



Volume 109, No. 19

October 1, 2012

## Upcoming DealersEdge webinars

The Chicago Automobile Trade Association has established a partnership with DealersEdge to provide high-quality training and informational webinars that offer the content to CATA member dealers at a significantly discounted rate.

The rate for CATA members for the weekly presentations is \$149, half what is charged to users who do not subscribe to DealersEdge. Webinars premiere on a near-weekly basis.

Even for dealers who hold an annual membership with DealersEdge, the new relationship with the CATA represents a savings because DealersEdge offers its Webinars to its own members for \$198. Regular annual membership fees are \$397, and normal webinar fees are \$298 for non-DealersEdge members.

Once purchased, DealersEdge webinars and accompanying PDF files can be downloaded and viewed later—and repeatedly. No matter how many people watch at your location, each connection costs a CATA member just \$149. A telephone connection is not needed; and the fee includes both PowerPoint slides and audio.

To register for any of the DealersEdge webinars, go to [www.cata.info](http://www.cata.info). On the tan bar across the top of the screen, click on Education/Careers and follow the dropdown menu to CATA-DealersEdge webinars.

Coming topics:

Thursday, Oct. 4 at 12 p.m. CDT

**“What Dealers, GMs and Controllers Need to Know About the Parts Dept, and Why Parts Mgrs Need to Keep Them Informed!”** Get dealership top management and the parts manager on the same page.

Very often dealers, GMs and controllers use a differ-

SEE **WEBINARS**, PAGE 2

## Successful Hispanic marketing examined at CATA seminar

With Hispanics in the U.S. accounting for one in six persons — and growing — sensible retailers don't overlook that market segment. But even if you succeed in attracting them to your store, are you prepared to negotiate with them there?

Sara Hasson of Univision Communications spoke at a CATA seminar in September about how to reach the 2 million Hispanics who are widely disbursed in the Chicago market. Indeed, while 29 percent of Chicagoans identify themselves as Hispanic, that percentage is 47 percent in Elgin, 55 percent in Waukegan, and 42 percent in outlying Harvard.

And more are on the way: one in four babies born in Illinois is Hispanic, according to National Vital Statistic Reports. Nielsen projects that from 2012 to 2017, Hispanics will represent 100 percent of the total population growth in Chicago and Illinois.

Among Chicago Hispan-

ics, 11 percent speak only Spanish and 10 percent speak only English. A whopping 79 percent are bilingual and they consider speaking Spanish to be a choice, not a necessity. Yet among the 25 top-rated TV shows among bilinguals, 24 appear on a Spanish language network.

The top three sports for Hispanics—soccer, soccer and soccer—air year-round on Univision's Chicago station, WGBO-TV, and the ratings exceed those scored by the Cubs, the White Sox and the Blackhawks.

Polk reports that Hispanics make new-vehicle purchases more frequently than all others, 35 months to 39 months, respectively. Polk also found that Chicago Hispanics spent an average \$25,300 on new vehicles, compared to \$28,100 overall.

An attraction to auto makers seeking to reduce the ages of their first-time buyers, the

SEE **HISPANICS**, PAGE 3

## Webinars

CONTINUED FROM PAGE 1

ent set of metrics to evaluate the performance of the parts department and the investment in inventory. Parts managers often view their inventory as a selling tool and relative to the support offered the service department and overall customer satisfaction. Good parts managers realize that hitting the financial performance benchmarks can sometimes be counter to the overall benefit to the dealership.

Who is correct? Well both. This webinar offers a frank discussion of what dealers, GMs and controllers need to know about the parts department and how parts managers can better present their department to top management. You will learn:

- Common reasons for the actual value of parts on the shelf not agreeing with the General Ledger
- What is really means when the inventory show Non-Stock (NS) parts with an on-hand value
- How to calculate true parts department “inventory efficiency”
- The difference between ‘calculated’ and ‘technical’ obsolescence and why it matters

Thursday, Oct. 11 at 12 p.m. CDT

### “Advanced Effective Labor Rate Engineering!”

Learn a painless process to significantly improve your Effective Labor Rate (ELR).

You can make relatively small and almost invisible-to-the-customer changes in labor pricing that would result in an increase to your ELR of \$6 or \$7 in just 30 days. Sounds almost too good to be true doesn't it? But listen in to this webinar and presenter Ray Branch will both prove it to you and show you how.

“Professor” Ray has studied this concept for more than 17 years and in the process has analyzed more than 32 million dealership repair orders. The results of his studies are nothing short of amazing and very revealing. Learn the formula for almost immediate and significant ELR improvement. You will learn:

- The real definition of “Effective Labor Rate”
- More than 12 specific ELR improvement techniques
- About the Visibility Pyramid - ELR fully explained
- The science of Flat Rate Frequency Utilization
- How to control the up and down swings in your customer paid ELR
- and much, much more!

## New Chicago Auto Outlook

The latest edition of Chicago Auto Outlook examines August sales of new and used vehicles in the market. Get it under the Publications tab at [www.cata.info](http://www.cata.info).

## Dealers increase charitable giving

Automobile dealers serve as pillars of strength in their communities across the United States, particularly when it comes to charitable giving, according to a recent survey by Ally Financial.

Survey data shows that nearly two-thirds of U.S. dealers increased their charitable contributions this year compared to 2011. In addition, more than half of those who responded said they plan to increase their charitable contributions in 2013.

Ally Financial conducted a random sample survey in August 2012 and received more than 300 responses from U.S. dealers. Survey questions focused on dealer levels of involvement in charitable giving and volunteerism in communities. The survey found:

- 98 percent of dealers surveyed contribute to local organizations, with 25 percent of dealers and their staffs volunteering more than 100 hours in their community annually.
- About 45 percent of dealers contribute more than \$20,000 a year in their respective communities.

When asked about factors

motivating dealers to contribute, 68 percent said it was to make a positive impact in the community, while 21 percent said it was due to a personal cause.

“Automobile dealers do a tremendous job supporting their local communities,” said Ally Financial’s Tim Russi. “Ally will sponsor the Time Dealer of the Year program again this year to recognize dealers from every state who donate their time and money to important causes.”

To acknowledge dealer contributions throughout the year, Ally launched AllyDealerHeroes.com, a new website highlighting the philanthropic efforts of dealers across the country.

“AllyDealerHeroes.com features inspiring stories about how dealers are making a difference in the communities where they live and work,” said Andrea Riley of Ally. “The site is a perfect complement to the Time program and will serve as an online community for dealers, local leaders and even consumers to share stories and collaborate on how to get involved and make a difference.”

The CATA Bulletin is produced by the  
Chicago Automobile Trade Association  
18W200 Butterfield Rd. Oakbrook Terrace, IL 60181-4810

The CATA Bulletin is distributed via blast e-mail every other Friday except during the Chicago Auto Show, when it is not produced.

Listings of items for sale are subject to the approval of the CATA. Candidates for employment must submit a full resume to the Editor.

Review past editions dating to 1998 or search by subject at [www.cata.info](http://www.cata.info).

David E. Sloan  
Erik K. Higgins

President, Publisher  
Editor, Director of Dealer Affairs

## 75 percent of drivers say technology in cars goes too far

*New gadgets are dangerous distraction, survey responders say*

A new Harris Interactive poll of 2,634 adults reveals 76 percent think in-car connectivity is too distracting and even dangerous. More than half think manufacturers have taken interior auto technology too far.

But it turns out the poll reveals more than people's thoughts about the dangers of driving while distracted. Six in 10 of those polled are also worried about their privacy, including where they've been and how they drove while getting there.

And 41 percent of U.S. car owners think that their insurance rates could increase because of what in-car technology reveals about their driving habits.

That's more of a concern among younger drivers between 18 and 35 (46 percent) and men (46 percent).



Motorists are ambivalent overall about gadgets in their rides, though. 61 percent see their car as a haven from the outside world and don't wish to be connected to the outside world. At the same time, more than half say in-car connectivity makes driving more enjoyable and makes them feel safer while on the road.

Men in particular enjoy having con-

nectivity in their cars (64 percent) more than women (53 percent) and feel safer with technology on-board (61 percent) compared to women (54 percent).

Age, unsurprisingly, determines whether or not you're a fan of more info in a car. Boomers find technology a yawn, with only 39 percent of those aged 50 to 66 saying they think tech is important in their rides,

while 58 percent of those 18 to 35 responded similarly.

It's not even a matter of "thinking" distractions make driving dangerous, though, is it?

Once upon a time, common driver distractions while driving were limited to shaving, applying makeup, looking for something in the back seat or playing air guitar.

## Hispanics

CONTINUED FROM PAGE 1

median age of Illinois Hispanics is 26, compared to 37 overall. Hasson said marketing to Hispanics "is a great way to achieve that."

But how is that done best? Hasson said that while non-Hispanics typically view buying a car as a business transaction like any other, Hispanics consider it to be a family event. And while they can be wary of the process, the salesperson is seen as a trusted advisor who can help the family reach a team decision. Spanish-speaking salespeople have an advantage in becoming that trusted advisor.

To be able to do that, negotiation areas must exist

to accommodate families. Some dealerships, Hasson said, convert the employee lunchroom into such an area on Saturdays, when traffic is greater.

A Hispanic-friendly showroom, she added, should include Spanish signs, POP and brochures; "Se Habla Español" on all entrances; (Spanish Spoken Here); "Yo Hablo Español" on employee name tags (I Speak Spanish); and a children's section with small desks and chairs with coloring materials.

Hasson said F&I managers who speak Spanish often enjoy greater closing ratios. "It eases the stress in the negotiating process," she said. "It also presents opportunities to increase product sales."

## Trade-in equity up on used cars

A declining supply of used vehicles, strong consumer demand and improving vehicle quality have resulted in higher trade-in equity on many used cars and light trucks.

"Higher trade-in equity on used vehicles will help facilitate the release of pent up demand for a growing number of consumers making the jump off the sidelines and into a vehicle purchase," said Jonathan Banks of the National Automobile Dealers Association. "The equity position that consumers find themselves in today is better, and in some cases dramatically better, than it was three years ago."

For example, in 2006 it took a consumer who bought a new Ford Explorer XLT 4WD with a 6-cylinder engine 41 months of loan payments to reach a positive equity position. After 45 months of ownership, equity in the vehicle reached \$2,895.

Fast forward three years. In 2009 it took a consumer who purchased a new Explorer XLT 4WD with a 6-cylinder engine just 26 months to reach an equity position. The equity stake after 45 months of ownership jumped to \$6,830, nearly \$4,000 more than three years earlier.

## '13 Presidents Day is Oaklee's Family Guide Day at Chicago Auto Show

The 2013 Chicago Auto Show is partnering with a suburban Chicago quarterly guide to area children's activities to present the auto show's first-ever Family Day.

Oaklee's Family Guide, launched in 1999 by suburban mothers who wanted to know about nearby children's activities, will organize kid-friendly activities and entertainment for the whole family at McCormick Place on Feb. 18.

The print and online guide also will highlight the Chicago Auto Show in its winter 2013 edition, with a front-page cover and a special section inside.

Dealers might be interested in advertising opportunities in Oaklee's Family Guide.

The publication's media kit indicates that it reaches more than 1 million readers, that more than half its readers are ages 35 to 44, and that its audience has an average household income of \$96,906.

To discuss advertising, contact [sales@oakleesguide.com](mailto:sales@oakleesguide.com) or (847) 478-9692.



## New-car buying by young rises after years of decline

Young buyers are inching back into the new-vehicle market after several years on the sidelines, helped by easing credit and a slightly improving job market.

"Younger buyers have returned to market at a higher rate than any other age category," according to a recent report by J.D. Power and Associates' Power Information Network.

The young buyer group, from teen years through age 35, is a hefty 23 percent of so-called retail buyers, the highest since 2008, according to Power. The retail sales category excludes multiple-vehicle sales to fleet buyers, such as rental-car and taxi companies.

Data from Polk, which tracks new-vehicle registrations, not sales, found a similar trend, showing buyers ages 18 through 34 are 12 percent of all new-vehicle registrations from January through July this year — the highest since 16.4 percent in 2007.

Power's Thomas King said that high used-car values could be helping younger buyers who have something to trade-in or sell. Credit is also easier to get, and "We are also seeing growth in longer-term loans, 72 months and over," which reduces

monthly payments, he said.

Long loans, however, can lock buyers into long ownership. It takes years before the loan balance is less than the value of the car, delaying the next purchase.

Still, the rebound is huge for car companies, which depend on an influx of youthful customers as their lifeblood:

Younger shoppers don't buy high-profit vehicles at first. But if they can be well-served and kept loyal, auto-makers believe they'll move up to very profitable models as they get older and richer.

Big gainers with young buyers: Hyundai and Kia. Polk says together they had 11 percent of the new-vehicle registrations by young buyers, up from just 5 percent in 2007. European makers, mainly Volkswagen, also grew, edging up to 4 percent.

Polk says Detroit makers, meanwhile, fell 3 points to 37 percent of the group. And Japanese brands tumbled 6 points, to 41 percent.

Tom Libby, an auto analyst at Polk, said the theory that younger consumers just lost interest in new vehicles and are interested instead in being online is false.

"They are as interested as ever," said Libby, "and when economic conditions improve, they'll come back."

## Northwood's auto show Oct. 5-7

Under the theme, "Driving the Dream," the 2012 Northwood University International Auto Show runs Oct. 5-7 at the school's Midland, Mich., campus.

The theme, said show General Chairman Patrick Faber, "focuses on the idea that with each vehicle sold, the buyer has a 'dream' for that particular vehicle. The theme also expresses each vehicle's ability to provide a unique experience that fulfills the expectations of its buyer.

"By displaying a wide variety of vehicles, it is possible

to showcase many dreams, whether it is to drive an exotic sports car, obtain basic transportation, or enjoy the use of recreational vehicles."

The show features more than 500 new domestic and imported cars, trucks, recreational vehicles, vans, experimental and specialty vehicles, plus various exciting automotive aftermarket products.

The Northwood show attracts about 50,000 visitors annually. For more information and a schedule of events, go to [www.northwood.edu/autoshow](http://www.northwood.edu/autoshow) or call (989) 837-4823.

## In Memoriam

George Zouganelis, who started dealership work in 1953 and later became sole proprietor of a General Motors dealership in Wilmington, died Sept. 16 at age 88.

Mr. Zouganelis served in the U.S. Air Force before working for the Douglass family, who owned Community Motors. He bought Community Oldsmobile-Pontiac in 1967, and added GMC in 1993. The dealership currently operates as Community GMC, under the direc-

tion of his sons George Jr. and Peter. In addition to his sons, survivors include Helen, his wife of 58 years; two grandchildren; and two step-grandchildren. Memorials appreciated to Kuzna Care Cottage in Wilmington, (815) 476-2030.