

# ICAP Co-Marketing Program

2013 Program Year

April 2013



INFINITI®

# INTENT AND COMPONENTS

The overall intent of the Infiniti Collective Advertising Co-Marketing Program Guidelines (ICAP Co-Marketing) is to ensure Retailer advertising that:

- Leverages the significant advertising investments made by Infiniti and Infiniti Retailers by making the advertised brand image of Infiniti stronger and more consistent across all advertising forms.
- Reflects the upscale qualities of the Infiniti Brand.
- Builds Infiniti's reputation for quality, desirability and integrity.
- Drives long-term, profitable growth by increasing both short- and long-term purchase intentions.

To accomplish these important goals, ICAP Co-Marketing was designed as a positive, simple-to-follow program with four interrelated components. Each component is discussed in turn in this program guide.

Note: The issuance of these guidelines by Infiniti does not alter the right of any individual Retailer to determine the selling price for Infiniti products. Retailers are responsible for ensuring that all advertising complies with applicable local, state and federal laws.

## ADVERTISING REIMBURSEMENT

Infiniti Retailers enrolled in the ICAP Co-Marketing Program receive \$150 in advertising reimbursement for every new vehicle purchased from Infiniti, with the exception of wholesale fleet, auto show and auction units. To remain qualified for the reimbursement, Retailers must maintain new-Infiniti advertising spending of at least \$150 PNUW and must advertise in compliance with the ICAP Co-Marketing Guidelines.

Reimbursement is made to the Retailer's Infiniti Non-Vehicle Account for the eligible wholesale purchases made during the previous month. Retailers must be authorized and active as of the last day of the month to earn reimbursement under ICAP Co-Marketing for that particular month.





## REQUIRED ADVERTISING SPENDING LEVEL

ICAP Co-Marketing requires that Retailers spend a minimum of \$150 PNUR on local advertising for new Infiniti vehicles within a six-month calendar period. Retailers may use the full six-month period to achieve the required minimum spending level.

*Six-month calendar periods are defined as:*

**April–September**

**October–March**

Business Management Bulletin I-04-05, shown on page 4, explains the proper accounting for the advertising credits received from Infiniti.

## CALCULATING MEDIA SPENDING

Infiniti continually monitors Retailers' advertising expenses to ensure compliance with the spending requirement. When Infiniti determines that a Retailer has not met the \$150 PNUR spending minimum during a six-month period, the Retailer will incur a charge-back to the Infiniti Non-Vehicle Account within 60 days of the last day of the calendar half. The amount spent on new-Infiniti advertising is calculated using information from the Retailer's financial statement as follows:

### Calculation of Media Spending

**Step 1** – Add the amount of *Advertising Expense-New* shown on the Retailer's financial statement for each of the six months in the calendar half.

**Step 2** – Multiply the total number of *New Infiniti vehicles sold* during the six-month period by \$150. Note that if the Retailer includes the data for other franchises on the same financial statement, the number of *New Infiniti vehicles sold* is added to the number of *New Vehicles Other*, and the sum is then multiplied by \$150.

**Step 3** – Compare the sum in Step 1 with the sum in Step 2. If the sum in Step 1 (amount spent) is **equal to or greater than** the sum in Step 2 (spending level required), the Retailer's spending is within guidelines. If the sum in Step 1 is **less than** the sum in Step 2, the Retailer's spending level does not meet the guidelines and the Retailer will be debited the difference between the required spending level and the Retailer's actual advertising expense for the six-month period.

**Note:** The amount of the debit can never exceed the amount earned through advertising reimbursement credits over the same time period.





**INFINITI DIVISION  
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## **BUSINESS MANAGEMENT BULLETIN**

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<i>Reference:</i> <b>ICAP Co-Marketing Program (I-03-12)</b>	<i>Date:</i> <b>March 22, 2012</b>
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*To:* All Infiniti Dealers

*Attention:* Dealer Principal, Executive Manager and Accounting Manager

*Subject:* ICAP Co-Marketing Program

The current "Infiniti Dealer Advertising Program" (IDARP) will be discontinued as of March 31, 2012. A new program "Infiniti Collective Advertising Program" ("ICAP Co-Marketing Program") will be launched concurrent with the termination of the IDARP program.

The accounting for the voluntary ICAP Co-Marketing Program funds should be reported on your financial statement as follows:

### **\$150 reimbursement per vehicle**

Credit to account 0170A, Advertising Reimbursement-New Car Department

This reimbursement is paid monthly on all vehicles except Wholesale Fleet, Auto Show, and Auction Vehicles.

Payment is made through your non-vehicle account. The description on your statement will be "Advertising Credit Program"

Adjustments and/or charge-backs relating to funds previously received in connection with the ICAP Co-Marketing Program should also be reported in this account.

Details of your dealership's reimbursement by VIN are available through the ICAP Co-Marketing link in NNANet

### **\$300 Infiniti Co-Marketing Contribution**

The \$300 is included on the vehicle invoice and is identified as "Marketing Assessment"

There is no additional accounting needed for the \$300; it is included in the cost of the vehicle.

Please consult with your accounting and legal advisors prior to implementing these or any accounting procedures.

Information on the ICAP Co-Marketing Program is available at [www.nnanet.com](http://www.nnanet.com) – ICAP Co-Marketing link. You may also contact the Support Center by phone at 855-804-3277.

### **National Business Management**

Janet Six 615-725-5733  
Crystal Sterle 615-725-40234

## RETAILER ADVERTISING REQUIREMENTS

By enrolling in ICAP Co-Marketing, Infiniti Retailers agree to advertise in compliance with the ICAP Co-Marketing Guidelines. The guidelines apply to all media, including but not limited to print, direct mail, radio, television, websites, social sites, etc. The ICAP Co-Marketing Guidelines can be found on [Infinitiartwork.com](http://Infinitiartwork.com).

**Important Note:** The guidelines are advertising specific and not intended to restrict, limit or require a Retailer to price the vehicle in any way. **Retailers set actual retail price.**

Compliance with applicable Infiniti Visual Identity Standards—which play a key role in making Infiniti and Infiniti Retailer advertising and marketing more consistent and powerful—is also a core requirement of ICAP Co-Marketing. The Infiniti Visual Identity Standards, available at [InfinitiArtwork.com](http://InfinitiArtwork.com), address requirements such as:

- |   |   |   |
|---|---|---|
| • Advertising Language  | • Color Requirements <ul style="list-style-type: none"><li>— Brand Colors</li><li>— Brand Accent Color</li><li>— Application Colors</li></ul> | • Module Grid System <ul style="list-style-type: none"><li>— Logo Size</li><li>— Logo Placement</li></ul> |
| • Infiniti Logo Usage <ul style="list-style-type: none"><li>— Minimum Size</li><li>— Clear Space</li><li>— Registered Trademark</li></ul> | • Typography — Infiniti Meta  |   |

The ICAP Co-Marketing Guidelines are subject to revision at Infiniti's sole discretion, as are the Infiniti Visual Identity Standards. The guidelines are reviewed continually, and Infiniti provides Retailers with timely notification of all changes.





Infiniti reserves the right to revise or cancel the program at any time. Infiniti further reserves the right to conduct audits to verify compliance at reasonable intervals and upon reasonable notice to all Retailers participating in the program. Retailers are required to maintain complete and up-to-date files relating to their advertising activities under this program for a minimum of two years.


## ICAP CO-MARKETING PRE-APPROVAL CENTER

The ICAP Co-Marketing Pre-Approval Center, a no-cost consulting service offered to Retailers by Infiniti, is provided to help you create advertising that is compliant with the ICAP Co-Marketing Guidelines. The center is staffed by trained experts who are well versed in the ICAP Co-Marketing Program and your advertising needs.

Pre-approval is specifically related to compliance with the ICAP Co-Marketing Advertising Guidelines and does not constitute legal approval. Pre-approved advertising remains subject to Infiniti's right to audit.

### *Who Can Use the Center's Services?*

Your internal departments, as well as your advertising agencies, media representatives and production companies, may use the services of the ICAP Co-Marketing Pre-Approval Center. Infiniti encourages your advertising partners to submit the advertising they create for your store to the center before presenting it to you for final approval. The center can review layouts and copy decks to identify potential incidents of noncompliance before the ad is fully developed.



*By consistently using the ICAP Co-Marketing Pre-Approval Center, you will help ensure that your advertising builds the reputation of Infiniti.*



### ***What Media Will the Center Accept?***

The center accepts any form of media, including these prevalent Retailer advertising media:

- Newspaper, Magazine, Direct Mail, Circulars and Yellow Page Ads
- Outdoor and Transit
- Broadcast — Radio and Television Scripts and Storyboards
- Internet Banner Ads
- Retailer Websites — up to 4 submissions per year per store
- Cinema Advertising
- Auto Shows/Mall Displays
- Specialty Advertising Business Forms
- Social Sites, Branded Pages on Various Sites and Blogs

### ***What Turnaround Can I Expect?***

The staff of the ICAP Co-Marketing Center is ready to help you verify that your advertising efforts meet the ICAP Co-Marketing Guidelines. Most importantly, they understand the deadlines you and your advertising partners face and guarantee turnaround within 24 hours (excluding weekends and holidays) for all media except websites.

### ***How Can I Contact the Center?***

The ICAP Co-Marketing Pre-Approval Center operates Monday through Friday, 8:30 a.m. - 5:30 p.m. CT. Please call, fax or e-mail your in-progress advertising to the center.

#### **ICAP Co-Marketing Pre-Approval Center**

**Hotline:** 855•804•3277 • **Fax Line:** 855•904•3277 • **E-mail:** [icapcomarketing@ansira.com](mailto:icapcomarketing@ansira.com)





# REVIEW OF RETAILER ADVERTISING

ICAP Co-Marketing Program Headquarters staff review randomly selected ads from Retailers on an ongoing basis to ensure compliance with program requirements. In most cases, the ads are obtained without assistance required from the Retailer. **Regions and other Infiniti Retailers may also elect to submit a Retailer's ads for review.**

Reviewed ads are sent to the Retailer with detailed information regarding their compliance or noncompliance. In the case of noncompliant ads, feedback is intended to help the Retailer execute advertising that is compliant with the ICAP Co-Marketing Guidelines.

In the case of noncompliant advertising, the Retailer will receive (via certified Mail and on ICAP Co-Marketing Website) an annotated ad along with a letter specifying the guidelines that have not been followed and any penalty for noncompliance. Upon receipt of the noncompliant notification (i.e.: "Strike") letter, the Retailer must immediately take steps to ensure that all future advertising complies with the ICAP Co-Marketing Guidelines.

Infractions are classified into two types: Category I and Category II. While all ICAP Co-Marketing Guidelines are important to maintaining the integrity of the Infiniti Brand, Category I Guidelines are the most important and therefore have the most stringent consequences. If an ad contains both Category I and Category II infractions, the Retailer will be issued one Category I "Strike" letter that will outline all infractions found in the ad in both categories. Please refer to the ICAP Co-Marketing Guidelines for Category I and II classification.

Infractions are classified into two types: **Category I** or **Category II**

## Category I Infractions

If an ad is found to be noncompliant, the following steps are taken for Category I infractions ("Strikes"):

### First Strike

- A detailed letter and annotated ad specifying the areas of noncompliance is sent to the Retailer.
- The Retailer is expected to take the necessary steps to ensure that all future advertising is compliant with the ICAP Co-Marketing Guidelines.

### Second Strike

- A detailed letter and annotated ad specifying the areas of noncompliance is sent to the Retailer.
- The Retailer is expected to take the necessary steps to ensure that all future advertising is compliant with the ICAP Co-Marketing Guidelines..
- The Retailer is debited the reimbursements made during the quarter in which the second noncompliant ad was published. **Quarters are defined as:**

April – June  
July – September  
October –December  
January - March

### Strikes Beyond the Second

- A detailed letter and annotated ad specifying the areas of noncompliance are sent to the Retailer.
- The Retailer is expected to take the necessary steps to ensure that all future advertising is compliant with the ICAP Co-Marketing Guidelines.
- The Retailer is debited the reimbursements made during the month in which the third noncompliant ad was published as well as any reimbursements received during the probation period that were not already debited.



## Category II Infractions

If an ad is found to be noncompliant, the following steps are taken for Category II infractions (“notifications”):

- A detailed letter and annotated ad specifying the areas of noncompliance are sent to the Retailer.
- The Retailer is expected to take the necessary steps to ensure that all future advertising is compliant with the ICAP Co-Marketing Guidelines.

See page 10 for an outline of a possible scenario.

### Clearing the Record of Incidents of Noncompliance

The count of noncompliant incidents will continue to build until a Retailer’s advertising is compliant for 90 consecutive days. The 90 day “probation period” begins with the publication date of the most recent noncompliant advertisement that resulted in a Strike. When the probation period is complete, the Retailer’s Strike counter is reset to zero.

Because there is no monetary penalty associated with a Category II infraction notification, there is no corresponding probation period. Receiving this type of notification will not affect the amount of time related to resetting a Retailer’s Category I Strike count.





## APPEALING A STRIKE

An appeal process is provided for Retailers who believe they have received a “strike letter” in error, due to either:

- an **auditing error** by ICAP Co-Marketing Program Headquarters or
- a **publication error** (an issue that occurs in the printing process that could not have been foreseen and corrected by the Retailer or the Retailer’s advertising/media representatives prior to publication)

Retailers should resolve any issues outside of these two categories directly with their advertising/media representatives and **refrain** from submitting them to ICAP Co-Marketing Program Headquarters for appeal.

Appeals must be received by ICAP Co-Marketing Program Headquarters within 30 calendar days after the date of a “strike letter” to be considered. Any debits for strikes being contested by Retailers will remain until headquarters has ruled on the appeal.

### Appeal Process

**Step 1** – Clearly detail the reasons you believe the strike was issued in error in a letter to ICAP Co-Marketing Program Headquarters.

**Step 2** – Attach a copy of your “strike letter” and annotated ad to the letter.

**Step 3** – Send your letter and supporting materials to:

ICAP Co-Marketing Program Headquarters • 2300 Locust Street • St. Louis, MO 63103  
or via e-mail to: [icapcomarketing@ansira.com](mailto:icapcomarketing@ansira.com)





# INDEMNIFICATION OF INFINITI

*Retailers shall be solely responsible for complying with all applicable laws, regulations, rules, ordinances and orders, whether statutory, judicial, administrative or regulatory in origin, related to their advertising of Infiniti vehicles. Advertising containing wrongful or fraudulent claims, or that is misleading or disputable, or that violates any law whatsoever, may not be paid for with advertising funds provided under this Program unless such violation is solely the direct result of information provided to Retailers by Infiniti and Retailers did not know or should not have known after exercising reasonable diligence, that the information supplied by Infiniti was incorrect.*

*Further, each Retailer that participates in this Program shall, at its sole cost, risk and expense, protect, defend, indemnify and hold harmless Infiniti and its shareholders, directors, officers, employees and agents from any and all liabilities, claims, actions, losses, costs and expenses, including without limitation reasonable attorneys' fees and disbursements, in any way arising out of or relating to the Retailers' efforts paid for with funds under this Program unless such claims as contemplated herein arise solely as a direct result of information provided to Retailers by Infiniti, and Retailers did not know, or should not have known after exercising reasonable diligence, that the information supplied by Infiniti was incorrect.*

*Retailers are advised to consult their own legal counselor regarding all of their advertising. Compliance with program requirements does not constitute Infiniti legal approval.*

