CHICAGO AUTOMOBILE TRADE ASSOCIATION
AUTO SHOW

CATA Bulletin

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’07 DOC fee max $58.48

The state’s maximum documentary service fee for 2007 is $58.48, the Illinois attorney general’s office announced Dec. 15.

The $1.15 increase over the 2006 maximum fee reflects a 2.0 percent rise in the federal Consumer Price Index for the 12-month period ending Nov. 30. The index is tracked by the U.S. Department of Labor.

As always, the DOC fee is taxable and must be substantiated upon request by the attorney general’s office.

The CATA developed a poster about the DOC fee that dealer members can post. On the poster, the DOC fee amount is left blank for dealers to fill in; any amount up to the maximum allowed may be charged, but all customers must be charged the same amount.

IMPORTANT: The new maximum fee cannot be charged before Jan. 1.

Help promote the show!

Materials coming for 2007, Chicago Auto Show

Materials will ship late this week to all members of the Chicago Automobile Trade Association in good standing, to help them get through the coming year and to help publicize the Chicago Auto Show, Feb. 9-18 at McCormick Place. It’s your show; please promote it.

Packages sent via United Parcel Service to dealer principals and company presidents include the following:

• 1 CATA-member 2007 window decal;

• 1 three-ring 2007 CATA Bulletin binder; and

• 1 form to photocopy to order free supplies of odometer statements, used-car buyer’s guides, used-car limited warranty statements, and emission control equipment statements.

Also, to promote the 2007 Chicago Auto Show, the shipment includes:

• 4 Chicago Auto Show easel cards;

• 2 Chicago Auto Show posters;

• 1 First Look for Charity poster;

• 2 VIP tickets good for repeated admission throughout the auto show;

• 50 Employee Appreciation Day admission tickets, valid Feb. 9 and 12; and

• 200 discounted admission vouchers to offer to customers.

Don’t forget to **purchase** additional admission tickets to the auto show as well as any First Look for Charity tickets.

Any member who does not receive the UPS shipment by Jan. 15 should notify the CATA. The shipments are trackable, to help resolve problems.

CATA’s H.Q. closed Feb. 2-18 for auto show

The Chicago Automobile Trade Association building in Oakbrook Terrace will close Feb. 2 and reopen Feb. 19. The CATA staff moves temporarily to McCormick Place to produce the 2007 Chicago Auto Show.

Because the CATA building will be closed, association members must make a few adjustments:

• Make sure to order any forms provided free by the CATA—odometer statements, used-car buyer’s guides, used-car limited warranty statements, and emission control equipment statements—by Jan. 29 to ensure the orders can be processed by Feb. 1.

• Use of meeting rooms at the CATA is suspended Feb. 2-16.

Calls to the CATA office will automatically be forwarded to CATA staff at McCormick Place.

Next fixed ops Bootcamp laces ’em up Jan. 23-26

Limited spaces remain in the CATA’s next four-day Service Management Bootcamp, Jan. 23-26 at the association’s Oakbrook Terrace office.

Successful completion of the Bootcamp will be followed by enrollment in a Service Managers 20 Group that will meet about three times annually over three years.

Instruction fees for the program are

See **Bootcamp**, Page 4

Former Democratic congressman to lead automakers alliance

Emissions, fuel economy top agenda

The biggest U.S. automakers have chosen a conservative Democrat to head their trade group, the Alliance of Automobile Manufacturers, as Republicans prepare to turn over control of Congress.

Dave McCurdy, a former Oklahoma congressman who is president and CEO of the Electronic Industries Alliance, will become the president of the auto alliance in February. The group has previously been headed by Republican lobbyists.

“We are grateful to have someone of Dave’s experience, stature and knowledge of Washington issues lead our association at such an important time in history,” said Jim Press, president of Toyota Motor North America and chairman of the alliance. “Dave is a proven bipartisan leader who has demonstrated his ability to build consensus and cooperation on key policy issues. We look forward to working with him.”

McCurdy will replace outgoing alliance president and CEO Fred Webber, who is retiring.

“I’m proud of this industry’s achievements and its commitment toward fuel efficiency, safety and advanced technology,” Webber said in a statement Dec. 19. “I’m delighted to have had the opportunity to work with the leaders of this important industry.”

The auto alliance represents nine automakers, including General Motors Corp., Ford Motor Co., DaimlerChrysler AG, and Toyota Motor Corp. It also represents BMW Group, Mazda Motor Co.—which is controlled by Ford—Mitsubishi Motors Corp., Porsche and Volkswagen.

McCurdy will have his work cut out for him, with a number of hot-button auto issues expected to be debated on Capitol Hill in 2007, including automobile emissions and fuel economy regulations. He also has to keep Japan’s Toyota and Detroit’s Big Three on the same side of issues — not always an easy task.

“I’m excited to be working in an industry with so much innovation, advanced technology and that plays an integral part of our society,” said McCurdy. “I look forward to addressing the challenges and opportunities facing this great industry.”

McCurdy has been president of the Arlington-based electronics trade group since 1998 and previously ran his own consulting and investing group, McCurdy Group LLC.

He represented Oklahoma in the U.S. House of Representatives for 14 years ending in 1995 and headed the House Intelligence Committee. He also was chairman of a military installation and facilities subcommittee and chairman of a transportation, aviation and materials subcommittee.

NADA recounts 109th Congress wins

The 110th U.S. Congress convenes its two-year session Jan. 4. Its predecessor, the 109th Congress, was often derided as inactive. But the National Automobile Dealers Association indicated the body passed several significant measures of benefit to dealers.

According to the NADA, during the past two years:

• Bipartisan support grew to require insurance companies to disclose vehicle total-loss data;

• Bankruptcy laws were reformed to create more fairness for dealers;

• The so-called “right to repair” legislation was killed;

• The LIFO (“last in, first out”) accounting method was saved from elimination;

• Legislation was enacted to shield dealers from frivolous lawsuits such as vicarious liability and class action suits;

• Liability under the Unrelated Business Income Tax was repealed for two years;

• Redundant and inconsistent consumer credit security proposals were halted;

• Exemption was restored for the established business relationship under the Do-Not-Fax rule;

• Onerous fuel economy mandates, which would threaten vehicle availability, safety and jobs, were defeated;

• Progress was measurable in reform of the federal estate tax;

• “Safe harbor” was provided for taxable highway tractors; and

• State dealer association health plans were protected from problematic IRS rules.

2007 Chicago Auto Show

Media Preview: Feb. 7-8

First Look for Charity: Feb. 8

Public Days: Feb. 9-18

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Review past editions dating to 1998 or search by subject at http://cata.drivechicago.com/

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Developing and retaining loyal customers

It's one thing to have satisfied customers; it's quite another to have loyal customers. This month's NADA Management Education article shares some thoughts on how to develop the kind of loyalty that keeps your customers coming back to you.

A *satisfied* customer will shop at any dealership that sells the new- or used-vehicle he or she wants, assuming approximate price parity and reasonably pleasant service. A *loyal* customer will buy only from you.

Customer retention is arguably the single most important driver of your dealership's value, and the key to growing your business. Retained customers return to your dealership each time they buy or lease vehicles; they won't deal with anyone else. Retained customers talk to their families, their friends, and their colleagues about how well you treat them, and these people become your customers, too. All those customers together constitute a strong base of customers whose loyalty is worth millions—literally.

Long before manufacturers required CSI surveys and "customer satisfaction" became a mantra, dealers were well aware of its importance. They measured customer satisfaction by the number of times their customers returned to buy vehicles, and/or brought their vehicles in for service, and/or referred prospects. Dealers knew their customers and stayed in touch with them because dealers understood the benefits of retaining their customer base.

Today, dealerships keep in touch with their customers using a sophisticated business model supported by equally sophisticated technology. Customer Relationship Management (CRM) is a way of documenting, tracking, analyzing, and building upon each customer's every contact with the dealership, regardless of the point or method of contact. A contact may happen in the form of a showroom visit, an incoming or outgoing telephone call, or any means of written communication (mail, fax, or the Internet, including e-mail). Over time, and with the input of each dealership employee who interacts with each customer, the dealership builds detailed, individualized customer portraits, which then provide the information needed to maximize sales opportunities and strengthen the ties between customers and dealership.

Your dealership's relationship with customers is what differentiates your store from all the other stores in your marketplace. You need to be extremely sophisticated about customers because you need them more than they need you. You need to earn their business. They need reasons more compelling than price, convenience, or product to give you their business. They'll choose you if you provide the individualized customer service that the other stores don't. They'll be loyal to you if you take the steps to earn their loyalty. For customers, good service for loyalty is quid pro quo. For you, what you give comes back to you times ten:

It costs ten times more to bring in a new customer than it does to retain an old one.

This article is adapted from *A Dealer Guide to Taking Charge of New-Vehicle Sales* (SL35). For this and other helpful resources, visit NADA Management Education online at www.nada.org/mecatalog or call 800-252-NADA, ext. 2

EPA finalizes relief for aboveground oil storage; new mileage stickers, fuel economy numbers created for model year 2008 vehicles

The Environmental Protection Agency has approved two new measures to benefit dealers, by relaxing mandates for aboveground oil storage and by reforming fuel economy standards to make them more useful for consumers.

For dealers who store oil—used oil, bulk motor oil, other bulk lubricants, gasoline and diesel—in aboveground tanks and containers with capacities between 1,320 gallons and 10,000 gallons, self-certified Spill Prevention, Control and Countermeasure (SPCC) plans can be prepared instead of having a professional engineer draft and study one.

For more on the topic, see www.epa.gov/oilspill or contact the NADA Regulatory Affairs Department at affairs@nada.org.

Also, beginning with model year 2008 vehicles, the EPA will mandate the use of a newly designed fuel-economy label, typically found on the Monroney sticker, for light-duty vehicles. The NADA generally supports the new label because it should be more useful for consumers who are making fuel-economy comparisons among vehicles.

For more information on the new label, see www.fueleconomy.gov.

CATA's radio show, 'Drive Chicago,' celebrates 10 years on the air

The CATA's "Drive Chicago" marked a decade on the air in December. The show, 8-9 a.m. Saturdays on WLS-AM 890, is hosted by Paul Brian, the CATA's media and communications director and a veteran radio broadcaster.

"Drive Chicago" was conceived as a conduit for dealers to share their positive messages, said CATA Chairman Bob Loquercio.

"It gave dealers a voice that went far beyond the 10-second clip shown by the media. So often our story is complex, and it deserves its own long-format program," he said.

Jerry Cizek, CATA president, added, "Paul's knowledge of the car business, mixed with his ability to host a first-rate talk show, makes for an informative and entertaining program."

The weekly show is supported by line association advertising. Brian noted 10 years of continuous backing by the local Chevrolet, Ford, Lexus and Toyota groups, and by other line associations on occasion.

"Is your line not represented? Ask yourself why," Brian said.

Auto industry lags in building loyalty among minorities: Polk study

Less than 15 percent of African-American, Asian-American and Hispanic-American car buyers believe the auto industry is "best in class" at developing customer loyalty, according to a recent study by R. L. Polk & Co.

"Auto manufacturers need to do a better job of courting repeat business from minority customers, or they risk missing out on the biggest growth opportunity in the auto industry right now," said Lonnie Miller, Polk's director of industry analysis.

"Minority buying power in the United States," said Miller, "is projected to grow by 14 percent by 2010, so winning and keeping minority customers will be a key element to success in the next decade."

Minority purchases have been a bright spot in recent years' auto sales, according to Polk. While personal registrations in the auto market were down approximately 1 percent from 2003 to 2005, new vehicle sales to minority customers grew about 18 percent.

Despite the overall rise in minority vehicle sales, loyalty to a specific manufacturer is low among these groups. For example, on average, Hispanic-American customers buy from the same manufacturer 48 percent of the time while Asian-American customers buy from the same manufacturer just 42 percent of the time. Overall manufacturer loyalty is 52 percent.

The Polk study, released Dec. 19, found that the most important factor for retaining customers was whether or not they felt a manufacturer was a reliable and trustworthy organization. The notion was strongly agreed upon by 39 percent of Hispanic-Americans, 35 percent of Asian-Americans and 31 percent of African-Americans. These traits were followed by the consumer's joy of driving the vehicle and the overall experience with dealership's service department.

"Aside from the joy of driving the vehicle, the majority of brand loyalty with ethnic groups is built on a dealership level," said Miller. "There seems to be continued opportunity for automakers to connect with customers at the dealership level to encourage them to return for any needed repairs or routine maintenance, while leveraging cultural cues unique to each audience seeking individual attention."

Bootcamp

Continued from Page 1

greatly underwritten by the CATA, whose board of directors launched the training last autumn to help service directors and managers set and exceed objectives; and increase market share, gross profits, efficiency, and employee retention.

Terry D'Arcy, immediate past chairman of the CATA and an impetus for the new service department instruction, said the association has allocated about $1 million to the training program.

"We're always looking for good ways to invest back into the dealer body, to help us do what we do," D'Arcy said. "This is not for dealers, but for the people in the trenches.

"If your dentist hasn't had a tune-up in a while, he probably wouldn't be a very good dentist. We like to refer to this as an MBA in service management."

Many of the service directors and managers who completed one of the CATA's first two Bootcamps hailed the training as the best they ever received. To register for the Jan. 23-26 Bootcamp, call Jim Butcher at the CATA at 630-424-6020.

Enrollment in similiar continuing education programs through other dealer associations typically costs $2,800 for the Bootcamp plus $250 a month over the three-year 20 Group. Special CATA prices are $1,000 for the Bootcamp and $160 a month for 20 Group tuition.

And for service directors and managers who complete the 20 Groups, the CATA will rebate tuition to their dealers at the following levels: 50 percent of the first year, 75 percent of the second year, and 100 percent of the final year.