

MADA News

Twin Cities Auto Show Announces Economic Impact and Major Expansion



The Twin Cities Auto Show recently revealed it makes an annual economic impact of \$19 million on the region, and it announced its intention to bolster its impact by holding a National Truck Summit in conjunction with the 2020 Show.

GMADA and the Twin Cities Auto Show hired University of Minnesota Economics Professor Amil Petrin to conduct the study of the 2019 Show.

“At \$19 million for an event that lasted only nine days, the economic impact of this show is both significant and wide-reaching,” said Petrin. “The electronic exit-survey we used to supplement the report indicated that, in addition to ticket, concessions, and parking revenues, many visitors stayed overnight at hotels and Airbnb rentals, and many visitors took part in other tourist activities like sporting events, theater, or shopping downtown or at the Mall of America.”

Petrin’s study shows a substantial annual economic impact on the city from a show that requires little to no investment by the City of Minneapolis. In addition to the money spent directly by the Greater Metro Auto Dealers Association (GMADA), over \$10.5 million is generated by the spending of attendees and vendors on food, lodging and other tourist activities.

The Auto Show also announced plans to add the National Truck Summit to its annual March 2020 event. The National Truck Summit will build on the Auto Show’s success and partner with *Automotive News* to bring a focus on consumers’ growing love of trucks, SUV’s and crossovers. The event is expected to bring manufacturer

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Bloomington

dec 6 The MAIN EVENT
Bloomington

dec 10 Title Basics
West St. Paul

jan 16 Certified Title and Registration
West St. Paul

visit
www.mada.org
for details, registration and
a complete list of Upcoming
Events and Training

Regulatory News

Weigh in on the CA Clean Car Proposal

Since Governor Walz announced his plan to have the state adopt California's Low Emission Vehicle (LEV) and Zero Emission Vehicle (ZEV) mandates via rulemaking, the Minnesota Pollution Control Agency (MPCA) has begun receiving feedback from the public on the concept.

If the administration is successful, beginning in model year 2023, Minnesota dealers will only be able to sell passenger vehicles and medium-duty trucks certified as CA-LEV compliant, which could be different than what's offered in 35 other states if California has its way. Manufacturers would be required to deliver for sale a certain number of electric vehicles in the state, too.

Since neither the MPCA nor the general public have much understanding of the California rule or our industry, it's critical that dealers weigh in. Please share your concerns via the MPCA's online survey, found at <http://survey.mn.gov/s.asp?k=157167242118>, or send comments to sheena.denny@state.mn.us about how the costs of these mandates could affect your operations:

- At a minimum, CA-LEV is expected to increase the price of all new vehicles sold in Minnesota by \$800 (likely more). What percent of your customers are from neighboring states? What would an extra \$1,000 on the price of a new vehicle do to your sales?
- What requirements does your manufacturer impose in order for you to sell electric vehicles? Have you made the investment? If not, why not?
- How many of your customers are asking for electric vehicles? What would happen if the manufacturer required you to take EV cars in your inventory?

If you do submit comments to Ms. Denny, please note they are due by December 6, and will be published as part of the public record.



MADA

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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Tom Leoard, Fury Auto Group, South St. Paul

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

MADA News

Register Now for

THE MAIN EVENT

MADA's largest membership event of the year is fast approaching. Make sure to register now for The Main Event on Friday, December 6, at the Hyatt Regency Bloomington.

Don't miss the chance to network with your colleagues and celebrate the successes of our industry. Additionally, you'll receive an exclusive preview from Graham Line of Digital Data Solutions with results of his company's year long-survey of Minnesota automotive consumers.

Register now at
<http://www.mada.org/news/MainEvent>

Legal News

CFPB Offers Guidance on “Abusive” GAP Practices

Under federal law, an act or practice is abusive if it takes unreasonable advantage of a customer’s lack of understanding of the material risks, costs, or conditions of the product or service. A recent symposium held by the Consumer Finance Protection Bureau (CFPB) aimed to clarify what constitutes “abusive acts and practices,” at least with regard to GAP.

The CFPB highlighted several cases where dealer practices were found to be abusive. Each instance involved a deal where the customer had a low loan-to-value ratio where the customer would never actually benefit from the product (i.e. they would likely never have negative equity in the vehicle in the event of total loss). The CFPB cited this fact as evidence that the customer never fully understood

at least some material aspect of the product they were buying; if they had understood GAP, they would have never agreed to buy the product.

There are many variables that can affect whether a customer will benefit from GAP, in addition to loan-to-value-ratio, such as depreciation of that specific model, length of the loan, insurance coverage, etc. Unfortunately, there is not a bright-line standard. Dealers should exercise good old-fashioned common sense, evaluate each deal on a case-by-case basis, and answer the question: is it possible for the customer in this case to actually benefit from GAP? If the answer is “no,” then selling GAP under those circumstances is probably an abusive act or practice under federal law.

MADA News

Steve Brimhall Nominated as 2020 TIME Dealer of the Year



Steve Brimhall, dealer principal at Minnesota Motor Company, a Buick and Chevrolet dealership in Fergus Falls, Minnesota, has been nominated for the 2020 TIME Dealer of the Year award.

Brimhall is one of a select group of 49 dealer nominees from across the country who will be honored at the 103rd annual National Automobile Dealers Association (NADA) Show in Las Vegas on February 15, 2020.

Recipients are among the nation’s most successful auto dealers who also demonstrate a long-standing commitment to community service. Brimhall believes that business owners have a responsibility to give back to the community through involvement and monetary donations. “A strong community helps our business be strong,” he said. “When our employees donate their time and efforts to the community, it builds relationships and boosts vitality.”

MADA News



Paul Walser Elected NADA Vice Chair

NADA Director from Minnesota Paul Walser of Walser Automotive Group was elected Vice Chair of NADA for 2020 by his fellow Directors at a NADA Board meeting in mid-October. He will assume the Vice Chair’s duties in February 2020, and is poised to become NADA Chair in 2021.

MADA News

MADA Dues Billing Coming

Invoices for 2020 annual membership dues should arrive in December. Your dues make it possible to continue the important legislative and legal work MADA does on behalf of our Minnesota dealers.

TITLE AND REGISTRATION

TITLE BASICS

Designed as an introduction to the Title and Registration process, this interactive workshop will broaden the understanding of state forms, their proper application, and fee location. This class also prepares title clerks for the Certified Title Profession program.

This class is recommended for new title clerks and dealership employees involved in the title and registration process.

TUE, December 10, 2019 | 9:00 – 11:30 a.m.
MADA Headquarters

TUE, February 11, 2020 | 9:00 – 11:30 a.m.
MADA Headquarters

CERTIFIED TITLE AND REGISTRATION PROGRAM

Consisting of three separate classes: **Sales Tax, New to Fleet, and Minnesota Titles and Transfers**. Each class provides vital skills and knowledge for optimal performance in title and registration. Certification is mandatory to utilize electronic titling and registration.

Certification is awarded by attending all three classes and passing each test with a score of 70% or higher.

THU, January 16, 2020 | 9:00 a.m. – 3:00 p.m.
MADA Headquarters

THU, March 19, 2020 | 9:00 a.m. – 3:00 p.m.
MADA Headquarters



When you utilize MADA Education and training, you are investing in your dealership's success AND your industry's success!

We offer trusted, comprehensive, and topical educational opportunities that serve to improve dealership operations. Each course is designed to provide solutions and empower your staff to successfully manage the evolving situations that your dealership faces.

The revenue generated from MADA's training program is reallocated to legislative efforts at the Capitol, your legal counsel, and to fund the activities that strengthen our representation of YOU!

MARKETING

CUT RUNAWAY DIGITAL MARKETING SPENDING

Successfully measure and eliminate waste in digital marketing spend.

US dealerships spend an average of \$27,000 per month (according to NADA-DATA 2018) on digital marketing, but don't have a good framework for measuring success. This webinar will provide dealers with knowledge and powerful tools to measure success and eliminate waste in digital marketing spend.

Recommended for dealers, general managers, sales managers, marketing managers and anyone who handles digital marketing spend at the dealership.

ON DEMAND | WEBINAR

COMPLIANCE

WAGE THEFT LAW SEMINAR - RECORDING

Ensure your dealership complies with Minnesota's new Wage Theft Law.

This seminar details the provisions of Minnesota's new Wage Theft Law. It highlights the changes to the regulations and the steps dealerships should take to come into compliance with criminal wage and theft sanctions that went into effect on August 1, 2019.

This class is recommended for dealer principals, general managers, controllers, and HR.

ON-DEMAND | EVENT RECORDING

FIXED OPERATIONS

SHOP TALK: MEET YOUR FUTURE TECHNICIANS



Friday, December 6, 2019
8:00 a.m. - 11:00 a.m.
Hyatt Regency Bloomington
REGISTER TODAY!
www.madaspcc.org

SPCC SHOP TALK
Meet Your Future Technicians



Engage Your Future Technician Workforce

There is no shortage of conversation when it comes the short supply of qualified technicians. We're taking the conversation to the heart of the matter and inviting high school students and their automotive instructors to lead the discussion. Learn why students chose to pursue a career as an automotive technician, how to better engage with students and high schools, challenges facing high school automotive programs, and more!



FRI, December 6, 2019 | 8:00 – 11:00 a.m.
Hyatt Regency-Bloomington

Minnesota Auto Outlook

Released by:
Minnesota Automobile
Dealers Association

Covering the Minnesota automotive market

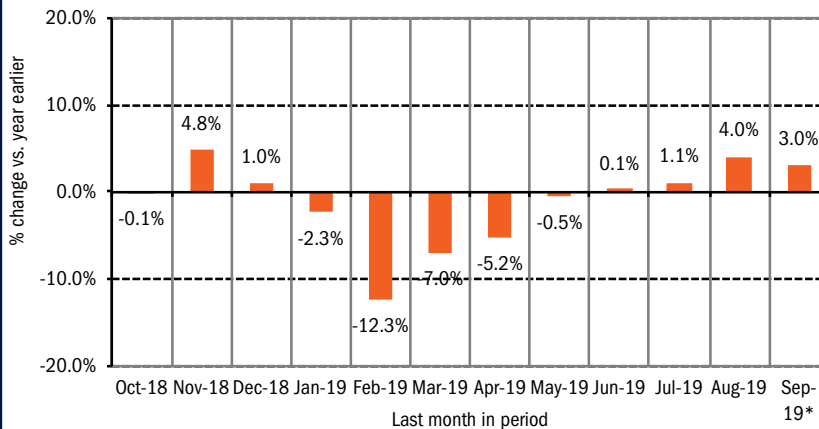
Data September 2019

Minnesota New Retail Car and Light Truck Registrations

	Most Recent Two Months*			YTD thru September*			YTD Market Share		
	8/18 & 9/18	8/19 & 9/19*	% change	YTD '18	YTD '19*	% change	2018	2019	change
Industry Total	35,909	36,522	1.7%	157,093	155,498	-1.0%			
Cars	6,888	5,819	-15.5%	31,755	26,191	-17.5%	20.2	16.8	-3.4
Light Trucks	29,021	30,703	5.8%	125,338	129,307	3.2%	79.8	83.2	3.4

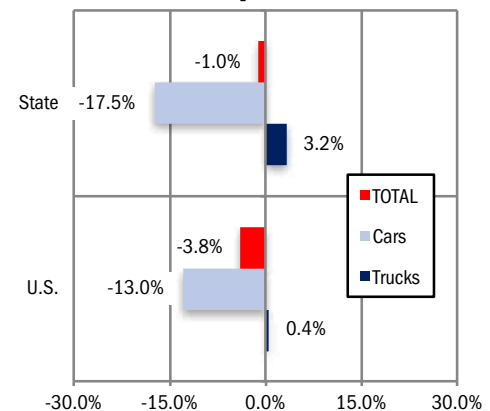
*Figures for September, 2019 were estimated by Auto Outlook. Data Source: IHS.

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



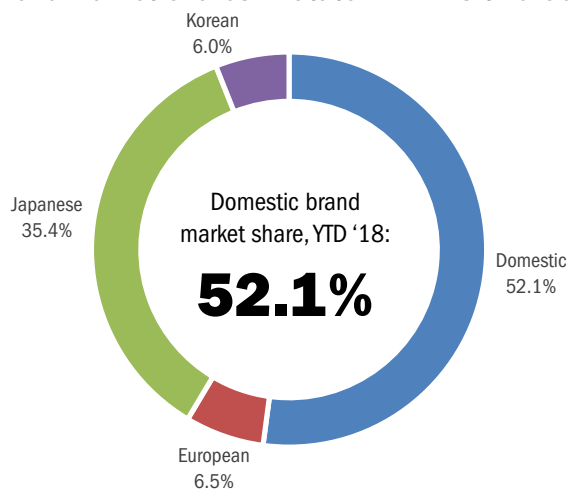
The graph above provides a clear picture of the trending direction of the state market. It shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average is less erratic than monthly registrations, which can fluctuate due to such factors as the timing of manufacturer incentive programs, weather and title processing delays by governmental agencies. *Figures for September 2019 were estimated by Auto Outlook. Data Source: IHS.

Percent Change in State and U.S. New Retail Light Vehicle Markets YTD '19 thru September* vs. YTD '18

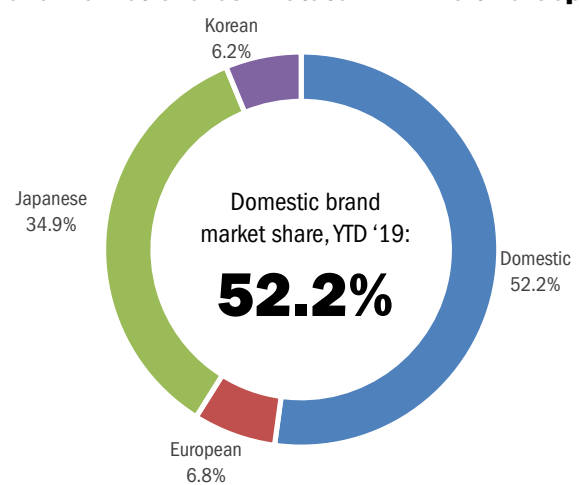


The graph above compares the change in new retail car and light truck registrations in both the state and U.S. markets. *Figures for September, 2019 were estimated by Auto Outlook. Data Source: IHS.

Japanese, Domestic, European, and Korean Brand Market Shares in State - YTD '18 thru Sept.



Japanese, Domestic, European, and Korean Brand Market Shares in State - YTD '19 thru Sept.*



Data Source: IHS.

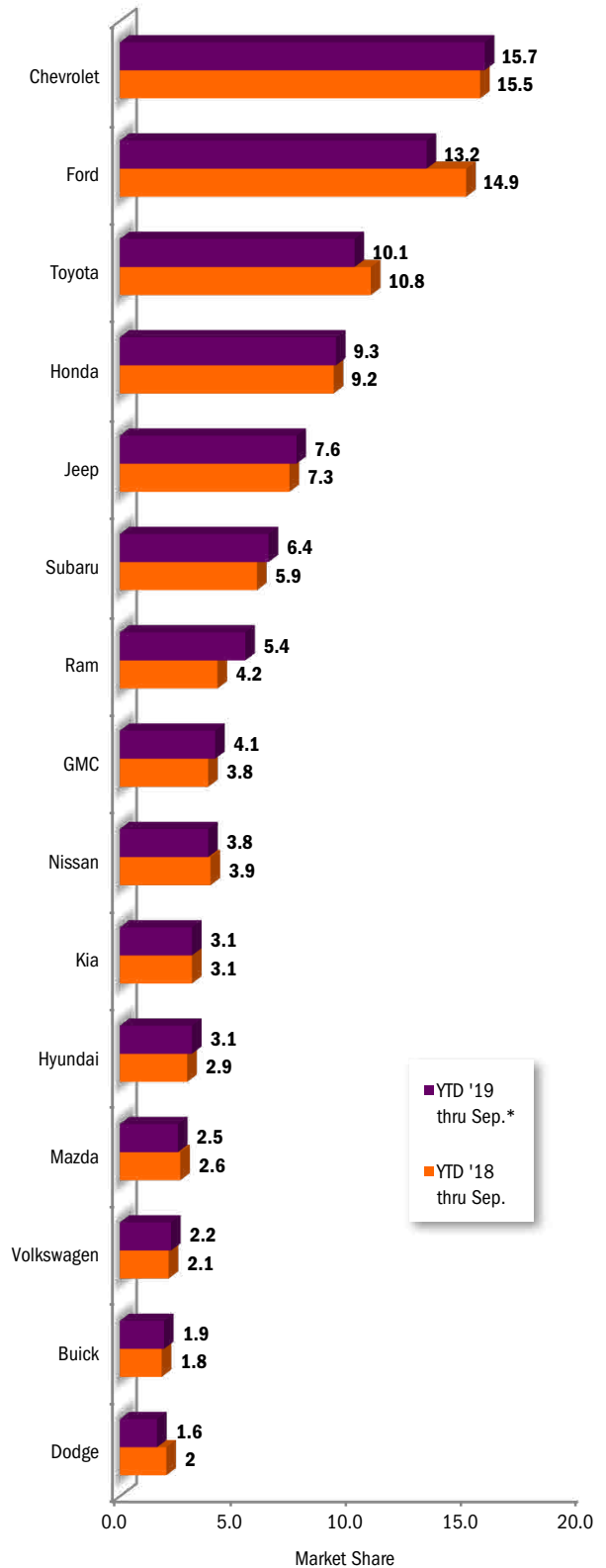
Data Information

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.

Minnesota New Retail Light Vehicle Registrations					
	Registrations			Market share	
	YTD '18 thru Sep.	YTD '19 thru Sep.*	% change	YTD '18 thru Sep.	YTD '19 thru Sep.*
Acura	1,039	927	-11%	0.7%	0.6%
Alfa Romeo	151	86	-43%	0.1%	0.1%
Audi	1,515	1,533	1%	1.0%	1.0%
BMW	1,607	2,086	30%	1.0%	1.3%
Buick	2,895	2,948	2%	1.8%	1.9%
Cadillac	824	857	4%	0.5%	0.6%
Chevrolet	24,304	24,444	1%	15.5%	15.7%
Chrysler	1,713	1,156	-33%	1.1%	0.7%
Dodge	3,076	2,500	-19%	2.0%	1.6%
FIAT	111	67	-40%	0.1%	0.0%
Ford	23,390	20,498	-12%	14.9%	13.2%
Genesis	67	94	40%	0.0%	0.1%
GMC	6,047	6,328	5%	3.8%	4.1%
Honda	14,399	14,419	0%	9.2%	9.3%
Hyundai	4,503	4,748	5%	2.9%	3.1%
Infiniti	588	434	-26%	0.4%	0.3%
Jaguar	136	108	-21%	0.1%	0.1%
Jeep	11,525	11,879	3%	7.3%	7.6%
Kia	4,919	4,824	-2%	3.1%	3.1%
Land Rover	374	317	-15%	0.2%	0.2%
Lexus	1,643	1,531	-7%	1.0%	1.0%
Lincoln	780	744	-5%	0.5%	0.5%
Maserati	40	35	-13%	0.0%	0.0%
Mazda	4,017	3,950	-2%	2.6%	2.5%
Mercedes	1,377	1,392	1%	0.9%	0.9%
MINI	289	254	-12%	0.2%	0.2%
Mitsubishi	1,449	1,315	-9%	0.9%	0.8%
Nissan	6,183	5,948	-4%	3.9%	3.8%
Other	51	38	-25%	0.0%	0.0%
Porsche	287	317	10%	0.2%	0.2%
Ram	6,669	8,392	26%	4.2%	5.4%
Subaru	9,309	9,971	7%	5.9%	6.4%
Tesla	621	1,348	117%	0.4%	0.9%
Toyota	16,952	15,706	-7%	10.8%	10.1%
Volkswagen	3,301	3,345	1%	2.1%	2.2%
Volvo	942	959	2%	0.6%	0.6%

State Market Share for Top 15 Selling Brands
YTD '19 thru September* vs. YTD '18



Data Source: IHS.

Top ten ranked brands in each percent change category are shaded green.
Data Source: IHS.

*September figures estimated by Auto Outlook.

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Twin Cities Auto Show Expansion... *continued from cover*

representatives, marketing experts and vendors from across the country. It will be held on Friday, March 6, the day before the Twin Cities Auto Show opens to the public.

“Minnesota is uniquely positioned to host a national discussion on consumer interests in trucks. They are really part of how we live and work here,” stated GMADA President Scott Lambert. “Minnesota leads the nation in truck and SUV sales.”

The dual announcements were made at a press conference at the Minneapolis Convention Center on Monday, November 4. In addition to Dr. Petrin and Scott Lambert, other participants in the press conference included Minneapolis Mayor Jacob Frey, Twin Cities Auto Show Director Mary Velline, GMADA Chair Barb Hilbert of Luther Automotive, and Meet Minneapolis CEO Melvin Tenant.

Member News

Midwest Motors Group opened its new Inver Grove Mitsubishi point. Congratulations to **Steve McDaniels** and the team on the new dealership!

Mercedes-Benz of Rochester was bought by Napleton Automotive Group and becomes its fourth Minnesota location.

Luther Brookdale Mazda opened at its new location in Brooklyn Center.

Congratulations to the **Luther Automotive Group** for winning Minnesota Monthly's Best of MN 2019: Reader's Picks Best Auto Dealership!

With the addition of Chrysler, Dodge, Jeep, Ram, **C&M Ford Sales, Inc** has changed its name to **C&M**.

MADA Vendor Viewpoint Leverage Technology to Reach Customers

Point of sale (POS) and customer relationship management (CRM) systems are critical to efficient dealership operation. They can be useful in everything from inventory control, to scheduling, to customer contact campaigns.

Many dealerships use them more for new car sales and paperwork handling. They can also be very instrumental in your service department. Unfortunately, many systems, especially older ones, can't integrate API functionality and may not focus at all on generating new business, which means you might need to bridge some of the gaps with an additional third-party package.

Some of the latest add-on modules include the ability to offer specials and coupons by text, which is extremely effective and keeps the cost of delivery at a minimum. A few can even integrate back into your system to compliment an email campaign.

Contributed by Steve Sarantos, ATXTCOUPON.com



Check Guarantee/Credit Card Processing
FIS / Certegy

Dealer Bond Program
Ensure Agency

Disability Income Insurance & Section 125 Cafeteria Plans
American Fidelity Assurance

Employee Placement
Hireology

F&I Products
Protective

Fleet Fueling Program
Speedway

Group Health Insurance
Blue Cross Blue Shield of MN
Delta Dental
Voya Life

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

Office Supplies
Innovative Office Solutions

Online Marketing Services
Conversica
Dealer 1-2-1
LotLinX
PureInfluencer
Purple Cloud

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

Warranty Reimbursement
Bellavia Blatt

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.



MADA NEWS ▪ NOVEMBER 2019

FAQ

Q: Can I sell a vehicle to someone who is under the age of 18?

A: Technically, the answer is yes. However, that's not the full story. It is true that a minor can purchase and own a motor vehicle. But, in the eyes of the law, a minor lacks the capacity to enter into a contract, which any vehicle purchase would require. If a dealership does enter into a purchase agreement with a minor, the agreement is voidable at the option of the minor. So what does all this legal speak mean in the real world?

Let's say a 17-year-old comes in, buys a car with cash, and you sign them out like any other cash deal. Even though the customer signed all the proper paperwork, the customer could, solely at their option, come in the next day, a week later, or even a year or two later and demand all their money back in exchange for the return of the vehicle. They could do so under the claim that the contract to purchase the vehicle was not valid in the first place, and the courts would likely agree with them.

To form an enforceable contract where a minor is purchasing the vehicle, a parent or legal guardian must consent to the minor doing so. The simplest way to accomplish this is to have the parent sign the contract as well.