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Voluntary benefits: Firm serves up discounts on cars- Leah Carlson *Employee Benefit News* • April 15, 2005

Buying a car can be a time-consuming, arduous experience for anyone. That's why some employers are turning to a benefit provider to ease the situation for their workers.

Vehicle Advantage shops and negotiates discounts for the employees of its corporate clients when they want to buy a car. The Minneapolis-based company provides this benefit at no cost to the employers and workers who participate. It receives compensation from car dealers across the country for sending them the sales leads.

The workers who use the benefit "do not have to do any negotiations or even speak to the dealer until we have located the car and finalized the fleet price with the dealer," explains Ty Reed, the company's president. "They just show up at the dealer. The ugly haggling is behind everyone. They pay for the vehicle and drive off. Customers are just shocked that something so dreaded for years and years could be so pleasant and such a joy."

The goal is to take the stress and frustration out of the car buying process, which many people hate, says Robert Tarr, chief operating officer for Vehicle Advantage.

The benefit covers all types of vehicles, including motorcycles, trucks, boats, motor homes, snowmobiles, farm equipment and sport utility vehicles. Trade-ins are welcome.

The discounts can range from several hundred dollars to several thousand dollars, depending on the region, the vehicle model and whether the vehicle is new or used. The discounts tend to be smaller on the most popular models. "Sometimes in used cars is where the biggest savings are," Tarr observes. "Used cars are marked up differently."

The discounts come partly from the large number of buyers that the firm represents. "We can get the average employee or member of an association the same huge fleet discount pricing as the major corporations get when buying in volume," Reed explains.

Reed was the general manager in charge of fleet sales for corporations for several automobile dealerships during the mid '90s before he founded Vehicle Advantage, which has been in business for six years.

Erin Beyer, a marketing executive with Melaleuca, an Idaho Falls, Idaho-based manufacturer of health, home and personal care products, says she was extremely pleased with the \$2,400 discount she got on her Chevy Astro. "The negotiation is always a hassle, and we don't know the market," she says. "Our buyer had a lot of knowledge and knows the market. We feel we got a great deal and are very happy with our vehicle."

The benefit appears to be a growing trend. About 50 employers are offering this benefit to their employees this year, compared to 30 last year, according to Tarr, who managed a car dealership for 20 years before he came to Vehicle Advantage.

"We are getting more and more inquiries from our Web page," he says. "We're in such a growth mode." Reed agrees: "It is growing exponentially. There has been a huge increase from last year, and we have many new companies that will launch this year. **This will be one of the largest trends in the country. Saving an employee \$2,000 to \$4,000 on their vehicles is like giving them a raise and instilling a great deal of loyalty.**" - L.C.