditional incentives may not be reflected in the most prominent price.

The Revised Conditional Pricing Standard is effective immediately and is available for review on the MADA Advertising Standards landing page here: <http://bit.ly/MADA-BBB-adstandards>

Better Business Bureau, who administers the advertising review program, is creating new examples to show how the revised Standard will work. Once that work is complete, the Standards as a whole will be restated to incorporate the amendment. Questions about the Advertising Review Program may be addressed to Steve Farr at BBB: 651-695-2430 or [steve.farr@thefirstbbb.org](mailto:steve.farr@thefirstbbb.org)



**EDUCATION AND TRAINING**

**Training News**

## Meet MADA's New Training and Marketing Coordinator



MADA is pleased to welcome Alice Morse as its Training and Marketing Coordinator. With the addition of Alice, MADA is excited to rev up the training program with new and exciting classes. See the cover and insert in this newsletter for upcoming classes and check the website frequently

for updates: [mada.org/training/upcoming-training](http://mada.org/training/upcoming-training).

Alice spent the last ten years with 4Life Research as Field Development Coordinator where she had the opportunity to work directly with independent distributors to strategize, develop and implement trainings, tools and incentives to facilitate the growth of their business. On a personal note, Alice is new to Minnesota having just moved from Salt Lake City to St. Paul with her husband and dog. In her free time, she is enjoying getting out to explore the beautiful state of Minnesota and all it has to offer.



**Minnesota Automobile Dealers Association**

*The Minnesota Automobile Dealers Association is a non-profit trade association dedicated to the progress of the retail auto industry in Minnesota.*

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FAX: 651-291-2894 • Web site: <http://www.mada.org>

**Do you have a training need or suggestion? We would like to hear from you!**

**Please call Alice at 651-789-2956 or email [alice@mada.org](mailto:alice@mada.org).**

## Industry News

# Fuel Your Customers with Alternative Energy Sources

## *Partner with Growth Energy to Educate Drivers about Ethanol*

Growth Energy, a trade association representing producers and supporters of ethanol, is working with auto dealers and other partners to educate consumers about the benefits of ethanol. Growth Energy's engagement teams are equipped with the facts that will leave auto dealers well prepared to answer their customers' most detailed questions about modern fueling solutions.

Ethanol is a strenuously tested biofuel added to gas that improves engine performance for drivers and keeps the air we breathe cleaner. But many drivers are uncertain if they can take advantage of this American-made green fuel in their cars, and often turn to their auto dealers for advice.

Auto dealer engagement teams are available to meet with your sales team, mechanics and others to share information about modern biofuels and how they work in today's cars. If you are interested in having a Growth Energy auto dealer engagement team meet with your staff, please contact Kurt Zellers at [kurt@mzaccompany.com](mailto:kurt@mzaccompany.com) or (612) 889-4485.

## **Minnesota Power Offering Discounted Rate for Off-Peak Vehicle Charging**

If your customers are interested in electric vehicles (EV) and live in Minnesota Power's service territory (northeastern Minnesota), take advantage of the utility's expertise if questions about how, where and when to charge arise. Minnesota Power offers a number of resources for EV owners - including significant fueling discounts if they choose to charge using the off-peak service rate between 11:00 p.m. and 7:00 a.m. Refer your existing - and potential - EV customers to [http://bit.ly/MN\\_power](http://bit.ly/MN_power) for more information.

## Election News

# **NADAPAC** Dealers Reach NADA PAC Goal

Thank you to the MADA members who were solicited for a donation to NADA PAC and responded to the request. We have reached - and even exceeded - our 2016 goal! These dollars help NADA back federal candidates who are supporters of our industry.

At the state level, our CAR PAC has raised 51% of our goal. Dealers who haven't participated will receive a reminder invoice this month. With all 201 state legislators on the ballot and an aggressive legislative agenda ahead of us, it's important that we have sufficient resources to help elect pro-dealer candidates. If you haven't already, please make your Fair Share Contribution to CAR today!

## MADA Services News

# Thanks to Glen Hanson



Many thanks to long-time MADA Services salesman Glen Hanson, who will be retiring at the end of September. During his 19 year tenure with MADA, Glen served dealerships in the northeastern and greater metropolitan area of the state and became a familiar face to many of our members.

MADA is grateful for Glen's service to the industry, and wishes him the best with his retirement plans.



## Legal News



## Update on Property Crimes Initiative Wheel Locks

For the past several months, MADA has been gathering data on property crimes; specifically, wheel and tire theft. As part of this

initiative, MADA has had numerous conversations regarding the various ways dealers are working to prevent wheel and tire theft.

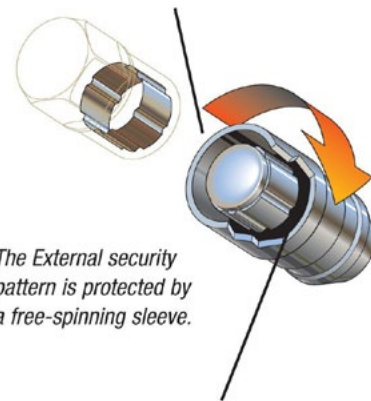
One dealership has found success with “Gorilla Guard Wheel Locks.” The dealership challenged three of their journeymen technicians to remove a wheel outfitted with the Gorilla Guard Wheel Lock, using any tool they wanted, so long as they did not damage the wheel. After each journeyman was unable to remove the wheel, the dealership decided to outfit all lot vehicles with this particular wheel lock; the exact model used by this dealer is the “Duplex Acorn.” Since installing these wheel locks, the dealership has had at least one attempted, but failed, wheel theft. The dealership is not selling the locks with the vehicles but rather recycling the locks as inventory turns over. MADA encourages dealers to look into these locks and determine whether outfitting their lot vehicles with

these wheel locks is right for them. The locks can be found at: <http://bit.ly/guard-locks>

### Survey Coming Soon

As a follow-up to the Property Crimes Initiative, MADA will be sending out a survey asking dealers about wheel and tire theft, vehicle theft, and other property crimes. The more responses we receive, the better we can understand and combat these crimes. Please be on the look-out for this survey in the coming weeks.

*The Gorilla Guard Key is made from cold-forged hardened steel with an exact and secure fit.*



*We've designed the Gorilla Guard wheel lock with the narrowest groove possible, for additional security.*

## Emergency Relief Fund

Adopt a Baton Rouge dealership employee family

**DONATE NOW**



NATIONAL AUTOMOBILE DEALERS ASSOCIATION

## NADA News

### Baton Rouge Relief Fund

Thousands of dealership employees and their families have suffered devastating losses in last month's Louisiana floods. The need for financial assistance is great and will last for many weeks, if not months. The NADA Foundation's Emergency Relief Fund helps dealership families after natural disasters, and NADA has announced that the Foundation seeks to raise \$2 million for the estimated 1,500 new-car dealership families displaced by the flooding in Louisiana.

To help support these efforts and fill a critical need for Louisiana dealership employees, please consider donating today. More information can be found at: <http://bit.ly/NADAreiefMADA>

# Minnesota Auto Outlook

Released by:  
**Minnesota Automobile  
Dealers Association**

Covering the Minnesota automotive market

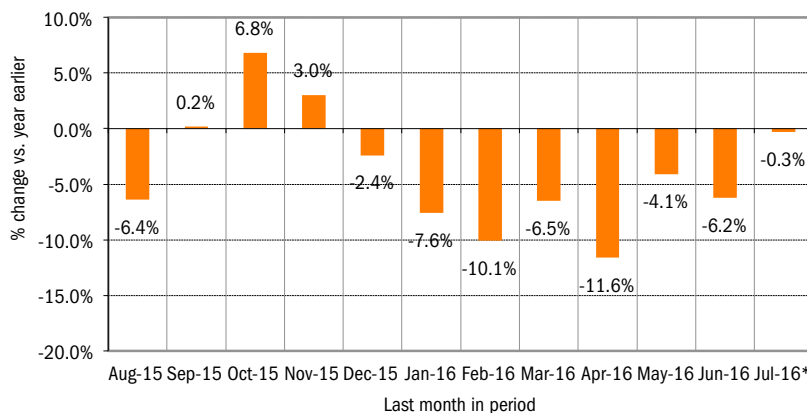
Data thru July 2016

## Minnesota New Retail Car and Light Truck Registrations

	Most Recent Two Months			YTD thru July			YTD Market Share		
	6/15 & 7/15	6/16 & 7/16*	% change	2015	2016	% change	2015	2016	change
	Industry Total	36,853	35,037	-4.9%	118,190	111,982	-5.3%		
Cars	12,787	10,683	-16.5%	41,504	34,850	-16.0%	35.1	31.1	-4.0
Light Trucks	24,066	24,354	1.2%	76,686	77,132	0.6%	64.9	68.9	4.0
Japanese Brands	12,902	12,500	-3.1%	40,577	39,082	-3.7%	34.3	34.9	0.6
Toyota	4,665	4,369	-6.3%	14,332	14,088	-1.7%	12.1	12.6	0.5
Honda	3,344	3,398	1.6%	10,466	10,312	-1.5%	8.9	9.2	0.3
Nissan	2,058	1,700	-17.4%	6,455	5,420	-16.0%	5.5	4.8	-0.7
Other	2,835	3,033	7.0%	9,324	9,262	-0.7%	7.9	8.3	0.4
Domestic Brands	19,440	18,359	-5.6%	63,344	59,761	-5.7%	53.6	53.4	-0.2
General Motors	8,410	7,843	-6.7%	26,849	25,732	-4.2%	22.7	23.0	0.3
Ford	6,243	5,804	-7.0%	21,329	19,389	-9.1%	18.0	17.3	-0.7
Chrysler	4,744	4,672	-1.5%	15,022	14,487	-3.6%	12.7	12.9	0.2
Other	43	40	-7.0%	144	153	6.3%	0.1	0.1	0.0
European Brands	2,162	2,008	-7.1%	6,950	6,805	-2.1%	5.9	6.1	0.2
Volkswagen	1,077	928	-13.8%	3,293	2,983	-9.4%	2.8	2.7	-0.1
BMW	502	446	-11.2%	1,695	1,674	-1.2%	1.4	1.5	0.1
Mercedes	295	315	6.8%	1,087	1,061	-2.4%	0.9	0.9	0.0
Other	288	319	10.8%	875	1,087	24.2%	0.7	1.0	0.3
Korean Brands	2,349	2,170	-7.6%	7,319	6,334	-13.5%	6.2	5.7	-0.5

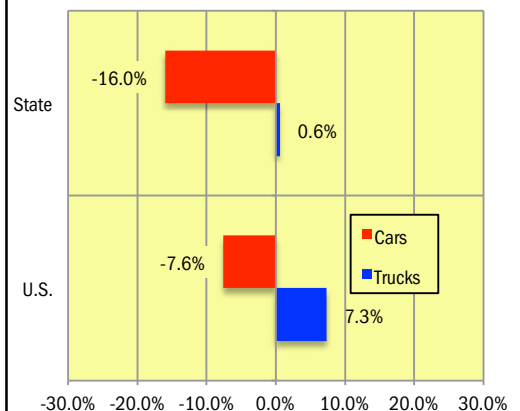
Brands included above: Domestic Brands: GM (Buick, Cadillac, Chevrolet, and GMC), Ford (Ford and Lincoln), Chrysler (Chrysler, Dodge, Jeep, and Ram). Japanese: Toyota (Toyota, Lexus, and Scion), Honda (Honda and Acura), Nissan (Nissan and Infiniti), Other (Mazda, Mitsubishi, and Subaru). European: VW (Audi, Bentley, Porsche, and Volkswagen), BMW (BMW, Rolls Royce, and MINI), MB (Mercedes Benz and smart), Other (Alfa Romeo, Aston Martin, Ferrari, Fiat, Jaguar, Land Rover, Lotus, Maserati, and Volvo). Korean: Hyundai and Kia. \*Figures for July 2016 were estimated by Auto Outlook. Data Source: IHS Automotive.

**Percent Change in Three Month Moving Average of New Retail Registrations versus Same Period Year Earlier**



The graph above provides a clear picture of the trending direction of the state market. It shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average is less erratic than monthly registrations, which can fluctuate due to such factors as the timing of manufacturer incentive programs, weather and title processing delays by governmental agencies. \*Figures for July 2016 were estimated by Auto Outlook. Data Source: IHS Automotive.

**Percent Change in State and U.S. New Retail Light Vehicle Markets YTD '16 thru July\* vs. YTD 15**



The graph above compares the change in new retail car and light truck registrations in both the state and U.S. markets. \*Figures for July 2016 were estimated by Auto Outlook. Data Source: IHS Automotive.

### Data Information

All data represents new vehicle retail registrations in Minnesota and excludes fleet and wholesale transactions. Please keep in mind that monthly registration figures can occasionally be subject to fluctuations, resulting in over or under estimation of actual results. This usually occurs due to processing delays by governmental agencies. For this reason, the year-to-date figures will typically be more reflective of market results. Data Source: IHS Automotive.

Minnesota New Retail Light Vehicle Registrations					
	Registrations			Market share	
	YTD '15 thru July	YTD '16 thru July*	% change	YTD '15 thru July	YTD '16 thru July*
TOTAL	118,190	111,982	-5%		
Acura	869	713	-18%	0.7%	0.6%
Audi	928	1,004	8%	0.8%	0.9%
BMW	1,393	1,417	2%	1.2%	1.3%
Buick	2,158	2,005	-7%	1.8%	1.8%
Cadillac	747	624	-16%	0.6%	0.6%
Chevrolet	19,108	18,433	-4%	16.2%	16.5%
Chrysler	2,329	1,730	-26%	2.0%	1.5%
Dodge	3,247	2,922	-10%	2.7%	2.6%
FIAT	119	117	-2%	0.1%	0.1%
Ford	20,687	18,816	-9%	17.5%	16.8%
GMC	4,836	4,670	-3%	4.1%	4.2%
Honda	9,597	9,599	0%	8.1%	8.6%
Hyundai	3,447	2,714	-21%	2.9%	2.4%
Infiniti	444	337	-24%	0.4%	0.3%
Jaguar	42	52	24%	0.0%	0.0%
Jeep	5,199	5,447	5%	4.4%	4.9%
Kia	3,872	3,620	-7%	3.3%	3.2%
Land Rover	300	262	-13%	0.3%	0.2%
Lexus	1,366	1,424	4%	1.2%	1.3%
Lincoln	642	573	-11%	0.5%	0.5%
Mazda	2,490	2,379	-4%	2.1%	2.1%
Mercedes	1,076	1,048	-3%	0.9%	0.9%
MINI	302	256	-15%	0.3%	0.2%
Mitsubishi	1,078	1,071	-1%	0.9%	1.0%
Nissan	6,011	5,083	-15%	5.1%	4.5%
Other	108	111	3%	0.1%	0.1%
Porsche	171	183	7%	0.1%	0.2%
Ram	4,247	4,388	3%	3.6%	3.9%
Subaru	5,751	5,810	1%	4.9%	5.2%
Tesla	107	135	26%	0.1%	0.1%
Toyota	12,966	12,664	-2%	11.0%	11.3%
Volkswagen	2,194	1,796	-18%	1.9%	1.6%
Volvo	359	579	61%	0.3%	0.5%

Data source: IHS Automotive.

Top ten ranked brands in each percent change category are shaded green.

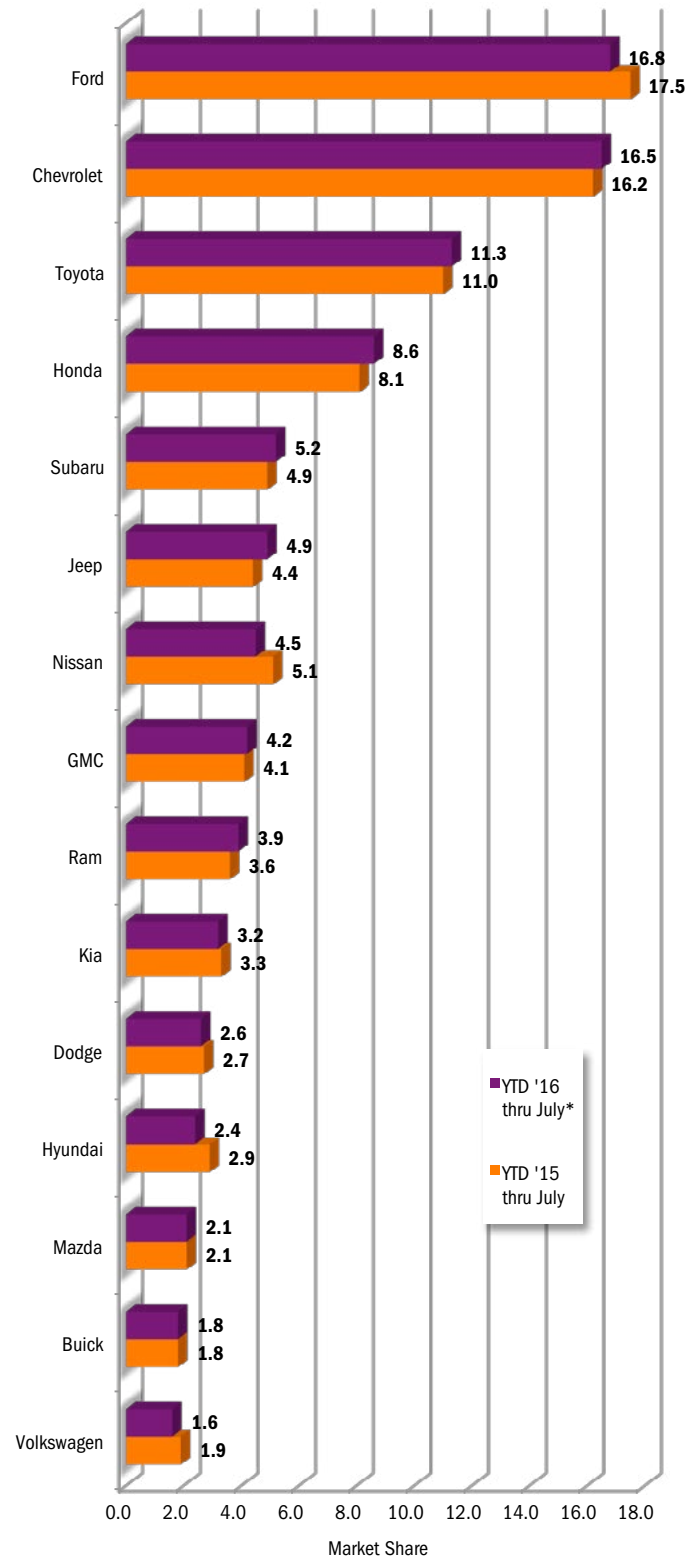
\*Figures for July 2016 were estimated by Auto Outlook.

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State Market Share for Top 15 Selling Brands  
YTD '16 thru July\* vs. YTD '15



Data source: IHS Automotive.

\*Figures for July 2016 were estimated by Auto Outlook.

## Member News

MADA extends its sympathies to the family of **Rollie Swenson**, who passed away Thursday, August 25, 2016. Rollie owned Willmar's **Swenson Motor Company** from 1977 until he retired in 2012. Rollie was an active member of MADA, serving on the Board of Directors from 1998-2005, including a term as President in 2003.

## **MADA** Council News Service, Parts & Collision Council **Annual Pheasant Hunt**

Join us for an afternoon of fun and camaraderie with your dealership and vendor peers at the Service, Parts & Collision Council's fourth annual pheasant hunt, Wednesday, October 12. Non-Council dealership employees are welcome, too! For more information and to register, go to [www.madaspc.org](http://www.madaspc.org). Be sure to register by September 23 to take advantage of the early-bird discount!



## MADA Vendor Viewpoint Shopping Behaviors are Shifting

A recent survey compiled by Adsoka and CarSoup.com drew attention to a change in automotive shopping behaviors that opens the door to increased competition further up in the purchase funnel. The survey results are supported by the way consumers are shopping on third party websites, such as CarSoup.com. The survey polled new and used car shoppers. Findings demonstrated that more general car shoppers are open to finding the vehicle that best suits them versus shopping for a specific brand.

The reports show that of the respondents surveyed, 56.6% said matching what style of vehicle fits their needs/wants "is very important," and a total of 85.3% said that it is "somewhat to very important." General shoppers (new or used) said that this is the second most important priority for them - second only to price.

The last 90 days of search data on Carsoup.com demonstrates this. Almost 23% of searches are not specific to a make. Understanding consumer behaviors and finding ways to connect with them can increase your sales opportunities. For more information, contact [research@carsoup.com](mailto:research@carsoup.com).

Article contributed by Su-Lin K. Velin



### *Endorsed Service & Vendors*

*Check Guarantee/Credit Card Processing*  
FIS / Certegy

*Collections*  
Springer Collections

*Computerized Vehicle Registration*  
CVR

*Dealer Bond Program*  
Ensure Agency

*Disability Income Insurance & Section 125 Cafeteria Plans*  
American Fidelity Assurance

*F&I Products*  
Protective

*Fleet Fueling Program*  
SuperAmerica

*Group Health Insurance*  
Blue Cross Blue Shield of MN  
Delta Dental  
ReliaStar Life

*Hole-In-One Insurance*  
Hole-In-One-USA

*Lighting*  
LED Supply Company

*Office Supplies*  
Innovative Office Solutions

*OSHA, EPA & DOT Compliance/Training*  
ComplyNet Corporation

*Pre-Paid Legal, Jim Gavin*  
Identity Theft Shield &  
Pre-Paid Legal Services

*Uniforms and Linen Services*  
AmeriPride Linen & Apparel  
Services

*Workers Compensation*  
Ensure Agency



MADA Services sells a wide variety of products directly to the dealers including business forms, clothing and promotional items. For a full review of options, contact your sales representative at 651-291-2400 or go to [www.mada.org](http://www.mada.org)

ADVOCACY ▪ EXPERTISE ▪ EDUCATION ▪ COMMUNICATION

MADA NEWS ▪ September 2016

**FAQ**

**Q:** Under state law, are dealerships allowed to charge customers a surcharge for accepting payment via a credit card?

**A:** Yes. A dealership may impose a surcharge for accepting payment via credit card provided (1) the seller informs the purchaser of the surcharge both orally at the time of sale and by a sign conspicuously posted on the seller's premises, and (2) the surcharge does not exceed five percent of the purchase price. See Minnesota Statute 325G.051. However, restrictions regarding surcharges may be imposed on a dealership pursuant to their contract with the credit card company. Dealerships need to review the terms and conditions of each contract as these vary among credit card companies.

Note: Dealerships may also want to consult with their lenders when accepting down payments via credit card as this may alter the borrower's creditworthiness or the lender's willingness to extend credit.