



# Delivering an Effective Dealer Management/Oversight Program



Motor  
**Vehicle Sales Authority**  
of British Columbia

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Registrar of Motor Dealers

## Overview

- A Brief History
- Mandate as directed by Government
- Structure, Budget & Size of Industry
- Vision, Mission & Registrar's Philosophy
- Education & Partnerships
- "Regulatory Work"
- Results "Consumer Confidence in the Industry"

## Brief History

- April 2004 - Motor Dealer Council of B.C.
- Doing business as MVSA of B.C. in 2007
- Created at request of:
  - 1) New Car Dealers Association
  - 2) Automotive Retailers Association  
(Independents)
  - 3) Recreation Vehicle Dealers Association

## Brief History cont.

- Self-management of operations
- Self-funded - no government funding
- Operated as a non-profit society
- Set priorities

## Mandate

- Licensing of Dealers & Salespeople
- Industry & Consumer Education
- Inspection & Investigation Program
- Consumer Protection
- Dispute Resolution
- Manage the Compensation Fund Process

## Mandate cont.

- B.C. Government:
  - Monitors the operations of the MVSA (annual reports, business plans, audits and reviews)
  - Is responsible for the legislation
  - Has authority to temporarily take over operations if necessary or disband

## Structure

- Not for Profit Society
- 11 Board members:
  - 3 - Franchise Dealers (NCDA)
  - 2 - Independents (ARA)
  - 1 - RV Dealer (RVDA)
  - 2 - Minister Appointments
  - 3 - Public-at-Large

## Structure

- President – Overall operations
- Registrar – Regulator and independent
- Licensing
- Compliance
- Consumer Services & Compensation Fund
- Education & Communications
- Administration & Support



## Budget

- Budget \$4.5 million – no change since 2007
- Dealer Licensing (48%) \$2.1 m
- Salesperson Licensing (26%) \$1.1 m
- Courses (cost recovery) (20%) \$894,000
- Administrative & Other (6%) \$315,000
- 2012-13 surplus \$157,000
- No revenue from the B.C. Government

## Size of Industry 2012-13

- 1445 dealers
- 6744 salespeople
- 104 new dealer applications
- 1238 new salesperson applications

## Size of Industry

2012 sales (est.) of personal vehicles 571,480:

- New cars 137,285
- Used by franchise 137,800
- Used by independent 129,694
- Motorcycles 6,911
- New RV's 5,779
- Used by private sale 154,011



## Size of Industry

- B.C. Population 4.6 m
- Metro Vancouver 2.4 m
- B.C. geography 364,764 sq. m
- California 163,707 sq. m
- Washington State 71,300 sq. m
- Oregon 98,380 sq. m
- Colorado 104,093 sq. m

## Vision

*A professional motor vehicle sales industry serving responsible consumers*

- Professional – at a minimum, knows and abides by the law
- Responsible – researches, asks questions, takes active role in the purchase process

## Mission

*Continuing to build a successful motor vehicle sales marketplace through education and compliance*

- Successful means:

Consumer confidence in the motor dealer industry.

## Registrar's Philosophy

- Seek voluntary compliance through education first
- Seek to remedy non-compliance and restore compliance .... not to punish
- Systemic issues versus errors
- New focus – amend internal policies and hold to account as part of an undertaking

## Education

- Emphasis on Education
- Level I – Certification Course
- Level II – Managers & senior salespersons (started in 2008 ending October 2013)
- Continuing Education – business risks, legal updates, business office specific, privacy
- Focus on legal obligations and business risks





# Education 2012-13

- Level I Classes 50
- Level I Participants 1150
- Level II Classes 39
- Level II Participants 871

## Partnerships

- NCDA, ARA & RVDA
- Insurance Corporation of B.C.
- Commercial Vehicle Safety Enforcement
- Canadian Revenue Agency & B.C. Finance
- Consumer Protection B.C.
- Canadian Motor Dealer Regulators
- Real Estate, Securities & Insurance Councils

## Regulatory Work 2012-13

- Consumer Enquiries 2057
- Investigations/Consumer 772/534
- Formal Compliance Actions 70
- Consumer Restitution \$1.1 m
- Inspections 1216
- Liaison Visits 835

## Consumer Confidence

- May 2013 Ipsos Reid survey on the level of consumer confidence in the motor vehicle sales industry.
- Commissioned by the MVSA of B.C.



Ipsos Reid



Motor  
Vehicle Sales Authority  
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# Motor Vehicle Sales Authority of British Columbia

## 2013 Public Confidence Study

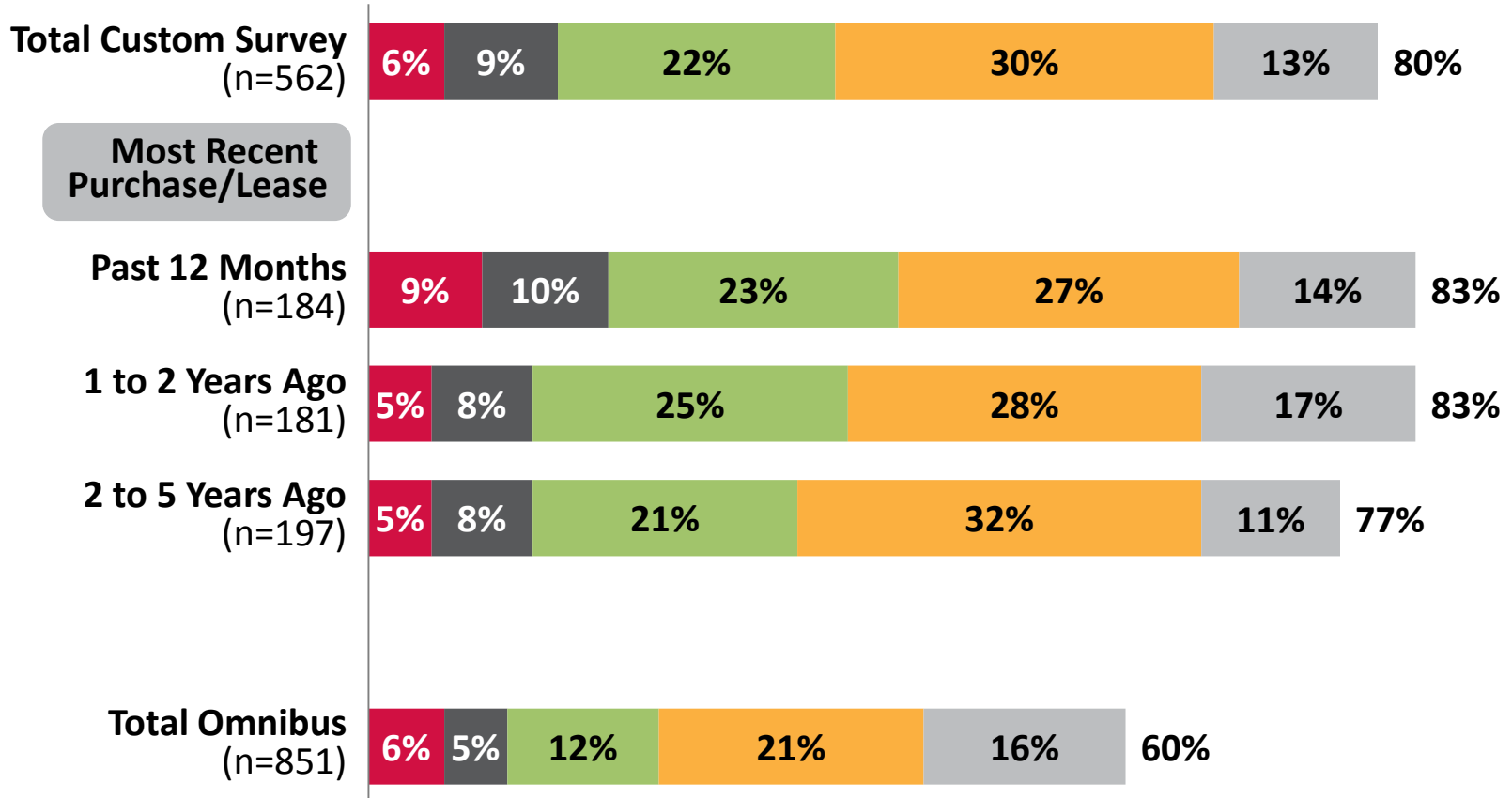


# Research Objectives

- The primary purpose of this research is to measure public confidence in the motor vehicle sales industry in BC.
- This research will provide valuable information about attitudes and perceptions toward the industry, which will enable the VSA to make informed marketing decisions to most effectively accomplish its goal.
  
- The objectives of this research are to:
  - Measure public confidence in the motor vehicle sales industry in BC among the general public as well as vehicle buyers/lesers;
  - Assess perceptions of the motor vehicle sales industry overall and on relevant attributes;
  - Measure the progress the industry and the VSA has made in accomplishing their mission of improving industry professionalism and public perceptions over time; and,
  - Measure awareness of the VSA and its role within BC.

# Confidence in the Motor Vehicle Sales Industry

■ Rated 10, Extremely confident  
 ■ Rated 9  
 ■ Rated 8  
 ■ Rated 7  
 ■ Rated 6



  Significantly higher than others within sub-group.  
  Significantly lower than others within sub-group.

Base: All British Columbia respondents & Among those who bought/leased a vehicle through a dealership, excluding don't know

C3. Overall, excluding private sales, how confident are you in the motor vehicle sales industry in BC? Where 1 = not at all confident and 10= extremely confident.

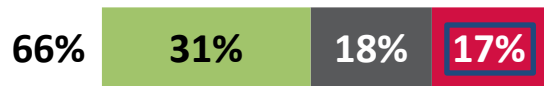


# Overall Rating of Purchase/Lease Experience & Salesperson

Among those who bought/leased through a dealership

## Overall Experience

Rated 8 ■ Rated 9 ■ Rated 10 – Excellent ■



Dealership Total  
(n=597)

## Most Recent Purchase/Lease

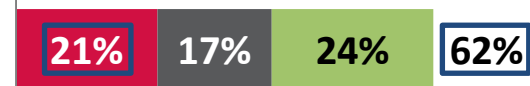
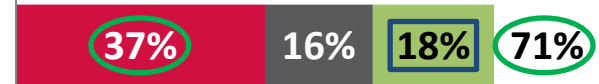
Past 12 Months  
(n=201)

1 to 2 Years Ago  
(n=189)

2 to 5 Years Ago  
(n=207)

## Salesperson

Rated 10 – Excellent ■ Rated 9 ■ Rated 8 ■



  Significantly higher than others within sub-group.

  Significantly lower than others within sub-group.

Base: Among those who bought/leased a vehicle through a dealership

C1. Still thinking of the last time you bought/leased a vehicle from a dealership, please rate your vehicle purchasing/leasing experience overall.

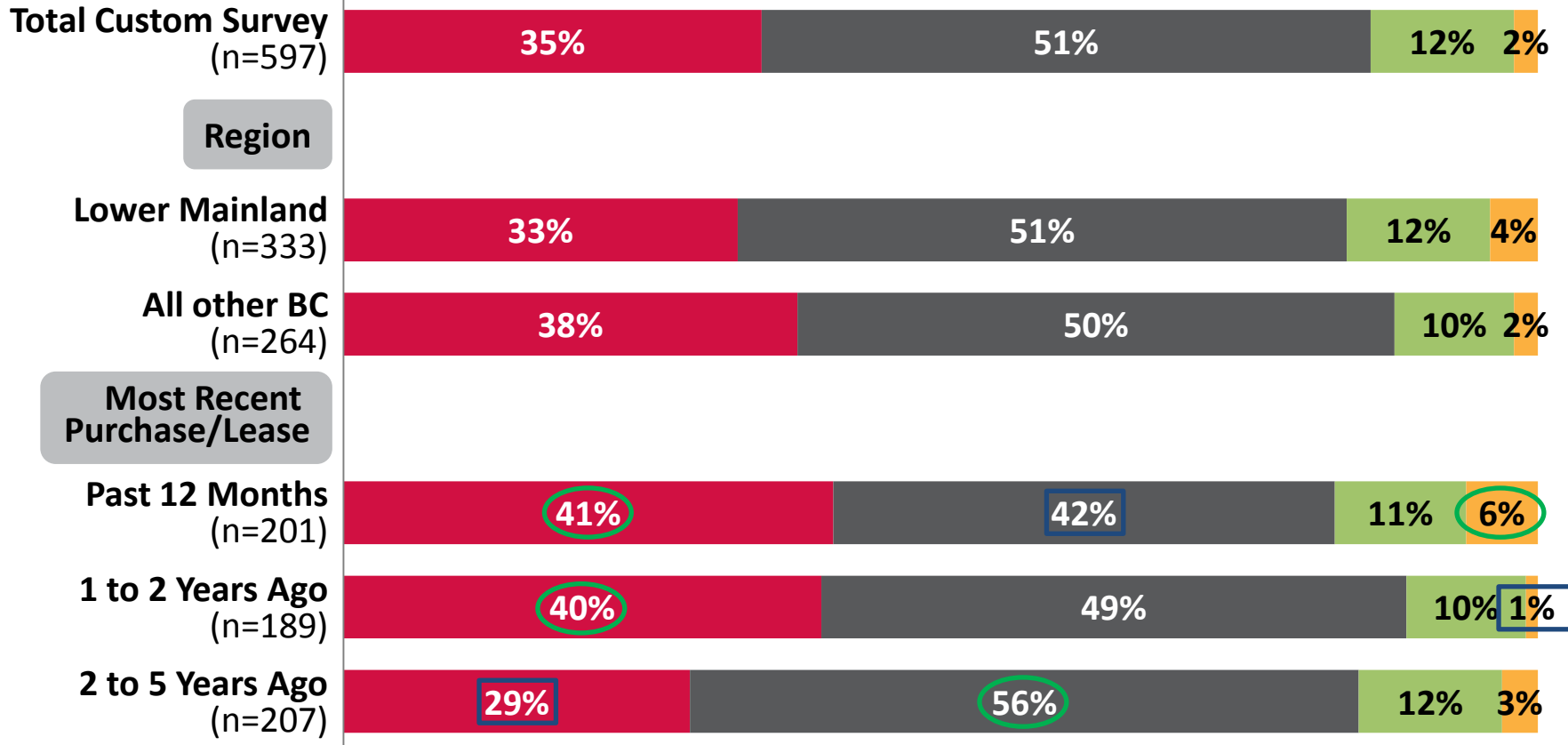
C2. Please rate your experience overall with the salesperson who sold you the vehicle.



# Comparison to Last Purchase

Among those who purchased through a dealership

■ Better ■ Same ■ Worse ■ Don't know



  Significantly higher than others within sub-group.  
  Significantly lower than others within sub-group.

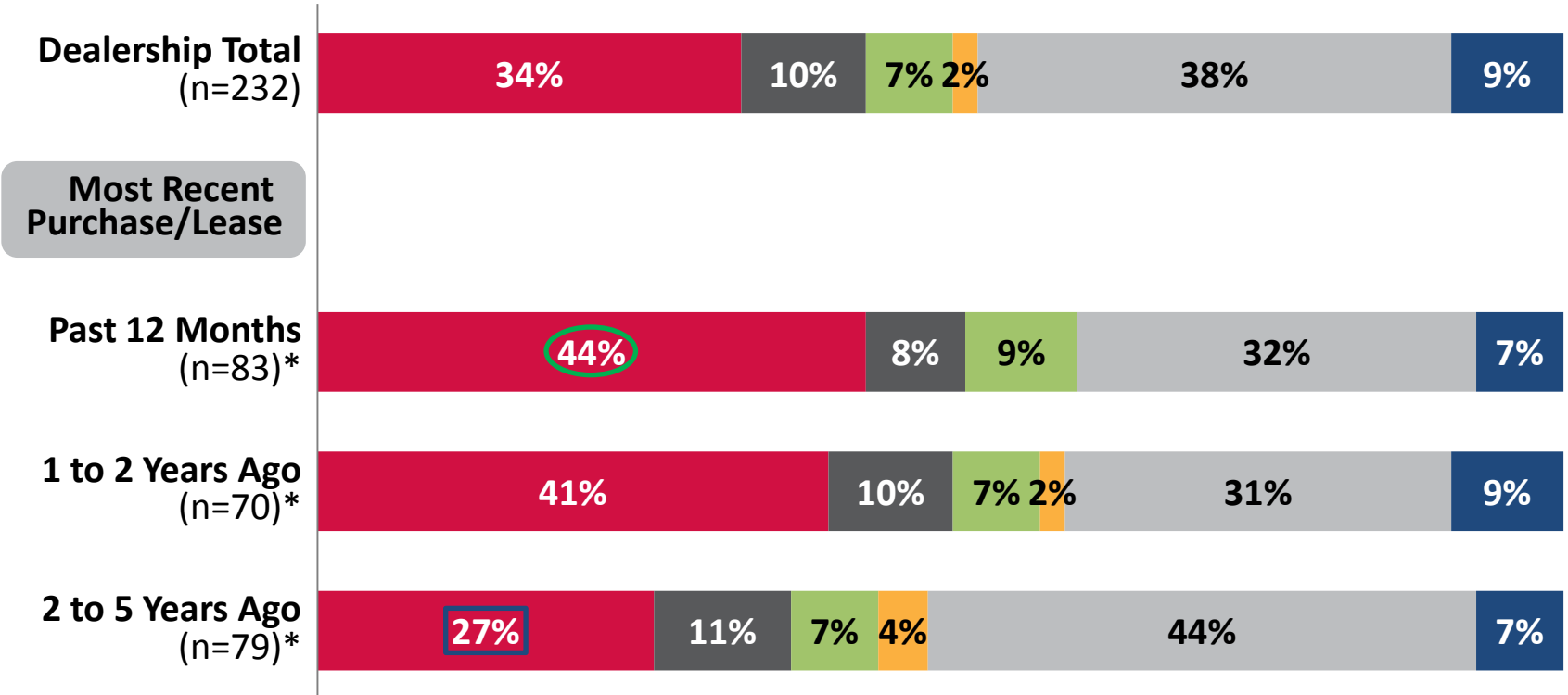
Base: Among those who bought/leased a vehicle in the past 5 years  
 E5. Compared to any prior experience buying/leasing a vehicle was your most recent purchase experience...



# Mechanical Inspection – Used Vehicle Buyers

Among those who purchased through a dealership

- Offered mechanical inspection or results of an inspection without asking
- Asked for mechanical inspection or results of an inspection and received them
- Asked for mechanical inspection and was allowed to have vehicle tested offsite
- Asked for mechanical inspection and was NOT allowed to have vehicle tested offsite
- Did not ask for and was not offered mechanical inspection
- Don't know



Significantly higher than others within sub-group.  
 Significantly lower than others within sub-group.

\*Small base size, interpret with caution.

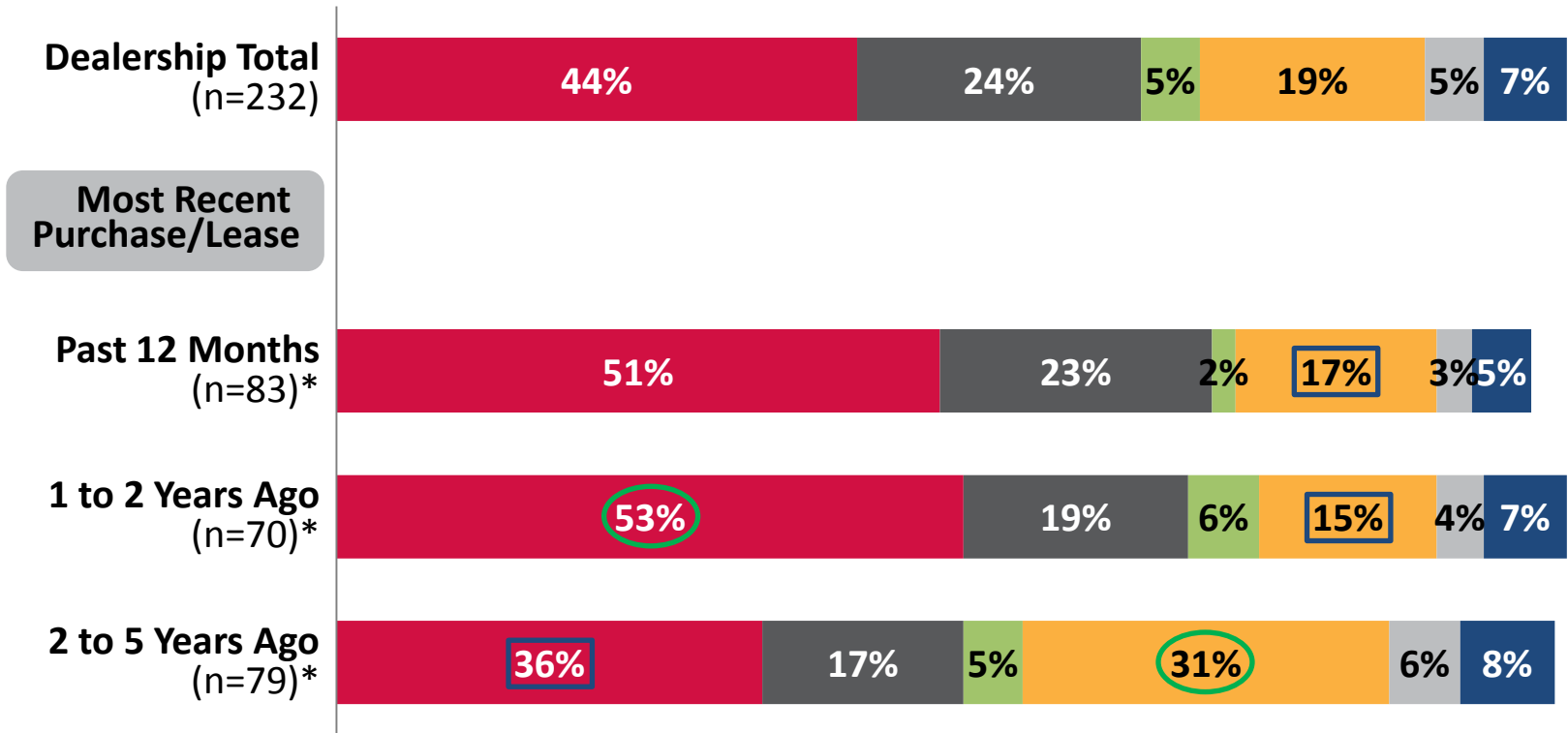
Base: Among those who bought/leased a used vehicle either through a dealership or private sale

E9. When buying/leasing your most recent used vehicle, were you offered or did you ask for a mechanical inspection by a qualified, independent mechanic?

# Vehicle History Report – Used Vehicle Buyers

Among those who purchased through a dealership

- Offered vehicle history report without asking
- Asked for vehicle history report and it was provided
- Obtained my own vehicle history report
- Did not ask for and was not offered vehicle history report
- Asked for vehicle history report but it was not provided
- Don't know



  Significantly higher than others within sub-group.  
  Significantly lower than others within sub-group.

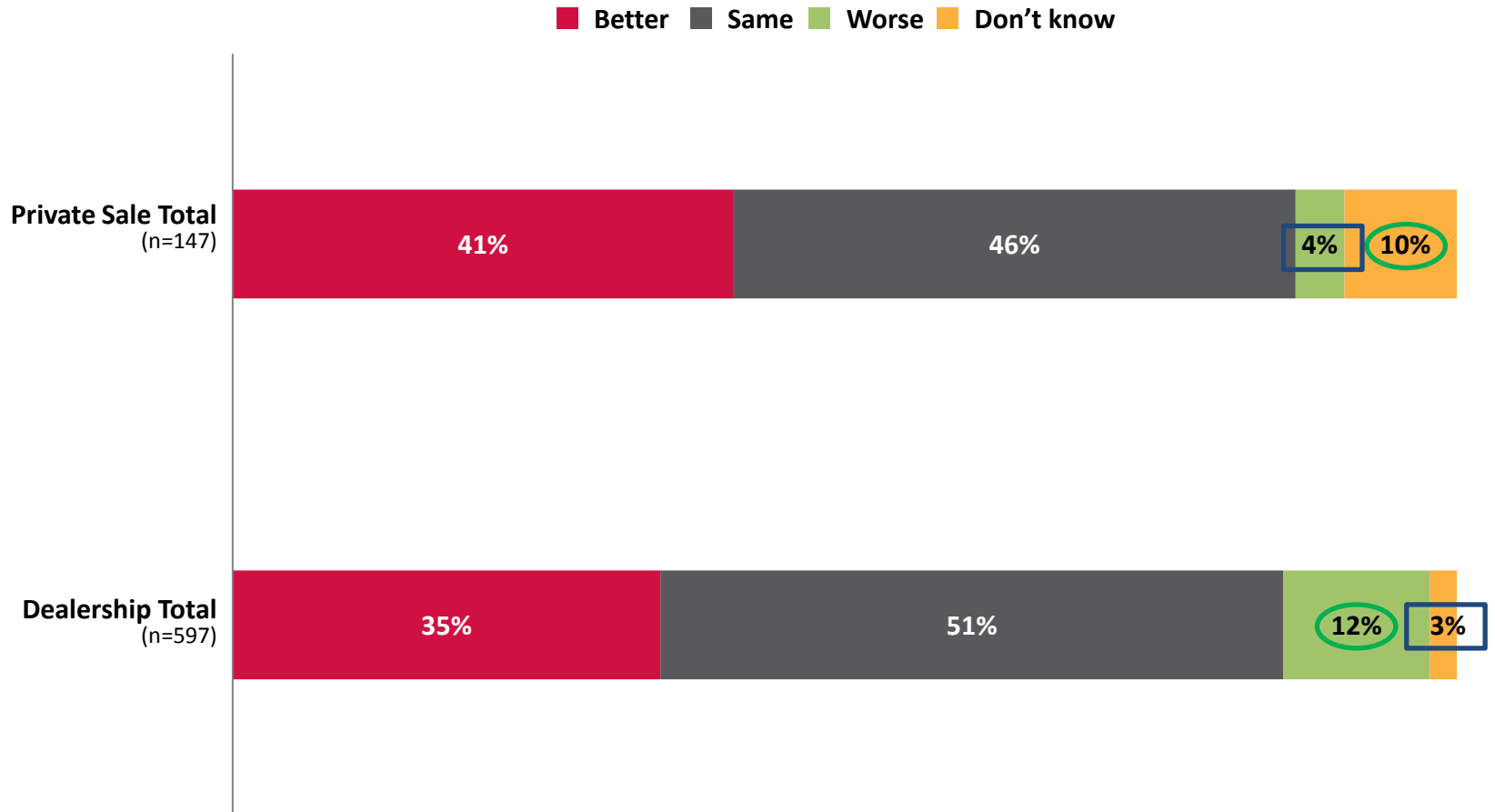
\*Small base size, interpret with caution.

Base: Among those who bought/leased a used vehicle

E10. When buying/leasing your most recent used vehicle, were you offered or did you ask for a vehicle history report (eg. from ICBC or CarProof)? Please choose as many as apply.

# Comparison to Last Purchase

Among those who purchased through a private sale



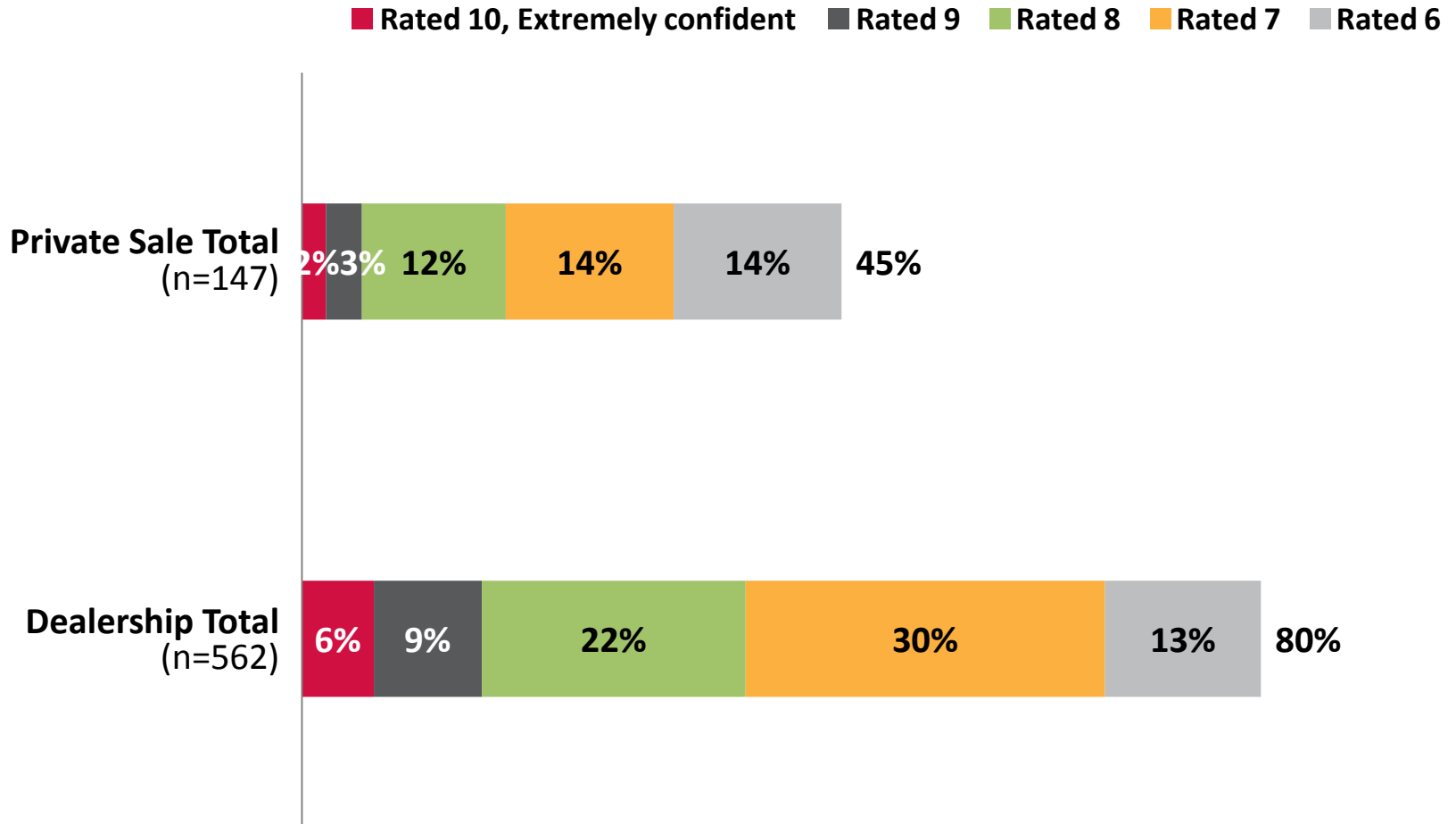
Significantly higher than others within sub-group.  
 Significantly lower than others within sub-group.

Base: Among those who bought/leased a vehicle in the past 5 years

E5. Compared to any prior experience buying/leasing a vehicle was your most recent purchase experience...

# Confidence in the Motor Vehicle Sales Industry

Among those whose most recent purchase was through a private sale



  Significantly higher than others within sub-group.  
  Significantly lower than others within sub-group.

Base: Among those who bought/leased a vehicle through private sale

C3 /D3. Overall, excluding private sales, how confident are you in the motor vehicle sales industry in BC?



# Questions

