

OCTOBER 2016

Volume 19, Issue 112

**Inside this issue:**

<u>DMV News</u>	<u>1</u>
<u>Rebate Advertising</u>	<u>1</u>
<u>Upcoming</u>	
<u>Events</u>	<u>2</u>
<u>FTC \$85,000</u>	<u>3</u>
<u>FTC and VW</u>	<u>3</u>
<u>PoA</u>	<u>5</u>
<u>Flood Damage</u>	<u>5</u>
<u>Board Action</u>	<u>6</u>
<u>What's Wrong</u>	
<u>With this Picture?</u>	<u>8</u>
<u>Dealer-Operator</u>	<u>9</u>
<u>Social Media</u>	<u>10</u>
<u>U. S. DOT Issues</u>	
<u>Guidance</u>	<u>11</u>

**CONTACT US**

2201 W. BROAD ST.  
SUITE 104  
RICHMOND, VA  
23220

[dboard@mvdv.virginia.gov](mailto:dboard@mvdv.virginia.gov)

[www.mvdv.virginia.gov](http://www.mvdv.virginia.gov)

**William Childress,**  
Executive Director  
**Peggy Bailey,**  
Office Manager  
**Lisa Mack-Nelson,**  
Field Rep. Supervisor  
Office Phone  
804-367-1100

**MOTOR VEHICLE DEALER BOARD**



# Dealer Talk

## DMV News

Virginia began using print on demand (PoD) technology for temporary tags in December 2009. Since that time DMV has enhanced the PoD temporary tag program to include modifications to the original and the extension transactions for 30-day temporary tags and the issuance of 5-day temporary transport tags. All dealers who wish to issue the temporary tags are required to contract with one of the approved vendors. For a list of PoD vendors, visit [www.dmvNOW.com](http://www.dmvNOW.com).

The following reminders provide important information impacting the use of the PoD tag.

The PoD tag must be printed on the synthetic weather resistant paper and it requires the use of a laser printer. The laser printer must use toner, not ink cartridges. To ensure the quality of the temporary tags, we will only supply the weather resistant paper to PoD participants with the appropriate laser printer. The PoD paper is available in passenger and motorcycle plate sizes. To

place an order for the weather resistant paper, email the Dealer Services Work Center at [podtemptag@dmv.virginia.gov](mailto:podtemptag@dmv.virginia.gov). Approved order requests will be shipped within five business days.

The 30-day temporary tag may be used for in-state and out of state customers. Dealers should enter customer's information as it appears on the government issued ID (driver's license/id card). DMV stores the vehicle information and the temporary tag's expiration date in its records. The system

*Cont. on pg. 8*

## Rebate Advertising

At the September 12, 2016 Board meeting, the Board requested that we remind dealers about rebate advertising regulations, and disclosures regarding rebate advertising. The following are a listing of the related Virginia laws applicable to rebate advertising enforcement, and are listed as follows:

**§ 46.2-1581.4.** Terms, conditions, and disclaimers shall be stated clearly and conspicuously. An asterisk or other reference symbol may be used to point to a disclaimer or other information, but shall not be used as a means of contradicting or changing the meaning of an advertised statement.

**§ 46.2-1581.8.** states "... the advertised price or credit terms shall include all charges which the buyer must pay to the seller, except buyer-selected options, state and local fees and taxes, and manufacturer's or distributor's freight or destination charges, and a processing fee, if any. If a processing

*cont. on pg. 2*



## Upcoming EVENTS

### BOARD MEETINGS

All Meetings are held at DMV Headquarters

2300 W. Broad Street, Room 702 Richmond, VA

Monday, November 14, 2016

Time: 9:00 a.m.

#### Dealer Practices Committee Meeting

Monday, November 14, 2016

Time: Immediately following Dealer Practices

#### Licensing Committee Meeting

Monday, November 14, 2016

Time: Immediately following Licensing

#### Advertising Committee Meeting

Monday, November 14, 2016

Time: Immediately following Advertising

#### Transaction Recovery Fund Committee Meeting

Monday, November 14, 2016

Time: 10:00 a.m.

#### Full Board Meeting

**NOTE:** Meetings may begin later, but not earlier than scheduled.

## MVDB will be closed



### CLOSED:

Monday, October 10, 2016, Columbus Day

Friday, November 11, 2016, Veterans Day

Wednesday, November 23, 2016, at 12:00 p.m.

Thursday, November 24, 2016, Thanksgiving

Friday, November 25, 2016, Thanksgiving

*Cont. from pg. 1*

## Rebates

fee or freight or destination charges are not included in the advertised price, the amount of any such processing fee and freight or destination charge must be (i) clearly and conspicuously disclosed in not less than eight-point boldface type . . ."

**§ 46.2-1575. 6.** Having used deceptive acts or practices;

**§ 46.2-1575. 7.** Knowingly advertising by any means any assertion, representation, or statement of fact which is untrue, misleading, or deceptive in any particular relating to the conduct of the business licensed or registered or for which a license or registration is sought.

### 24 VAC 22-30-20. Definitions.

"Disclaimer" means those words or phrases used to provide a clear understanding or limitation to an advertised statement but not used to contradict or change the meaning of the statement.

Board staff operates under the guidelines that the advertised price of a vehicle is the price that is available to all customers. Furthermore, all rebates must be clearly and conspicuously named. We recommend the following format for advertising rebates, incentives and discounts that are not available to all:

#### Year, Make, Model

#### Jones Motors

MSRP: \$25,000

Discounts: \$ 1,500\*

Military Rebate: \$ 500\*\*

College Grad \$ 500\*\*



Jones Motors Price \$22,500\*\*\*

\*Discount includes \$1,000 Acme Rebate for qualified buyers who finance through Acme financing and \$500 Jones Motors discount.

\*\*To qualify for \$500 military rebate, you or your spouse must be an active military member or have received an honorable discharge within the last 2 years. To qualify for College Grad Rebate, you or your spouse must have graduated from an accredited two or four year college within the last 2 years.

\*\*\*Price does not include \$399 processing fee; \$900 freight, taxes and registration fees.

In the above example, if the manufacturer offered a rebate of \$750 in lieu of the \$1,000 finance rebate, currently used in the

*Cont. on pg. 3*

*Cont. from pg. 2*

## Rebates

discount, you would ***not*** be able to list both rebates, since they are mutually exclusive.

Adding a “disclaimer” that requires consumers to determine what incentives and rebates they qualify for, does not “fix” the fact that the advertised price does not readily apply to everyone.

When advertising a price of a vehicle (Including on the Dealer’s WEB site.) the advertised price must be based on rebates/incentives that are available to ALL purchasers, or it must be clear and conspicuous to the reader which rebates, incentives and discounts would apply in their purchase.

If you advertise a price, and purchasers must meet specific criteria to get those discounts, the conditions required to receive those discounts must be clear and conspicuous. Merely listing the rebates/incentives/discounts in a disclaimer or stating something to the effect that “not everyone will qualify for the advertised price” is not adequate. If the advertised price only includes rebates/incentives/discounts that are available to everyone; all you must do is list the rebates/incentives/discounts in your disclaimer.

In addition, finance incentives provided by the manufacturer are considered available to all, and can be listed in the disclaimer area with freight charges and dealer processing fee.

As a reminder, the processing fee and freight (when applicable), must be disclosed in an actual dollar amount, not just listed as “Price does not include processing fee or freight”.

## FTC \$85,000 Enforcement

Three Dallas area auto dealers, collectively known as Southwest Kia, have agreed to pay an \$85,000 civil penalty to settle Federal Trade Commission charges that they violated an FTC administrative order barring them from deceptively advertising the cost of buying or leasing a car. According to the FTC, New World Auto Imports Inc., New World Auto Imports of Rockwall Inc. and Hampton Two Auto Corporation concealed sale and lease terms that added significant costs or limited who could qualify for vehicles at advertised prices, in violation of a 2014 order.

In a TV ad, for example, the dealers offered two cars for “under \$200 per month,” but in fine print that appeared for two seconds, disclosed that the offer applied only to leases, not sales, and required a \$1,999 payment at lease signing. One dealer mailed ads claiming a new car could be purchased for \$179 per month, but in print too small to read without magnification, disclosed that \$1,999 would be due up front, along with tax, title and license fees, and that \$8,271 would be due at the end of a 38-month financing term.

The FTC’s complaint also cited a TV ad targeted at people with major credit problems, such as repossessions or foreclosures. The ad touted vehicles for \$250 per month, but in fine print disclosed that the offer was based on a 4.25 APR that few, if any, consumers with such major credit issues could obtain. In addition, the FTC alleged that the dealers advertised credit and lease terms without clearly and conspicuously disclosing information required by federal law, and failed to keep records required by the 2014 order.

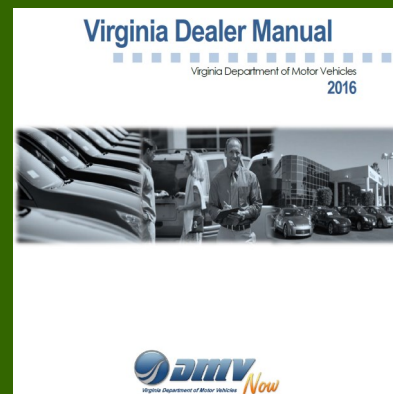
In addition to the \$85,000 civil penalty, the proposed order prohibits the dealers, in any ad for buying, financing or leasing vehicles, from misrepresenting the cost of purchase with financing, the cost of leasing, or any other material fact about price, sale, financing or leasing. It also prohibits misrepresentations that anyone, including those with poor credit, is likely to receive financing or leasing, including particular finance or lease terms.

The proposed order also bars the dealers from violating the Truth in Lending Act and the Consumer Leasing Act, which require clear and conspicuous disclosure of credit and lease terms.

The case was part of Operation Steer Clear, a nationwide crackdown on misleading advertising regarding motor vehicle sales, financing and leasing.

## Reminders...

Click on the picture to download the new 2016 DMV Dealer Manual.





## FTC to VW Sellers

Many owners of 2.0 liter Volkswagen diesels will soon be able to sell their cars back to Volkswagen AG for more than their current replacement value as a result of a proposed \$10.03 billion deceptive advertising settlement with the Federal Trade Commission. The FTC wants to make sure consumers and businesses know the facts surrounding the settlement. To that end, the FTC issued two new blog posts.

For potential buyers of affected Volkswagen diesel cars, the FTC's new business blog emphasizes that it would be unwise for anyone – including independent VW dealers – to make separate offers implying either that an offer is part of the \$10.03 billion settlement if it is not, or that affected diesel owners must buy a new VW or Audi. FTC staff will be watching closely to ensure that the compensation process is unsullied by deception.

The new consumer blog, *VW owners, get the facts!*, explains that owners of affected VWs should visit [VWCourtSettlement.com](http://VWCourtSettlement.com) (link is external) to find out how much they can get for their cars. It also explains that, even though other potential buyers may offer

what seems like a good deal, these alternative offers *may be less than what car owners can get from Volkswagen under the settlement.*

The consumer blog also emphasizes that VW diesel owners are under no pressure to act quickly – in fact, the buyback program is not yet making payments – and that they can use their buyback money for anything they want. (The staff contact is Jonathan Cohen, Bureau of Consumer Protection, 202-326-2551)

<https://www.vwcourtsettlement.com/en/> .

The FTC also has cautionary guidance for car dealers. Of course, there's nothing illegal about truthful advertising, but savvy dealers will steer clear of promotions that could deceive owners or lessees of eligible TDI cars:

- Don't suggest or imply that you're making an offer in connection with the official settlements in the case.
- Choose your words wisely. Describing a promotion with terms like "buyback" runs the risk of deceiving consumers in this context. It's also misleading to imply that consumers *have* to do business with you or *have* to spend their settlement money on another vehicle. Making misrepresentations about the settlement in an effort to sell cars could land you in legal hot water.
- Let's face it: At some point soon, many current VW TDI owners will be in the market for another car. But it's unwise to rush them into a choice before they have a complete understanding of their options. Dealers out to earn long-term loyalty will encourage affected consumers to register at [VWCourtSettlement.com](http://VWCourtSettlement.com) (link is external) to get an accurate picture of the alternatives.
- FTC staff is taking a careful look – **a very careful look** – at ads and direct mail marketing that target affected VW TDI owners. If you see something that makes a questionable claim, send us a copy. It's not right for dealers that play by the rules to have to compete with those that don't.

[https://www.ftc.gov/news-events/blogs/business-blog/2016/09/whats-deal-deals-dealers-vw-follow?utm\\_source=govdelivery](https://www.ftc.gov/news-events/blogs/business-blog/2016/09/whats-deal-deals-dealers-vw-follow?utm_source=govdelivery)

## Reminders...

As of January 1, 2011, ALL IDO's of independent dealerships must at some point in time, recertify their IDO qualification every three years by either taking an online course, classroom course, or by passing a DMV test. Click [HERE](#) for more information and [HERE](#) to determine your recertification deadline. Please note that dealers with **Franchise** endorsements are exempt from recertification. If you are unclear on your recertification deadline, or any other recertification questions, please contact Ann Majors at the MVDDB. She may be reached at 804-367-1100 x 3016, or email at [ann.majors@mvdv.virginia.gov](mailto:ann.majors@mvdv.virginia.gov)

## A Good Example

This is a good example of a dealership that logs each dealer tag, and can easily retrieve the dealer tag records for the MVDB Field Representative!



## Power of Attorney (PoA)

The Power of Attorney to Sign for Owner When Registering and/or Transferring Ownership of a Motor Vehicle”, (VAD 70A) is a three-part, secure power of attorney form only used by dealerships. **The VAD 70A shall only be used when the title is lost or in the possession of a lienholder.**

If your customers wish you to handle all DMV transactions necessary to complete the transfer of ownership or registration and licensing of a motor vehicle, including any required owner signatures and the title or MSO is not available the customer will need to complete the VAD 70A. The customer must disclose the odometer reading on the numbered, three-part, secure power of attorney form, “Power of Attorney to Sign For Owner When Registering and/or Transferring Ownership of a Motor Vehicle”, (VAD 70A).

If a dealership needs a replacement title for a title that they have lost, the

customer will need to complete the back of the VSA 66, “Application for Supplemental and Transfer Liens or Replacement and Substitute Titles”.

**Note:** Power of Attorney VAD 70A is a federal legal requirement (49 CFR Part 580). It is federal law that determines the limited circumstances for when a VAD 70A may be used. DMV appreciates the hardship that the limited VAD 70A usage puts on dealers. However, we must comply with federal law and cannot accept a VAD 70A unless the title was lost or held by a lienholder. Dealers and DMV often refer to the VAD 70A as the “pink PoA” to distinguish it from the VSA 70, “Power of Attorney to Sign for Owner”, which is often called the “white PoA” or “short PoA”. **Dealers cannot use the VSA 70 to sign for their customer in any circumstance.**

## Flood Damage

It seems to happen after every major flood... damaged cars are cleaned up and taken out of state for sale. In fact, some experts estimate that, typically, half of all vehicles damaged by flooding eventually return to market.

**Look for** water stains, mildew, sand or silt under the carpet, floor mats, and dashboard, and in the wheel well where the spare is stored. Look for fogging inside the headlights and taillights.

**Do a smell test.** A heavy aroma of cleaners and disinfectants is a sign that someone's trying to mask a mold or odor problem.

**Get a vehicle history report.**

The National Insurance Crime Bureau’s (NICB) free database lists flood damage and other information.

**Understand the difference between a “salvage title” and a “flood title.”** A “salvage title” means the car was declared a total loss by an insurance company because of a serious accident or some other problems. A “flood title” means the car has damage from sitting in water deep enough to fill the engine compartment.

**Have your mechanic inspect the car’s** mechanical and electrical components, and systems that contain fluids, for water contamination.

**Report fraud.** If you suspect a dealer is knowingly selling a storm-damaged car or a salvaged vehicle as a good-condition used car, contact your auto insurance company, local law enforcement agency, or the NICB at (800) TEL-NICB (835-6422). You’ll help someone else avoid a rip-off.

*back to pg. 1*

# Board Actions

## Dealer Practices

**Wally's Wholesale and Walter Werness** - On June 28, 2016, an informal fact-finding conference was conducted to address the alleged violations of failure to have liability insurance on each dealer tag, and material misstatement. Based on the information provided at the conference, the assessed a civil penalty of \$1,000 and a written warning.

**American Eagle Auto Group, LLC and Ayman Ibrahim** - On May 18, 2016, an informal fact-finding conference was conducted to address the alleged violations of unlicensed salespersons, failure to maintain dealer records, PoD violations, material misstatements, deceptive acts and practices, and knowingly misleading business conduct. Based on the information provided at the conference, the Board assessed an \$11,000 civil penalty, and revocation of all licenses and certificates issued by the Board.

**JJ Imports, LLC and Jahanzaiab Raja** - On August 11, 2016, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain dealer records, failure to provide proof of safety inspections prior to retail sale, failure to have liability insurance on each dealer tag, and material misstatement. Based on the information provided at the conference, the Board has remanded this issue back to the Hearing Officer for further review.

**A&R Motors, LLC and Zuhair J. Ramadan** - On July 19, 2016, an informal fact-finding conference was conducted to address the alleged violations of temporary tags. Based on the information provided at the conference, the Board assessed a \$250 civil penalty.

**Jack's Motor Car Corporation and Jack Nasser** - On July 26, 2016, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain dealer records, failure to have liability insurance on each dealer tag, and material misstatement. Based on the information provided at the conference, the Board issued a written warning.

**Frontline Motors and Mathew Gwangwaa** - On August 15, 2016, an informal fact-finding conference was conducted to address the alleged violations of sales from an unlicensed location, failure to maintain dealer records, failure to provide W-2 employment records, failure to provide proof of safety inspection prior to retail sale, acts of officers, failure to comply with previous warnings, and deceptive acts and practices. Based on the information provided at the conference, the Board assessed a civil penalty of \$8,000 and revocation of all licenses licenses and certificates issued by the Board.

**M & N Auto Sales, and Nukria Balarjishvili.** Paid a \$1,250 civil penalty for failure to maintain dealer records.  
**ABCDieselz, and Jason D. Adams.** Paid a \$1,000 civil penalty for failure to maintain insurance on each dealer tag.

**North Irving Motors, and Elfatih Ali.** Paid a \$4,000 civil penalty for failure to maintain insurance on each dealer tag.

**Kip Killmon Ford, and Clifton B. Killmon, Jr.** Paid a \$500 civil penalty for an unlicensed salesperson.

**Rays Auto & Truck Sales, Inc., and Rondal Burks.** Paid a \$250 civil penalty for misuse of D-tag.

**All in One Convenience Store, and Muhammad Adrees.** Paid a \$500 civil penalty for failure to provide proof of safety inspection prior to retail sale.

**High Quality Motors, and Mohammad Kabiri.** Paid a \$250 civil penalty for failure to provide proof of salesperson W-2 employment.

*cont'd on pg. 7*

# Board Actions

**Alpine Motor Sports, LLC, and John B. Johnson.** Paid \$250 civil penalty for failure to maintain business hours.

**Duke Auto LLC, and Chris McAll.** Paid \$250 civil penalty for failure to maintain business hours.

**Select Imports, LLC, and William J. Gurdin.** Paid \$250 civil penalty for failure to maintain business hours.

**Blue River Motors, and Michael Ng.** Paid \$250 civil penalty for failure to maintain business hours.

**Virtuous Motors, LLC, and Khaliq Shabazz.** Paid \$1,000 civil penalty for failure to maintain business hours.

## Advertising

**Speedy Cars, Inc. and Michael Stanley.** On July 20, 2016, an informal fact-finding conference was conducted to address the alleged violations of the dealer advertising on Craigslist under the category "owner" instead of the "dealer" category which is considered to be misleading. Also, the advertisement failed to disclose the processing fee and the dealer name or VADLR. In addition, the advertisement placed a telephone number that did not belong to the dealership. Based on the information provided at the conference, the Board imposed no penalty on Speedy Cars, Inc., and Michael Stanley.

**Joe's Blvd Auto Sales, LLC and Yousef Abualia.** On July 7, 2016, an informal fact-finding conference was conducted to address the alleged violations of advertising on Craigslist under "by owner" instead of "by dealer" category which is considered to be misleading. Also, the processing fee and dealer name or VADLR failed to be disclosed. Based on the information provided at the conference, the Board assessed a civil penalty of \$1,000.

**Tag Automotive Group, and Dwayne Brown.** Paid a \$250 civil penalty for advertising vehicles on Craigslist under the category "owner" when the advertisements should be placed under the category "dealer". By placing vehicles under the category "owner" it is considered to be misleading. They also failed to disclose the processing fee in advertisements, and the Craigslist advertisement failed to disclose the phone number the dealership has on file with the Board. All of the above violations would also fall under the category of Deceptive Acts and Practices.

**West Broad Hyundai, and Lawrence Page.** Paid a \$1,000 civil penalty for advertising the "Online Price" on the website, that is not available to everyone, advertising "FREE" in violation of MVDB Advertising regulations, and failure to comply to previous warnings.

**Merlex Auto Group, and Amin Kandaharu.** Paid a \$1,500 civil penalty for advertising vehicles on Autotrader as well as their Website that appear to have been already sold. This type of advertising is considered to be misleading, deceptive, and "bait" advertising, in which an advertiser may have no intention to sell at the price or terms advertised.

**Stones Auto Sales, and Raymond Stone, Jr.** Paid A \$1,000 civil penalty for advertising on Craigslist under the category "owner" instead of the "dealer" category which is considered to be misleading. Also, the processing fee and dealer name or VADLR failed to be disclosed.

**Joe's Blvd Auto Sales, and Yousef Abualia.** Paid a \$1,000 civil penalty for advertising on Craigslist under "by owner" instead of "by dealer" category which is considered to be misleading. Also, the processing fee and dealer name or VADLR failed to be disclosed.

**NOTE: Depending on the circumstances, all Board Actions may be appealed to Circuit Court, or for an administrative hearing.**

For prior issues of Dealer Talk click [HERE](#)

*cont'd on pg. 8*



## DMV News

*Cont. from pg. 1*

tracks the number of temporary tags issued to each dealer. A reprint of the temporary tag will produce a duplicate tag with the same expiration date. It is a requirement that the year, make, and VIN on the temporary tag must match the vehicle on which it is displayed.

If the vehicle will be titled in another state and the paperwork has not been completed, the dealership can process an extension prior to the 30 day temporary tag expiration date. The dealer will not need to receive approval from

DMV prior to the extension. Vehicles being titled in Virginia are not permitted an extension unless the sales and use tax (SUT) has been paid to the DMV.

A second original 30 day temporary tag can be issued (this will create a **new tag number**) for the following reasons:

1. An extension needs to be processed for an out of state customer and the 30 day tag is expired.
2. An extension needs to be pro-

cessed for a Virginia customer and the 30 day tag has expired and the SUT has been paid.

3. The temporary tag was voided due to entering the information incorrectly.
4. The temporary tag was voided due to a contingency of sale.

When issuing the 2<sup>nd</sup> original 30 day temporary tag the PoD vendors system will require the dealer to mark why a second original is being issued. Questions? Email [dealer-services@dmv.virginia.gov](mailto:dealer-services@dmv.virginia.gov)

## What's Wrong With This Picture?



This dealer was not compliant with dealer records because there was no systematic retrieval process in place for the Field Representative to be able to verify the records.

**§ 46.2-1529.** All dealer records regarding employees; lists of vehicles in inventory for sale, resale, or on consignment; vehicle purchases, sales, trades, and transfers of ownership; collections of taxes; titling, uninsured motor vehicle, and registration fees; odometer disclosure statements; records of permanent dealer registration plates assigned to the dealer and temporary transport plates and temporary certificates of registration; proof of safety inspections performed on vehicles sold at retail; and other records required by the Department or the Board shall be maintained on the premises of the licensed location. The Board may, on written request by a dealer, permit his records to be maintained at a location other than the premises of the licensed location for good cause shown. **All dealer records** shall be preserved in original form or in film, magnetic, or optical media, including microfilm, microfiche, or other electronic media, for a period of five years **in a manner that permits systematic retrieval.** Certain records may be maintained on a computerized record-keeping system with the prior approval of the Board.

*Back to pg. 1*



# IMPORTANT NOTICE TO PROSPECTIVE DEALERS

The path to a Dealer-Operator license begins with a required two-day course of study each month at various community colleges in Virginia with the curriculum and instruction provided by VIADA. The course takes the attendee from establishing the dealership under local zoning and Dealer Board requirements, through the sales process with its multitude of forms, laws and regulations, in to a sampling of opening and operating expenses, and ending with a discussion on ethics. The course is open to all existing dealers and their employees.

Date	College	Contact Information
<b>2016</b>		
Oct 11-12	Northern Virginia in Reston	Claire Wynn 703-450-2551 <a href="http://www.nvcc.edu/loudoun/continuing">www.nvcc.edu/loudoun/continuing</a>
Nov 01-02	Blue Ridge Community College in Weyers Cave	Registration 540-453-2215 <a href="http://www.brcc.edu">www.brcc.edu</a>
Nov 15-16	Germanna Community College Fredericksburg	Registration 540-937-2913 <a href="http://www.germanna.edu/workforce">www.germanna.edu/workforce</a>
Dec 06-07	Lord Fairfax Community College in Middletown	Registration 540-868-7021 <a href="http://www.lfccworkforce.com">www.lfccworkforce.com</a>
<b>2017</b>		
Jan 10-11	Germanna Community College , Fredericksburg	Registration 540-937-2913 <a href="http://www.germanna.edu/workforce">www.germanna.edu/workforce</a>
Jan 24-25	Patrick Henry Community College , Martinsville	Registration 265-656-0260 <a href="http://www.ph.vccs.edu">www.ph.vccs.edu</a>
Feb 07-08	Paul D. Camp Community College , Franklin	Renee Brown 757-569-3984 <a href="http://www.pdc.edu/workforce-development">www.pdc.edu/workforce-development</a>
Feb 21-22	Virginia Western Community College, Greenville Center, Daleville	Registration 540-966-3984 <a href="http://www.virginiawestern.edu">www.virginiawestern.edu</a>

# Social Media and Car Shopping

More car shoppers are using social media during their search, but a small number find the information there to be particularly influential. According to J.D. Power's *2016 New Autoshipper Study*, 22 percent of internet car shoppers use a social media site as a source during their search. That's up from 16 percent in 2015.

But of those shoppers who use social media, only 13 percent said the information influenced their purchase decision, and just 2 percent said a social media site was the "most useful site" they visited. "Social media plays a large role in many consumers' lives, so it's not surprising that it's one of the tools they're using during the vehicle-shopping process," said Mike Battaglia, vice president, automotive retail at J.D. Power.

"While we would not expect social media sites to compete head-on with designated auto shopping sites like Toyota.com and Kelley Blue Book, it's easy to understand the role and relevance social plays in the automotive shopping process." The study analyzed how new-vehicle buyers use digital devices to gather information prior to purchase, as well as which websites and apps they use during the shopping process. The study also examined which types of content new-vehicle buyers access during their shopping process and which content they find most useful.

## Details about social media use

According to the study, the most popular social media sites used by

auto internet shoppers are YouTube (13 percent), DealerRater (7 percent) and Facebook (5 percent).

Thirty-four percent of new-vehicle buyers using social media post a picture of their new vehicle on a social site. Of those, 88 percent will post to Facebook, followed by Instagram at 21 percent.

"Social media platforms aren't as useful as automotive shopping websites for automotive information, but they do serve the needs of consumers for unbiased dealer reviews, affirmations from other vehicle owners, accessing automotive-related videos and exchanging ideas and opinions with friends and family members," said Battaglia.

## Auto shopping websites still reign

Traffic to auto shopping websites outpaces that to social media sites among internet car shoppers. The study found that more than nine out of 10 visit at least one automaker's site during the shopping process, while 84 percent visit a dealer site and 79 percent visit a third-party site. On average, internet shoppers visit 10 automotive websites in their shopping process: four automotive manufacturer websites, three third-party websites and three dealership websites.

The most frequently accessed content on automotive shopping websites is model information (89 percent), vehicle pricing (88 percent) and photo galleries (81 percent). But automotive internet shoppers find different types of sites more useful for different reasons. For example, they find that automotive brand

sites are most useful for their model information, vehicle configurators and photo galleries, whereas dealer websites are found to be most useful for inventory searches, and vehicle pricing and third-party sites are most useful for vehicle ratings/reviews and vehicle comparisons.

## Other key findings:

— More than half (53 percent) of automotive internet shoppers use a mobile device. For 2016, smartphone usage surpasses tablet usage (37 percent versus 33 percent, respectively). The use of desktop or laptop computers remains most common at 92 percent, but has been decreasing from 99 percent in 2012. But the proportion of time spent shopping on mobile devices continues to increase, with 33 percent of the total shopping time now conducted on a mobile device.

— The three most frequently visited third-party sites have remained consistent since 2012 (listed alphabetically): Consumer Reports, Edmunds.com and Kelley Blue Book. Among the 37 third-party websites measured in the study, TrueCar experiences the largest increase in site visitation for a second consecutive year.

The *2016 New Autoshipper Study* is based on responses from 17,349 purchasers and lessees of new 2014 to 2016 model-year vehicles who used information gathered digitally during the shopping process. The study was fielded from February through June.

# MOTOR VEHICLE DEALER BOARD

MVDB

2201 W. Broad Street

Suite 104

Richmond, VA 23220

Phone: 804-367-1100

Fax: 804-367-1053

E-mail: [dboard@mvdb.virginia.gov](mailto:dboard@mvdb.virginia.gov)

Editor: Ann Majors

Visit us on the Web!

[www.mvdb.virginia.gov](http://www.mvdb.virginia.gov)

DISCLAIMER: We make every effort to ensure information in Dealer Talk is accurate, but it is not a substitute for legal advice.



## ***MVDB Mission Statement***

The Motor Vehicle Dealer Board will administer sections of the Commonwealth's Motor Vehicle Dealer Laws and regulations as charged; while providing a high level of customer service for the automotive consumer and dealer community.

## ***U.S. Department of Transportation offers Guidance for Highly Automated Vehicles***



On September 19, 2016, the White House issued a press release outlining the release of a fact sheet and guidance documents from the U.S. Department of Transportation, related to Highly Automated Vehicles (HAV's). To read the White House press release, click [HERE](#).

September 20, 2016, the U.S. Department of Transportation issued a regulatory framework for vehicle manufacturers, state regulators and other stakeholders regarding the development and deployment of autonomous cars and trucks. The proposed policy initiative comes as both traditional automotive makers and tech giants march increasingly closer to readying such technology for public use. The proposed guidelines set a 15-point safety assessment, which requires autonomous vehicle manufacturers to submit a notice to the DOT stating their autonomous vehicles meet certain specifications regarding crashworthiness, individual privacy, cybersecurity, safety systems, privacy, data recording, ethics and more. To read the full DOT guidance document click [HERE](#).