HUDSON DISTRIBUTOR-DEALER

# LOCAL AREA ADVERTISING MANUAL

HUDSON MOTOR CAR COMPANY, Detroit 14, Michigan

DECEMBER-1949

EFFECTIVE AUGUST 1, 1949

(This manual replaces and supersedes the

HUDSON DISTRIBUTOR — DEALER

LOCAL AREA ADVERTISING MANUAL

bearing effective date of August 1, 1948)

**IMPORTANT**

**Keep on file for future reference**

# HUDSON DISTRIBUTOR-DEALER LOCAL AREA ADVERTISING PROGRAM

The "Hudson Distributor-Dealer Local Area Advertising Program" has been revised as of August 1, 1949. That program, as so revised, is set forth in this manual which supersedes and replaces the manual bearing effective date of August 1, 1948.

**1. PURPOSE**

The purpose is to provide an effective and adequate local area advertising program for all Hudson distributors and dealers, with the guiding assistance of the factory.

**2. FACTORY RESPONSIBILITIES; ETC.**

All distributor and dealer local area advertising funds under the program are to be held, administered and disbursed by Hudson Motor Car Company (herein referred to as the factory) as agent for each of the respective contributing distributors and dealers, this to be handled by the factory in conjunction with or through its advertising agency, all subject to and in accordance with the responsibilities, restrictions, terms and conditions as set forth in this Manual. The accumulated and undisbursed funds at any time on hand under this program shall not be the property of the Hudson Motor Car Company. The factory or its said agency shall be obliged to keep a separate account on its books for each fund established under the program. The factory and its said agency need not, however, keep the moneys in these accounts segregated, but shall be privileged to commingle the same together and with their own funds.

**3. BASIS OF ADVERTISING CHARGE**

Under the local area advertising program, an advertising fund will be maintained for each distributor and dealer (it will be a group fund in metropolitan areas, as covered by section 11 below), this fund to be used for advertising in that distributor's or dealer's local sales area and for purposes incidental thereto.

The program calls for a contribution or charge of $30.00 per new Hudson car purchased by the distributor or dealer, the distributor to transmit this amount to Hudson Motor Car Company on each car purchased by him, and the dealer to make a corresponding remittance to the distributor on each car that he purchases from the distributor.

Each distributor and dealer agrees to make these contributions, in consideration of the benefits to be derived by him under the program, and in consideration of other Hudson distributors and dealers participating in the program and making similar contributions.

**4. PARTICIPATION**

It is intended that each authorized Hudson distributor or dealer operating under a Hudson sales agreement is to participate in the program. Participation is to be automatic, no application form or separate membership agreement being required. All local area advertising for a distributor or dealer shall be scheduled under the official business name of that distributor or dealer as it appears in his sales agreement on record with the factory (unless a general caption is used in the case of group funds as hereinafter provided).

**5. ONLY APPROVED MEDIA USED**

Only recognized, factory-approved media will be used for the local area advertising. These may include, among others, the following:

1. Standard Daily and Sunday Newspapers
2. Standard Weekly Newspapers
3. Outdoor 24-Sheet Posters
4. Radio
5. Hudson Trademark Headings in Local Classified Telephone Directories

**6. NEW DISTRIBUTORS AND DEALERS**

Advertising for new distributors and dealers at single dealer points will be released as rapidly as sufficient moneys accumulate in their respective funds.

**7. FUNDS ARE CUMULATIVE**

All funds are cumulative and continuous during the period of a distributor's or dealer's sales agreement. It will be the aim of the factory and its advertising agency to see that the advertising expenditures under this program are made on a basis reasonably in line with sales seasons and territory potentials. Any credit balance remaining in a fund for each continuing distributor or dealer at the end of a sales season is to be carried over to the new sales season and applied to the new local area schedule.

**8. HOW LOCAL AREA FUNDS ARE SET UP**

As each new car is shipped and billed by the factory to the distributor, a $30.00 local area advertising charge is to be made to the distributor and credited to a "General Local Area Advertising Account" set up for that distributor. This credit is to remain in this "General Local Area Advertising Account" until the distributor reports to the factory the sale of the car either at wholesale to a dealer or at retail through the distributor's own retail department.

**9. DISTRIBUTOR FUND**

When the car is reported sold at retail by the distributor, the amount of this $30.00 credit is to be transferred from that "General Local Area Advertising Account" and credited to the distributor's own local area advertising fund.

**10. DEALER FUND**

When a car is reported sold to a dealer by the distributor, the amount of this $30.00 credit is to be transferred from the distributor's "General Local Area Advertising Account" and credited to the local area advertising fund of the dealer.

**11. METROPOLITAN OR GROUP FUNDS**

For any metropolitan area in which are located a distributor who also sells Hudson cars at retail and one or more dealers, the contributions of the distributor and all dealers located in that metropolitan area are to be carried in a single account as a SINGLE FUND at the factory or at its advertising agency; and a like arrangement is to be made for dealers in any multiple-dealer city. All advertising scheduled under the plan in such an area or city shall carry the names of all participants or a caption similar to "See Your Nearest Hudson Dealer", depending upon the type of media used or other relevant conditions.

The factory or its said agency shall consult with each distributor concerning his metropolitan or multiple-dealer area, for the purpose of reaching an agreement as to the dealers who will participate in the metropolitan or multiple-dealer fund, the correct imprints to be used, etc.

**12. ADVERTISING RUNS IN DEALER'S OWN AREA**

A Hudson dealer's local area advertising shall not ordinarily be placed in another Hudson dealer's town without the latter's consent. There are a few cases, however, where no newspaper is available in the dealer's town, but one in a nearby town gives good coverage. In such cases the distributor should advise the factory, giving full details. If no Hudson dealer is located there, it shall be permissible to use that paper. If there is a Hudson dealer in the town where the newspaper is published, the distributor will be expected to obtain agreements from both dealers authorizing the advertising in that newspaper to be run over both dealers' names. These agreements should be in writing to the distributor, with copy to the factory.

**13. SCHEDULES AND INSERTION ORDERS**

Hudson's advertising agency, after approval of advertising by the Hudson Motor Car Company, is to prepare all advertising schedules, and issue approved copy and insertion orders to the media involved such as newspapers, radio stations, outdoor posting companies, etc. No copy changes are to be made locally by dealers on these orders. If dates are not satisfactory and changes are deemed necessary, the distributor should contact the factory at once.

**14. PARTICIPANTS SHOULD CHECK ALL ADVERTISING BEFORE IT RUNS**

Each distributor and dealer shall be responsible for checking for the correctness of his firm name and address on all advertising orders in which he is concerned. In metropolitan and multiple-dealer areas, this shall be the distributor's responsibility. Copies of all insertion orders are to be forwarded to distributors and dealers as the

advertising is scheduled. Newspapers, radio stations, outdoor posting companies, etc., who receive scheduling orders shall be instructed to contact the distributor or dealer concerned for verification of firm name, address, etc., to appear in the advertisement.

**15. "TRADE DEALS" AND PUBLICITY**

Advertising media shall be selected by the factory or its said agency solely on considered merit, and insertion orders shall be placed on that basis. The factory need not and will not recognize special "trade deals" in which the dealer and the newspaper, or other medium, exchange their commodities in trade. The factory, in its choice of media, also need not and will not be influenced by local publicity that may be used by any medium to favor a particular dealer in the hope of obtaining local area advertising business.

**16. USED CAR ADVERTISING**

The only advertising for which the local area advertising funds may be used shall be advertising to promote the sale of new Hudson automobiles. No used car or other local advertising may be paid for out of these funds.

**17. DIRECT MAIL ADVERTISING**

Direct mail advertising is not a part of the program, and the funds shall not be available for this purpose.

**18. SIGNS**

Building identification signs may not be paid for out of these funds. Signs are a part of a dealer's capital investment and part of his equipment for doing business.

**19. CORRESPONDENCE**

All correspondence from dealers pertaining to local area advertising should be addressed to their distributors. Distributors should contact the Factory Advertising Department. No correspondence should be addressed to Hudson's advertising agency.

**20. BILLING AND FINANCIAL ARRANGEMENTS**

All billing for local area advertising should be made by the medium (such as newspapers, radio stations, outdoor posting companies, etc.) direct to Hudson's advertising agency, not to factory or dealers. These invoices and the agency's bills for commissions shall be paid from the accumulated advertising funds of the respective distributors and dealers for whose benefit the advertising has been placed. In the case of metropolitan or multiple group advertising, these invoices and bills shall be paid from the proper metropolitan or multiple group fund.

It is recognized that the factory's advertising agency also handles the factory's national advertising program. All the details of the financial arrangements pertaining to either of the programs shall be as the factory may in its sole discretion determine from time to time, and whatever discounts or other direct financial benefits might accrue to the factory as the result of such arrangements need not be allocated as between the two programs, nor between and among any of the respective distributors and dealers, but the factory shall be privileged, as a matter of convenience, to disburse all such incidental sums for national advertising, it being recognized that this also benefits the distributors and dealers.

**21. FUND STATEMENTS**

Statements showing the status of each local area advertising fund shall be issued periodically by the factory. These statements shall show the total number of credits applied monthly to the fund, the debits against the fund, and the gross balance. At single dealer points, the statement shall go directly to the dealer with a copy to his distributor. Metropolitan or multiple group fund statements need be forwarded only to the distributor concerned.

**22. SPECIAL REQUESTS FOR STATEMENTS**

If, for some special reason, the distributor needs a current statement of his own or a dealer's fund, he should make his request in writing to the Factory Advertising Department.

**23. ADVERTISING WRITTEN AND PLACED LOCALLY NOT PART OF LOCAL AREA PROGRAM**

No advertising written and placed locally (not through the program) may be paid for out of local area funds. The advertising to be paid for out of these funds shall be restricted to advertising prepared and placed as provided in this Manual, in order to maintain a normal consistency of advertising planning and thinking on a nationwide as well as a local basis.

**24. PREPARATORY COSTS TO BE CHARGED TO LOCAL AREA FUND**

When newspaper, radio or outdoor advertising is used, the actual preparatory and production costs incurred to place these releases in their final form shall be charged against the applicable local area funds. The fund of each distributor or dealer participating in the release will be charged its proportionate share.

**25. NATIONAL VS. LOCAL RATES ARE FULLY CONSIDERED**

When the distributor or dealer can obtain a local rate that is advantageous, the distributor should write the Factory Advertising Department giving complete details. Before the factory approves any request from the distributor or dealer to place advertising at a local rate, the following shall be taken into consideration:

In many cases the factory may be tendered special rates by certain newspapers, radio stations or outdoor poster plants which may be as good as or better than the so-called local rate. Obviously, under such conditions the factory contract rate should be used.

In any case where the local rate becomes a consideration, the addition of the 15% commission payable to the advertising agency must be considered. This agency commission covers the charge for the preparation of artwork, copy and mats, the schedules and orders issued, payment and auditing of invoices, and many other services and expenditures incidental to the program.

In all cases where the local rate plus the 15% agency commission equals, or closely approximates, the national rate, the advertising shall be placed at the national rate because this relieves the distributor or dealer of all the details of placing the advertising, sending in the receipted invoices, tear sheets, etc., to the factory, and does not tie up the distributor's or dealer's money during the billing and reimbursement period.

**26. TERMINATION OF SALES AGREEMENT**

A distributor's or dealer's participation in the local area advertising program shall be continuous and remain in effect until the termination of the sales agreement.

**27. WHERE DISTRIBUTOR DOES NOT PARTICIPATE IN MULTIPLE-DEALER FUND**

If a distributor's sales agreement is terminated, and if the distributor is not a participant in a metropolitan or multiple-dealer group fund, his share of the unspent and uncommitted balance in his local area advertising fund shall be subject to refund. If he is to be replaced by a new authorized Hudson distributor or dealer, it is intended that this fund balance shall be transferred to the new distributor or dealer who is to reimburse the terminated distributor therefor. (See page 7 for complete details.)

If a distributor's sales agreement is terminated, and he is then re-signed as a dealer, this shall not disturb his local area advertising fund arrangement which shall continue in effect for his benefit the same as before (except as to cars he may not retain for retail sale).

**28. SINGLE DEALER FUND**

If the sales agreement of a dealer in a single dealer town is terminated, and if the dealer is not a participant in a metropolitan or multiple-dealer group fund, his share of the unspent and uncommitted balance in his local area advertising fund is subject to refund. If he is to be replaced by a new authorized Hudson dealer, it is intended that this fund balance shall be transferred to the new dealer who is to reimburse the terminated dealer therefor. (See page 7 for complete details.)

**29. DISTRIBUTOR OR DEALER IN METROPOLITAN OR MULTIPLE-DEALER GROUP FUND**

Inasmuch as a distributor or dealer who participates in a metropolitan or multiple-dealer group fund obtains the benefit of more extensive advertising than would be possible solely from his own contributions to the fund (this accumulated benefit ordinarily being of greater value than the unspent and uncommitted portion of his contribution at the time of termination of his sales agreement), any distributor or dealer participating in such a fund shall not be entitled to any refund upon termination of his sales agreement. His monetary contributions lose their identity as they are made, and the unspent and uncommitted portion of his contribution at the time

of termination of his sales agreement shall be deemed assigned to, and shall be used and disbursed under this program the same as if it had been contributed by, the other participants in that fund.

**30. HOW AND WHEN REFUNDS ARE MADE**

If a terminated distributor or dealer (not a participant in a metropolitan or multiple-dealer group fund) is not to be replaced by a new distributor or dealer, the terminated distributor's or dealer's share of the unspent portion of this fund shall be refunded as soon as practicable (usually within 90 days) after the effective date of his termination. This refund will be made by check. In the case of a terminated dealer, the refund check is to be made payable to the dealer but will ordinarily be transmitted through the distributor.

**31. SPECIAL ADVERTISING**

The planning and scheduling of advertising for this program on a national and local basis is to be a matter of constant study and consideration at the factory. It is recognized that in many cases commitments for such advertising are made on a long range basis, and that therefore it would not be proper for any distributor's or dealer's fund to be diverted to cover special local advertising jobs, but that the fund must be kept intact from such depletions so that the distributor or dealer concerned may participate in all regularly scheduled factory advertising releases.

**32. RECOMMENDATION OF SPACE MEDIA**

Any distributor's recommendations, consistent with the terms and conditions of this program, for himself or his dealers as to local advertising media to be used by the factory in scheduling advertising in his sales area, shall be carefully considered by the Factory Advertising Department. Such recommendations should be made by the distributor in writing only.

**33. CLASSIFIED TELEPHONE DIRECTORY DISPLAY HEADING AVAILABLE UNDER LOCAL AREA ADVERTISING PLAN**

Any authorized Hudson distributor or dealer shall be privileged to request the standard one-inch Hudson display heading if there is a local classified telephone directory for his locality. Payment for this heading shall be made from his advertising fund. Here is a sample of the current heading now being used:

**HUDSON AUTHORIZED SALES AND SERVICE**

NEW HUDSON AUTOMOBILES AND HUDSON'S PROTECTIVE SERVICE

To secure this service, the distributor or dealer need only request it from his local telephone directory publishing company. That publishing company will take the order, and will render billing to Hudson's advertising agency for the charges incurred, and payment will be handled the same as for other advertising placed under the program.

The funds under this program shall be so available to pay for the standard one-inch display heading only. In other words, each distributor or dealer must himself pay his telephone company locally for his firm name listing under the standard one-inch display heading.

If a dealer wishes to obtain listing under the standard Hudson display heading in a classified telephone directory outside his own town, approval must be obtained from the distributor involved. The distributor should then notify the telephone company of his decision.

It is understood that the telephone directory publishing company should not accept this advertising from anyone but an authorized Hudson distributor or dealer. Should such advertising from anyone—not an authorized Hudson dealer—ever appear in a local telephone directory, any distributor or dealer concerned should advise the Factory Advertising Department at once.

## Metropolitan or Multiple-Dealer Group Local Area Advertising Funds

A metropolitan or multiple-dealer group advertising fund is to be maintained in each case where more than one authorized Hudson retail outlet (distributor or dealer) is established in a city or metropolitan area. In large metropolitan areas, such as New York, Chicago, Philadelphia, Los Angeles, Detroit, etc., there are, of course, numerous Hudson dealers doing business. In medium sized and smaller cities there may be four or three, or only two dealers. However, in all instances, irrespective of the number of dealers operating, if there are two or more authorized Hudson retail establishments, there is to be what is known as a "Metropolitan" or a "Multiple-Dealer" Group Local Area Advertising Fund. Into this single fund are channeled all of the $30.00 per car accumulations of the participating dealers (and of the participating distributor in the case of a metropolitan area.)

As local area advertising is scheduled in such metropolitan or multiple-dealer group sales areas, local media billings are to be paid for out of the single metropolitan or multiple-dealer group fund. The names of all dealers, or a caption such as "See Your Nearest Hudson Dealer" or a similar designation, shall be carried on these advertising releases.

As hereinbefore stated in paragraph No. 29 above, any distributor or dealer participating in a metropolitan or multiple-dealer group local area advertising fund shall not be entitled to any refund upon termination of his Hudson sales agreement.

It is the responsibility of each Hudson distributor to familiarize all his dealers participating in a Metropolitan or Multiple-Dealer Group Advertising Fund with these features of the program.

## Program Subject to Change

The Local Area Advertising Program, and the factory's policies thereunder, shall be subject to modification or termination by the factory as provided in the sales agreements; but no such modification or termination shall result in the factory being the beneficial owner of any of the accumulated and undisbursed funds at any time on hand under this program.

## Transfer of Local Area Advertising Funds from a Terminated Dealer at a Single Dealer Point to a New Dealer at the Same Point

When a terminated dealer at a single dealer point is to be immediately replaced by a new dealer at the same point, the following procedure should be followed in order to maintain continuity of local area advertising activities:

> The distributor should arrange to have the new dealer take over the total fund balance from the terminated dealer, reimbursing him for his share of the money involved. A request from the distributor to the Factory Advertising Department will bring a final statement of the terminated dealer's share of the existing fund.

By following this procedure, advertising activities in the local sales area involved can be continued without interruption. If the fund is not transferred intact, there will be no money available for advertising in the dealer city concerned until his fund is built up through the purchase of new Hudson cars from the distributor. The distributor should point this out to the new dealer at the time he is requested to take over the fund.

On the following page is a suggested document for the distributor's use in arranging for such advertising fund transfers. This form is self-explanatory. It should be typed on one sheet (four copies), just as it appears here, and should be signed in quadruplicate by the two dealers concerned, the terminated dealer to sign the form at the top of the page and the new dealer to sign at the bottom. Each dealer's name should appear in exactly the same form that it appears in his Sales Agreement, and the signature of each dealer should be duly witnessed by two witnesses. If the dealer is a corporation, the corporate seal should be affixed.

The second and third copies should be retained by each of the dealers concerned and the fourth copy should be retained by the distributor. The original signed copy should be forwarded by the distributor to the Factory Advertising Department with formal request for transfer of the fund.

It is the responsibility of every Hudson distributor to follow this procedure with each new dealer at a single dealer point where a fund is available for purchase and transfer.

The procedure outlined above should also be followed in the case of a terminated distributor being replaced by a new distributor or dealer at a single dealer point.

Form 42

## Assignment and Release as to Terminated Dealer's Balance in the Hudson Local Area Advertising Fund

The undersigned (old dealer's name), for valuable consideration the receipt whereof is hereby acknowledged, does hereby transfer, grant and assign unto (new dealer's name) all right, title and interest of the undersigned in and to the unspent balance contributed by the undersigned and standing to the credit of the undersigned, as of (date) (effective date of termination of the undersigned's Hudson Distributor-Master Dealer Sales Agreement), in the Hudson Local Area Advertising Fund which is in the possession or custody of Hudson Motor Car Company, the amount of that balance according to advice from Hudson Motor Car Company being $_____; and the undersigned hereby unconditionally and irrevocably releases and discharges Hudson Motor Car Company and (Distributor's name) of and from any and all liabilities and obligations whatsoever to the undersigned with respect to said fund.

Dated at_____, _____

this_____day of_____, 19_____.

WITNESSES:

_____ _____
(Old Dealer's Signature)

_____

## Acceptance and Authorization

The undersigned (New Dealer's name) hereby accepts the assignment set forth above, and authorizes and directs that the "balance" covered by said assignment be used and disbursed by Hudson Motor Car Company in accordance with the terms and conditions of the Hudson Local Area Advertising Program, in like manner as if that balance has accumulated to the credit of the undersigned as a result of sums contributed by the undersigned pursuant to said Program.

Dated at_____, _____

this_____day of_____, 19_____.

WITNESSES:

_____ _____
(New Dealer's Signature)

_____