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2015 Chicago Auto Show finds attendance, enthusiasm brimming

Chicagoans this year shivered through their second coldest February ever, but they turned out in droves to the latest Chicago Auto Show, where the weather was always 70 degrees except, perhaps, by the building's entrance doors.

Attendance at the 2015 Chicago Auto Show jumped 7 percent over 2014, earnestly launching the area dealers' spring selling season.

The show's media preview hosted 18 world premieres, including the introduction of important consumer vehicles such as the Acura RDX, Chevrolet Equinox, Honda Pilot and Toyota Avalon.

"With so many attendees and so

much room to spread out, the Chicago Auto Show is the nation's consumer auto show," said John Webb, chairman of the just-wrapped edition. "That was in evidence with the large number of mainstream vehicles that made their world debuts here this year."

A leader in technology, the Chicago Auto Show treated its visitors to free Wi-Fi, and more than 33,000 people downloaded the show's official app. The app incorporated cutting-edge beacon technology designed to message attendees when they approached significant vehicles or sponsor-activation areas.

On the social media front, #CAS15 was a top trending hashtag on Twitter

during the media preview. The hashtag directly reached 30 million people.



Best of Show

For the 10th consecutive year, consumer voters proclaimed their favorites in five categories in the show's "Best of Show" balloting. The Chicago Auto Show is the only major auto show that measures its attendees' favorite vehicles

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Oberweis renews attempt to strike Illinois blue law on Sunday sales

Illinois state Sen. Jim Oberweis had a busy day Feb. 20, when he introduced three Senate bills that seek to repeal a 31-year-old ban on Sunday car sales in the state.

Senate Bill 1780, the most far-reaching of the trio, would lift Illinois's blue law that prohibits new- and used-vehicle sales on Sundays. Another, SB 1835, would allow for the sale of motor vehicles by licensed dealers for not more than two hours on Sundays. And SB 1706 would permit Sunday sales of motor vehicles if the licensed dealer is a person who observes a religious day of worship other than Sunday.

Obwerweis (R-Sugar Grove) also introduced legislation last year to open dealerships on Sundays, but that effort faltered. All three current bills are before the five-member Senate Assignments Committee, which is led by Sen. James Clayborne Jr. (D-Belleville).

Several dealers told the Chicago Automobile Trade Association that they received an email from Oberweis's legislative aide which asks dealers to choose one of three poisons regarding Sunday closing. While the correct answer to this multiple-choice question is "none of the above," that answer is not provided as an option. The CATA advises dealers

to simply disregard the email. Since the inquiry usually is sent through dealer lead management systems, staff should be advised likewise.

Few dealers support lifting the state's blue law on auto sales. Instead, they favor giving employees that day off, especially since banks are not able to finance vehicles on Sundays. Lifting the ban on Sunday sales also would increase dealership costs without increasing sales, which could lead to higher prices for consumers.

"Our dealers like the current law," said Colin Wickstrom, chairman of the

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Voters deemed the Ford Mustang GT350, here on display at the 2015 Chicago Auto Show, the vehicle they most want in their driveway. The show ended its nine-day run Feb. 22.

Auto show

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and exhibits. Winners in the contest's five categories were:

- Best All-New Production Vehicle: Ford GT (38 percent of the vote)
- Best Concept Vehicle: Toyota FT-1 (30 percent)
- Best Green Vehicle: BMW i8 (38 percent)
- Best Exhibit: Ford (25 percent)
- Vehicle I'd Most Like to Have in My Driveway: Ford Mustang GT350

Each of the first four winners beat out seven other vehicles. The eight finalists in those categories were named by a jury of automotive experts. In the "driveway" category, voters could choose from among any of the vehicles on the show floor. In all, nearly 8,000 consumers voted in the Best of Show balloting.

Top salespeople

Ninety effective salespeople in the displays netted more than \$16,000 under the show's Award for Customer Excellence program. Incognito judges each day evaluated the salespeople using various criteria. The prize, \$150 or \$200 cash, could be won by one salesperson a day at each eligible exhibit. Four salesmen won the award twice over the show's run: Tim Geller, of Schaumburg Mitsubishi; Patrick Norris, of McGrath Acura of Downtown Chicago; John Schneider, of Continental Honda (Countryside); and Jerry J.T. Triplett, of Bill Kay Ford (Midlothian).

Hispanic Heritage Day

With Telemundo Chicago, the Chicago Auto Show designated Feb. 20 as Hispanic Heritage Day, in recognition of the rising market of Latino car buyers. Telemundo has partnered with the Chicago Auto Show since 2007 to present this special event.

Planning for the 108th Chicago Auto Show, Feb. 13-21, 2016, already is underway.

\$2.5 million raised for charities

Eighteen area charities shared in more than \$2.5 million raised by the 2015 Chicago Auto Show's benevolent event, First Look for Charity, and two attendees left with the keys to new automobiles.

The Feb. 13 event raised \$2,510,714, one of the more prosperous tallies for the 24-year-old black-tie fundraiser. About 9,500 people attended First Look for Charity, held the evening before the auto show opens this year's nine-day public run.

"First Look for Charity is a great instrument for the area's new-car dealers to show the positive impact they have on their community," said John Webb, chairman of this year's auto show. "All the benefiting charities are involved locally, so the money that's raised in Chicago stays in Chicago."

As the name of the event implies, those who attend First Look for Charity are part of the premier viewing of each year's Chicago Auto Show. Tickets to the fund-raiser are \$250 each, and purchasers can elect to have their proceeds equally benefit all participating charities, or any one charity for which they have an affinity. For the event, the auto show floor is replete with a variety of food and beverage stations.

A highlight of the evening is the drawing for a new vehicle, the event's grand prize. This year's event featured two 2015 model-year prize vehicles: a Ford Explorer and a Ford Fusion. Joe Alexander, of Joliet, held the winning ticket for the Explorer; and Chicagoans Mike and Eileen Mertens won the Fusion.

A past member of the Misericordia Heartracers, Alexander said he has ran three marathons to raise funds for the nonprofit, which also is a First Look for Charity beneficiary. Now in graduate school, Alexander said he can't devote the time to train for another marathon, so he supports Misericordia by attending benefits in which the charity is involved.

Fans of Chicago's team on Major League Baseball's junior circuit, the Martenses said they intend to take their new Fusion and "drive it down to spring training and watch the White Sox." Proceeds of their First Look for Charity ticket purchase benefited the Boys & Girls Clubs of Chicago.

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Review past editions dating to 1998 or search by subject at www.cata.info.

David E. Sloan
Erik K. Higgins

President, Publisher
Editor, Director of Dealer Affairs

Dealer associations back call for CFPB to correct enforcement bias

Five financial services organizations on Feb. 18 urged the Consumer Financial Protection Bureau to adjust its auto financing enforcement policy in light of a new study that casts substantial doubt on the government's analysis.

The groups, which include the American Bankers Association, the American Financial Services Association, the Consumer Bankers Association, the Financial Services Roundtable and the U.S. Chamber of Commerce, wrote a letter to CFPB Director Richard Cordray urging the Bureau to change its enforcement policy on dealer-assisted financing, in light of findings in a peer-review study that showed there is significant bias in the Bureau's analysis.

The National Automobile Dealers Association, the American International Automobile Dealers Association, and the National Association of Minority Automobile Dealers applauded the efforts of five financial services organizations to fix the serious flaws in the CFPB's approach to regulating auto financing.

"Discrimination in the market simply cannot be tolerated," said NADA President Peter Welch. "However, in light of the rigorous peer-review that has cast significant doubt on the CFPB's find-

ings, the Bureau should change course — or at least hit the pause button — and address these new concerns. We applaud the courage of these organizations for speaking up."

The CFPB issued guidance in 2013 which called on lenders to change the way they compensate dealers for arranging financing for their customers because of a risk of disparate impact in the loans issued. However, an in-depth study by Charles River Associates demonstrates that the analysis the CFPB uses in enforcing its guidance is substantially flawed and that, as a result, the Bureau's findings are erroneous and overstated — in some cases, dramatically so.

For example, after reviewing data from more than 8 million financing transactions, the Charles River analysis concluded that the CFPB overstates one of its comparisons by 41 percent. Remarkably, despite the indictment of its methods, the CFPB has yet to address the study or its implications on CFPB policy.

In the current dealer-assisted financing model, consumers benefit as dealers obtain quotes from dozens of finance sources — many of which consumers would not ordinarily have access to.

However, auto loan customers are not required to state their race or ethnicity on loan applications.

To determine this, the government uses complex statistical modeling to estimate the number of minorities in a sample. The Charles River study showed that the CFPB's use of this modeling contains numerous flaws, thereby casting doubt on the CFPB's larger policy.

The flaws in the CFPB's methodology have not stopped automobile dealers from developing procedures to address the CFPB's concerns about the risk of discrimination in auto financing.

In 2014, the NADA, the AIADA, and the NAMAD jointly released the NADA Fair Credit Compliance Policy & Program, which provides a dealer with an optional mechanism for ensuring that its credit pricing is established in a consistent manner and is based exclusively on legitimate business considerations.

The program is modeled on — and fully adopts — a U.S. Justice Department fair credit compliance program that the agency required dealers to implement in prior enforcement actions.

For more information about the CFPB and dealer-assisted financing, visit www.nada.org/cfpb.

In Memoriam

William Hawkinson, whose Oak Lawn dealership in 1991 won the designation as the No. 1 volume Ford dealership in the U.S., died suddenly Feb. 2 at the age of 64.

After earning engineering degrees at Purdue University, he went to work for the family business, Hawkinson Ford Co., eventually becoming president and chief executive.

The dealership was named a Top 100 Ford Dealer more than 30 consecutive years.

Mr. Hawkinson was named a finalist in 2001 for the Time Magazine Quality Dealer Award, which recognizes new-car dealers for exceptional performance in their business coupled with distinguished community service.

He established the Hawkinson Family Foundation for School District 123; contributed to his high school

alma mater, St. Ignatius; supported the Boy Scouts of America; and held leadership positions at Advocate Christ Hospital and Medical Center in Oak Lawn, where, in addition to serving as a council member, he was integral in establishing Hope Children's Hospital, raising more than \$2 million in donations.

Mr. Hawkinson also served as a board member and treasurer for a variety of business organizations, including the National Ford Dealer Coun-

cil, the Chicago Ford Dealers' Advertising Fund, and the Chicago Automobile Trade Association; and as a council member and occasional adjunct professor at the University of Illinois at Chicago's Family Business School.

Survivors include Fredrica, his wife of 41 years; son Jeffrey; daughters April and Erica; and four grandchildren. Memorials appreciated to St. Ignatius College Prep, (312) 421-5900.

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. On the tan bar across the top of the screen, click on Education/Careers and follow the drop-down menu to CATA-DealersEdge webinars.

Coming topics:

Premiering Thursday, March 5 at 12 p.m. CST

“Habits and Practices of the Exceptional Parts Manager” Parts managers control a lot of dealership money and capital. They also are key players who impact how smoothly and profitably your service department will run. Learn how the best parts managers in the business get it done every day.

While few in the dealership fully understand the complexities of the parts manager’s responsibilities, they are a critical cog in the successful functioning of the entire fixed operations side of the business.

In addition, they control a ton of money and can make or lose much of that money if they do not apply themselves adequately to the tasks at hand.

Some do the job exceptionally well. They stand head

and shoulders above their peers. Join us as Mike Nicholes uses his vast experience and expertise to profile the talents and abilities necessary to be considered an exceptional parts manager. You will learn about:

- the Parts Manager’s role as a money manager
- the Parts Manager’s No. 1 responsibility and how the best stay focused
- the necessary skills and aptitudes needed for parts management success
- how exceptional parts manager work in tandem with other managers and departments
- how the best have mastered the control of obsolescence and its potential losses
- how parts managers can add value to the whole dealership and its overall goals

Premiering Thursday, March 12 at 12 p.m.

“Effective Recall Handling: Fulfill the Responsibilities Without Killing Service Profits” Massive recall programs are causing many service departments to suffer a significant decline in profits. Learn how some dealers are managing recall programs while preventing profit erosion and bad service lane habits.

Many low-profit, low-upsell potential service visitors can clog up an otherwise profitable service business. You have an obligation to the customer and the manufacturer to perform recall repairs efficiently and honorably.

But Greg Criss points out that you don’t have to let recall overload kill your otherwise highly profitable service business. In this 80-minute session, Greg profiles successful strategies being employed at dealerships from around the country to combat recall-related service system and profit declines. You will learn:

- how to determine additional staffing levels if needed to handle incoming recall-related phone contacts.
- why “manufacturer line teams” may make the recall process more efficient.
- how to set-up an expedited appointment system
- how to perform “triage” when swamped with incoming recall-related inquiries
- how to schedule to maximize the retention opportunities of service guests you have never seen before.

Sundays

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CATA. “Every state around Illinois is closed Sundays for car sales. Salespeople really like that day off.”

Wickstom added that he doesn’t believe consumers are deprived by the

Sunday closures. “In the old days, consumers probably would come out four or five times to a dealership. I think a lot of that stuff now is done online, and that’s open 24/7,” he said, pointing out that some customers enjoy roaming dealer lots on Sundays at their leisure, with no employees present.

Illinois’ blue law took effect in April 1984. At the 1982 bill signing, then-Gov. James Thompson told the Associated Press, “Since consumers will still have a chance to purchase automobiles six days and nights a week ... I will, in this instance, defer to the judgment of the Legislature.”