

Component Pricing

Further information to assist you with compliance

The recent trade practices changes and subsequent publication of the ACCC's Pricing Manual for the Motor Vehicle Industry have been the topic of much discussion and information exchange over the last few days.

The use of differing terminology, by different industry stakeholders, has created some confusion and as such, we have fielded calls from several clients seeking clarification.

The following information has been compiled to assist you in understanding how Dealer Solutions will be managing these advertising changes for their clients and how this fits in with the advertisers that you use.

Understanding state based variations to component pricing

It has been identified that in some states, the collection of government charges by dealers on behalf of their customers does not apply and as such, the dealer's advertised price would not include these components. This price has been labeled by one major online advertiser as the Excluding Government Charges or **EGC** price.

On the other hand, in states where the onus placed on the dealer to collect the stamp duty, registration and other fees from the customer on behalf of the government, these components must be included in the dealer's price calculations for the vehicle.

In both cases, the sum of the components, whether including or excluding the government charges, is the **Advertised Price**.

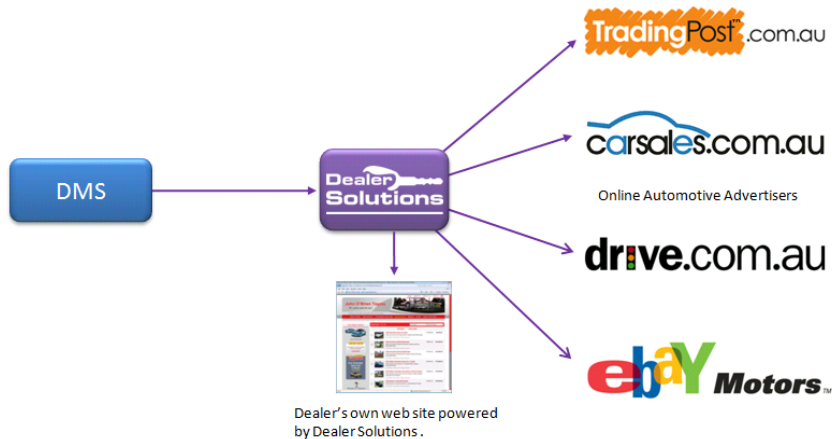
Simple pricing scenario for a used vehicle;			
Component	Amount	Total	
Base Vehicle Price including all dealer charges payable by the customer to the dealer	\$6,200.00	\$6,200.00	(This is the EGC price)
Rego, Stamp Duty, other Govt. fees	\$513.90	\$6,713.90	
Advertised Price		\$6,713.90	

Note: All amounts should include GST where applicable.

Achieving the correct Advertised Price

How you achieve the correct Advertised Price is largely dependent on how your inventory data is transferred to Dealer Solutions. Since the primary data source is usually a data feed from your DMS provider, we will focus on this method (the alternative is usually manual data entry).

In the case where your inventory data is transferred to Dealer Solutions via your DMS, the flow of data would look like this;



Previously, the retail price in your DMS would be sent to Dealer Solutions and that price would then be forwarded to the advertisers of your choice. If we power your Web Site inventory, this price would also be displayed there too.

To ensure your compliance with the new amendments, we have expanded our system's capability to now include additional price components, enabling you to achieve the correct Advertised Price.

Depending on each Advertiser's system and what price components they accept, via Dealer Solutions you now have the ability to export both the Advertised Price and the EGC Price. How the various advertisers then use and display these prices will differ from advertiser from advertiser.

Dealer Solutions now provides the ability for you to either;

- a. Send us the individual components and have us automatically calculate the EGC and Advertised Prices for you.
- b. Send us both the EGC and Advertised Price.
- c. Send us the Base Vehicle Price and manually enter the additional components into the Dealer Solutions Online Manager interface if required.

Which option you choose for arriving at the correct Advertised Price will be dictated by your DMS's capability to include and export the correct components.

- If your DMS has the ability to provide either the EGC Price or Components, you will need to arrange to have your DMS provider or Systems Administrator amend the data feed that you export to us by adding the correct fields to your data export. Please ensure that you let us know prior if you propose amending the data feed that you send to us.
- If your DMS does not have the ability to export the correct components, you will need to administer your pricing in the Dealer Solutions Online Manager interface.

Excerpt from Dealer Solutions Online Manager Interface

Pricing	
Item Price	: 6200
Old Item Price	: 0
Additional Fees	: 0
Statutory Fees	: 513.90
Advertised Price	: \$6713.90 EGC: \$6200.00
Drive Away Price	: <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="button" value="Edit"/>
List as Internet Special?	: <input type="radio"/> Yes <input checked="" type="radio"/> No
Campaign Price	: <input type="button" value="Edit"/>

Once we have received your price components, we can correctly distribute them to your choice of online advertiser. For example; carsales.com.au has advised that they wish to receive both a Drive Away Price (DAP) & EGC Price from all dealers. Dealer Solutions' systems are compatible with this request.



IMPORTANT – In all cases, unless you add an EGC Price or Price Components to your data feed, the Base Vehicle Price that you send to us will be distributed and used in your online advertising as the Advertised Price (or the EGC price for carsales.com.au data feeds). If this price is not inclusive of applicable component fees, you will need to manually include them.

Checklist

- Establish whether your dealership collects the stamp duty, registration and other fees from the customer on behalf of the government.

- Check where your vehicle prices come from and how they are sent to Dealer Solutions.

- Decide how you will include the correct components to achieve your Advertised Price.
 - Eg: Send Advertised Price & EGC or send Base Price & Component Fees.

- If required, contact your DMS provider or Systems Administrator to adjust your data feed (don't forget to tell us)

- If your DMS or data source is not able to export the correct components to achieve your Advertised Price, log into the Dealer Solutions Online Manager and enter the missing information.

- Contact us if you require any assistance.

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