

Ad Campaign An Early Success

The Spring Ad Campaign winds down at the end of May, but very positive results were already apparent in April.

The 8 week campaign has been running since April 7th on Breakfast Television on CITY-TV, Canada AM on CTV, Morning Live on CHCH, and local newscasts throughout the province. Traffic reports on 680 News in Toronto and CFRA in Ottawa are being sponsored by the UCDA and Carpages.ca.

For the first time, the UCDA is advertising on highlight videos on tsn.ca, with a 15 second "pre-roll" video promoting the UCDA and Carpages.ca as the "home of UCDA member vehicles". This has led to a large increase in the number of [Carpages](http://Carpages.ca) apps being downloaded each of which represents a potential customer for a member listing vehicles on Carpages.ca.

In April, during the first half of the campaign, almost 5,000 new users downloaded and installed the [Carpages](http://Carpages.ca) app on their smartphone or tablet. [Carpages](http://Carpages.ca) also had the highest number of mobile (smart phone or tablet) vehicle views ever in April at 243,000. These were individual vehicles viewed by mobile app users, resulting in 2,700 sales leads created for dealers:

- Total email leads from Carpages.ca in April 2014 were up **84%** from April 2013.
- Year-to-date total email leads have increased by **62%** compared to the same period last year.
- **52** new dealers signed up to list on Carpages.ca in April.

Here's what Stephanie Robito, Marketing Manager at UCDA member Newride.ca had to say about [Carpages](http://Carpages.ca):

Carpages is quick, easy to use and very user friendly. The website showcases each car in a simplistic way that is straight forward and without the added advertising fine print.

Ontario Goes To The Polls

With the defeat of the Liberal government's budget on May 1st, Ontario is in the midst of an important election campaign. The UCDA has never endorsed or urged members to vote for any particular party in any election, be it provincial or federal. We will not do so in this campaign.

However, as members know, the UCDA has taken a firm stance calling for the current government to wind down the Drive Clean program, which we view as wasteful and unnecessarily burdensome on dealers and the driving public.

Beginning with exempting late model vehicles from the testing requirement on re-sale, as is done for licence plate renewal, the UCDA has called on the provincial government to put an end to Drive Clean. Our requests have largely fallen on deaf ears, with the only government action being a token reduction in the testing fee from \$35 to \$30.

While we're confident that the UCDA's position reflects the views of most of our members, we know it creates concerns for members who have invested time and money in Drive Clean testing equipment and training. The government collected several million dollars in profit (a reported \$11 million by the end of 2012) in what was supposed to be a revenue neutral program. These funds could be used to compensate Drive Clean facilities as part of a gradual wind-down of the program.

We encourage all members to contact and speak with local candidates about any issue that matters to you, including Drive Clean. Find out where the candidates looking for your vote stand on what's important to our industry. Attend local debates and ask the candidates questions.

Above all, we encourage you to exercise your right to cast your vote in this and all elections. Your vote does matter ... but it won't if you don't use it!

Lease Assignments

A consumer is in a lease and wants out. Another consumer wants to get into a lease which they view as a bargain because it is for a shorter term with lower monthly payments and, in some cases, may even come with cash incentives.

Lease assignments are big business between lessors and lessees and dealers can be caught in the middle. For a modest fee (sometimes too modest) dealers often facilitate the assignment on behalf of the lessor.

But as usual, when things go wrong ... guess who gets the call? The dealer.

Consider this real story that just happened to one of our members:

In 2011, a dealer enters into a lease with Consumer #1 on behalf of a leasing company on a new car.

Consumer #1 later assigns the lease, with the lessor's consent, to Consumer #2. The same dealer facilitates this deal for a modest fee.

The dealer runs basic searches and does some due diligence: completing a UCDA trade-in appraisal form, but doesn't check the car's onboard system, perform a safety inspection or really look at the vehicle too carefully. This would add costs and time to the process!

Consumer #2 later decides he wants to assign the Lease to Consumer #3, and again the same dealer facilitates the process without actually looking at the vehicle.

Consumer #3 soon needs thousands of dollars in warranty repairs to his engine, but the warranty is voided by the vehicle manufacturer because Consumer #2, who is no longer in the country, had tampered with the computer to improve engine performance.

Care to guess who Consumer #3 is blaming now? Legally, the dealer and the Lessor are the parties with whom he has a contract and expects to be protected by. Too bad the dealer didn't check the car over first!

When facilitating lease assignments, dealers need to treat each assignment like a new lease.

Dealers should obtain a safety standards certificate each time a lease assignment is done and perform all the due diligence, including engine scans, inspections and appraisals they would normally perform.

Otherwise if, as they did here, things go wrong, it isn't the previous lessee the new customer will look to ... it's the dealer and the lessor.

Exporting To The United States

We've become so used to a high Canadian dollar, many have forgotten the first decade of the 21st century, when our dollar was weak and many U.S. buyers came here looking for bargains.

We aren't quite back to those levels, but with our dollar holding at just over ninety cents U.S., some dealers have noticed more consumers and U.S. dealers interested in buying Canadian.

Of course, those same U.S. buyers are also interested in NOT paying HST, not understanding that they have to pay it if the buyer takes delivery here in Ontario.

Vehicles Sold to a Consumer for Export

- If a consumer takes delivery of a vehicle from a dealer in Canada, HST **must** be charged by the dealer
- Even if proof of export is later obtained, the dealer is expected to remit the HST.

Vehicles Sold to a Business For Export

No HST Is Payable (If all of the following apply):

- Purchaser does not use the vehicle in Canada prior to export
- The vehicle is not modified by the purchaser before being exported
- The Dealer has documentation to prove export
- The Dealer arranges for the vehicle to be delivered to the shipper and obtains a bill of lading from the shipper, showing the foreign destination as proof of export
- If the vehicle is being shipped by rail or truck to a Canadian port and then exported by ship, the dealer will need to obtain the bill of lading directly from the overseas shipper, as the land shipper will not be able to provide a bill of lading for the overseas delivery.

Vehicles Sold to a Business or Consumer and Delivered Outside of Canada

If a vehicle is purchased for export, by either a Canadian or foreign purchaser, and the purchaser does not take delivery in Canada, the purchase is HST exempt if:

- The dealer delivers the vehicle to a common carrier (shipper) and obtains a bill of lading showing the foreign destination, or
- The vehicle is delivered directly by the dealer to the United States and the dealer keeps an embossed copy of U.S. Entry Summary (Form 7501) or other valid U.S. Customs entry documentation.

Health and Safety Awareness Training Mandatory after July 1

A new regulation to Ontario's *Occupational Health and Safety Act (OHSA)* will require most employers, including dealers, to provide basic health and safety awareness training for every worker and supervisor. The regulation comes into force on July 1st.

After that date dealers will need to ensure employees complete the training as soon as practicable. For supervisors, the training will have to be completed within one week of performing work as a supervisor.

The minimum content of the worker training program set out in the regulation includes instruction on:

- The duties and rights of workers under the OHSA
- The duties of employers and supervisors under the OHSA
- The roles of health and safety representatives and joint health and safety committees under the OHSA
- The roles of the Ministry of Labour, the Workplace Safety and Insurance Board (WSIB) and health and safety system partners (entities designated under section 22.5 of the OHSA)
- Common workplace hazards
- The requirements set out in Regulation 860 (Workplace Hazardous Materials Information System) with respect to information and instruction on controlled products
- Occupational illness.

According to the Ministry of Labour, common workplace hazards include:

- Slipping, tripping or falling,
- Working near motorized vehicles,
- Using or working near machinery,
- Workplace violence, and
- Repeating the same movements over and over, especially if you are in an awkward position or use a lot of force.

Fortunately, employers do not need to hire private training providers to deliver the training. **DO NOT** let anyone convince you that you must pay for a training program.

Worker and supervisor workbooks and employer guides, are currently available free of charge, through ServiceOntario or the Ministry of Labour website.

They are available in English, French, Traditional Chinese, Simplified Chinese, Hindi, Punjabi, Portuguese, Spanish, and Urdu. E-learning modules are also available in English and French and will be available in multiple languages before July 1st.

The free Ministry of Labour e-training module, which takes about an hour to complete, can be found here:

<http://www.labour.gov.on.ca/english/hs/elearn/worker/index.php>

Following completion of the on-line training, the employee should save and print two copies of the certificate of completion, one for themselves and the other to be kept by someone designated to keep the certificates for the dealer.

These do not need to be submitted to the Ministry of Labour.

Employees and supervisors don't need to retake awareness training if they change employers. However, they must provide the new employer with proof that training was previously completed, and the new employer must verify that the training covered the minimum content requirements set out in the regulation.

It's therefore important that employers and employees keep a copy of the certificate.

Workers and supervisors who have completed an awareness training program that covers the minimum content requirements set out in the regulation before the regulation comes into force will not be required to "re-take" the training.

Contact the Ministry of Labour at 1-877-202-0008 for more information.

Big Things Happening at the UCDA Lane at Manheim!

The Thursday night UCDA Member Lane at Manheim Toronto continues through May.

Over 100 member vehicles are now running in each sale! UCDA members will pay NO entry fee for vehicles they run through the lane in May.

Plus: every member who sells a car in the lane in May will be eligible to win a \$500 credit on their UCDA account.

April's winner was long-time UCDA member Ofner's Auto Sales from London.

And for all members who haven't yet sold a vehicle this year at any Manheim Toronto sale ... watch for an announcement soon that will start you selling at Manheim again!

Keeping It Private

In the March issue of Front Line, we wrote about the new Anti-Spam law coming into effect this summer.

The Canadian Anti-Spam Law (CASL) places significant restrictions on the ability of businesses to contact consumers through electronic messaging like email, texting, etc. It has a lot of people very worried and not just a little upset – and a lot of lawyers quite excited!

Dealers may remember the dire predictions about how difficult it would be when the Privacy Law (PIPEDA) came into effect in 2004.

Thankfully, PIPEDA has not led to many serious consequences for dealers and, properly managed, we don't think CASL will either.

Most dealers were, and are, running a tight ship when it comes to protecting their customer's personal information. No dealer wants to betray a customer's trust and ruin a relationship, which was so hard to develop in the first place.

A search of the records of the Privacy Commissioner turns up very few concerns created by motor vehicle dealers across the country.

Be Vigilant

Having said this, dealers must not let their guard down. The concerns addressed by CASL and PIPEDA are serious.

Dealers must continually review with their staff how important it is to protect their customers' names, addresses, financial information, Social Insurance Numbers and other information, which the dealership naturally has access to in the course of normal operations.

A Learning Moment

A surprising news story out of British Columbia shows how "not" to handle a customer's private information. Apparently, some dealers in B.C. are or were using software that can convert scanned driver's licences into useful bits and bites of personal data they can then use to market to the consumer.

It's not unreasonable, in fact it's a good practice for insurance purposes, for dealers to make a copy of a potential customer's driver's licence and check the validity of the licence prior to allowing them to go on a test drive.

UCDA members can check driver's licence validity by running a Drive Check™ at ucdasearches.com.

Once the purpose for making the copy is over, the

copy should be destroyed or given back to the individual. Driver's licence information should not be kept or used for **any other** purpose and the person **should not** be contacted without their consent.

It's a privacy no-no to take private data for one legitimate purpose and use it for another, unauthorized purpose. We'd like to think no UCDA member would do this, but if any are, please stop immediately!

Avoid Problems

Aside altogether from the trouble businesses can get into over breaches of these laws, no one wants to lose a customer's goodwill over silly mistakes.

Review what we wrote about CASL in the March issue of Front Line and what you can do to get ready.

Remind your staff about your Privacy Policy, how to treat private information and what to do if anyone ever contacts them seeking information of a personal nature about your customers. These matters should be managed by your dealership's Privacy Officer.

Please feel free to contact the UCDA's Legal Department if you'd like to review CASL or PIPEDA as they apply to dealerships or to discuss any specific situations.

Fake Lawyer

A York Region dealership nearly lost 4 vehicles in a scam alleged to have been carried out by Inayat Kassam a.k.a. "Jay".

York Regional Police and media reports suggest Mr. Kassam had worked in an area law firm and then later branched out to open what purported to be a law firm of his own and acted as a legal representative for "clients".

The problem was, not only was he not a lawyer, but he had a long list of previous fraud related convictions.

Police say he misappropriated funds from his previous employer and then set about collecting "retainers" from members of the public (\$100,000) and at least one area dealership (\$150,000) who ended up losing 4 vehicles to him, which fortunately have now been recovered.

Mr. Kassam is charged with 5 counts of fraud over \$5,000, forgery and uttering forged documents. An associate by the name of Rahim Mavji is charged with one count of fraud over \$5,000.

Police believe there may be more victims.

KEEPING IT SIMPLE: TABANGI MOTORS



*'Oh you're a UCDA member,
I want to buy from you and I
won't shop anywhere else.'*



Wally Tabangi of Tabangi Motors,
Mississauga

The car business has been the lifeblood of the Tabangi family for much of Wally Tabangi's life. His father started Tabangi Motors and established their excellent reputation with the help of three family members.

Wally knew he was going to be involved since day one and went to university

for automotive management. He has been working in the used car business for five years now and explains how quickly the market has changed since he first began. The recession has had a strong effect on the used car supply which has tightened up as spending decreased.

He overcomes these challenges by investing in his products and building his clientele based on excellent customer service.


"We have a lot of repeat referrals which helps because it lowers your advertising expenses," he said. "Don't tell the customer, 'I can't help you'. If they're asking for something outrageous show them where they can get some reasonable help, don't leave them hanging."

Tabangi says some dealers also won't spend money on their cars until they're sold. They overlook simple things like detailing and display at the dealership. He says you can't sell a car that way.

"Carpages is the best bang for your buck. For the amount of money you're paying per car sold, it's incredible."

The customer has to fall in love with it. If they get a bad impression before they've even started the dealer won't be successful.

Tabangi has also taken advantage of the Carpages.ca DealerPage product, using it for almost 6 years.

"Carpages is the best bang for your buck. For the amount of money you're paying per car sold, it's incredible. A customer that shops on Carpages will only buy from Carpages because they have this mentality that UCDA member dealers on Carpages are the ones you can trust. Once you get a Carpages customer they already have that relationship with you. 'Oh you're a UCDA member, I want to buy from you and I won't shop anywhere else.'" 

EMPLOYEE PROFILE:

ELIZABETH MALLARE
 Accounts Receivable Representative



Elizabeth has been with Carpages.ca for 3 years. Her experience in this field can be attributed to her knowledge of dealing with different types of customers.

“The duties and responsibilities of this position require not only a knack for numbers, but also attention to detail and well-developed organizational skills”, she said.

Elizabeth is responsible for providing financial, administrative and clerical services in order to ensure effective, efficient and accurate financial and administrative operations.

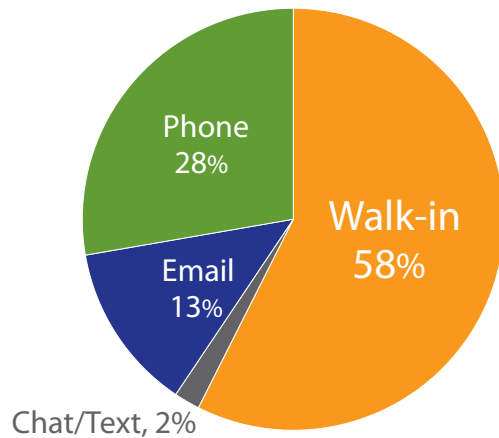
“I love working here, Carpages allows me to have a career and enjoy being a mother to my 2 adorable children.”

Online Car Shoppers Heading Straight to Dealer Lots

A study done by Polk Automotive shows that 58% of online car shoppers do not contact the dealer prior to their first visit. This means that for every email lead your website gives you, you're probably getting another 4 or 5 walk-ins.

In addition, the study shows that nearly two out of three consumers will walk-in because of finding you on the Internet – whether that means your own website or a third-party car shopping site, such as Carpages.ca.

2-out-of-3 of All Car Buyers Do Not Contact the Dealership Prior to Their First Visit



Source: 2013 Car Buyer Influence Study, R.L. Polk & Co.

As car shoppers continue to have access to more research tools and information, it's important as a dealer to have your business and vehicle inventory positioned prominently online, in order to drive walk-in traffic, and of course sales.

Carpages.ca offers some of the most cost-effective advertising plans available. To get started, give us a call and we'd be glad to answer any questions you might have. 📞

“Carpages is quick, easy to use and very user friendly. The website showcases each car in a simplistic way that is straight forward and without the added advertising fine print. Newride.ca is a preferred customer because the sales leads generated by Carpages is a guaranteed customer. It is an inexpensive way to get your name out there and ensure you are dealing with serious customers 100% of the time.” **Stephanie Rabito, Marketing Manager, Newride.ca**

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