



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 dropdown menu to CATA-DealersEdge webinars.

Coming topics:

Thursday, Aug. 8 at 12 p.m. CDT

“How to Harness 21st Century Technology for Increases in Staff Efficiency, Computer Security & Cost Control” A real-world look at technology advances that can benefit auto dealers today. Technology moves quickly these days. Let’s slow it down a notch so we can

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Negotiations with union techs extend beyond contract deadline

About six hours before a 4-year deal lapsed, the bargaining teams for the Chicago-area New Car Dealers Committee and the union representing organized technicians on July 31 reached a tentative agreement on a new collective bargaining agreement.

The parties agreed to extend the current contract through Aug. 4, when technicians of Mechanics’ Union Local 701 will vote whether to ratify the new deal. Accordingly, all unionized dealerships would be in normal operation until Aug. 5, without threat of a strike.

More young consumers using mobile devices for shopping

More and more researchers are concluding that, for Generation X and Y consumers, the threat of being struck by lightning apparently is greater than suffering a paper cut. Yes, it’s all about being online, and increasingly while mobile.

So what happens when Gen X and Y consumers see a dealership’s wonderful MARK-driven online listing and wind up on the lot? You might think the online battle is over at that point. Actually, it’s just beginning.

A growing majority of

people are doing an extensive amount of research online before buying a car; according to Pew Research Center as many as 55 percent of those shoppers are going online through their mobile devices — up from 31 percent three years ago. Consider these other staggering statistics:

According to CNW Research, only 2 percent of new-vehicle shoppers were using smartphones to gather vehicle information in 2008.

In just three years, it jumped
SEE **GENS X AND Y**, PAGE 4

'Killer app' book urges dealers to join mobile revolution

At first, Mike Martinez doubted the potential success of dealerships having their own mobile apps. Now, he's written a book about how great those apps are.

"When we started this journey, I have to admit I wondered why someone would want a dealer app on a smartphone," says the chief marketing officer of DMEautomotive.

The project went ahead anyway, and the results have made Martinez a believer. About 200 dealerships now offer DME's Driver Connect app. Customers who download it spend an average of 21 minutes per visit.

"That is five times higher than the average for a dealership website," said Martinez, the lead author of "The Pocket Revolution – The Complete Guide to a Killer Mobile App."

DMEautomotive sells the app to dealers who brand it as their own when offering it to customers.

A section of Martinez's book tells how to get dealers to encourage employees to persuade customers to put the app on their smartphones and computer tablets. "That can be the hard work," he says. "It requires management and personnel commitment, enforcement and buy-in."

"Let-me-show-you-our-cool-app" word tracks for salespeople and service advisers help. So do stickers and windshield hanger tags with QR codes for easy aim-and-click downloads.



Mike Martinez with his new book.

People in the market for a car often are reluctant to download dealership apps because they feel it limits their shopping choices. They are more likely to go to a dealership website. A study indicates shoppers visit as many as eight dealer websites during the buying process.

But Martinez said his app is intended mainly for use by established customers, not shoppers.

"The goal is to make their car ownership experience better," he said. For the dealer, "it is a chance to stay connected with customers, create loyalty, deliver hyper-targeted offers and sell additional products and services."

A dealership has 10 to 12 selling opportunities during the course of a 3-year car ownership, Martinez said. "Think of the ability to communicate constantly through the most intimate device consumers have, one that is always with them. Think of the impact on the service department."

A customer can use the app to schedule a repair or maintenance ap-

pointment. After that, the customer can track when a technician starts working on the vehicle and when it is ready for pickup.

App features include a service history record, parking-lot finder and flashlight function.

"The fourth most-popular feature is the new- and used-vehicle inventory listing," Martinez said. "People often like to spend time browsing through dealer inventory, even though they might not be in the market at that particular time."

He is a realist. "You are not going to get every customer to download this app, but if you get 40 percent from your customer base, that is about 5,000 people for the average dealership."

About half of the adult population has smartphones. A majority of those are under age 35, he said, adding that using mobile strategies to capture Generation Y business is vital for dealerships.

One message of the book, as evidenced by its title, is that "mobile apps are going to revolutionize retail," Martinez said. "They already are having an effect." Another message to dealers is to join the revolution. "I remember how we went through the web revolution of about 10 years ago," he says. "There was a lot of chaos and time spent trying to figure out how everything should work. With this book, we are trying to short-circuit that confusion."

Congratulations!

Continental Audi of Naperville and **Sunrise Chevrolet** (Glendale Heights) were named by Automotive News as being among the top 100 dealerships in the United States and Canada at which to work, in its 2013 assessments. Rankings will be revealed at an Oct. 17 ceremony in Chicago.

Toyota of Naperville was named a 2012 member of Toyota's prestigious Customer First Advisory Board, which focuses on parts, service and customer relations.

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

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Feds want cars with technology to talk to each other

What if motor vehicles were equipped with “connected technology,” machine-to-machine communications tools that could help drivers avoid accidents?

The U.S. National Transportation Safety Board is calling for just that, in a report filed after an investigation into a collision between a Mack truck and a school bus at an intersection in New Jersey last year.

The accident occurred when the truck hit the left rear of a bus carrying 25 students. One student was killed in the crash and five others were seriously injured. The truck driver was not hurt.

Among its conclusions, the NTSB found that connected vehicle technology could have provided active warnings to the school bus driver of an approaching truck and possibly prevented the crash.

“Effective countermeasures are needed to assist in preventing intersection crashes,” the NTSB stated in its report on the crash.

“For example, systems such as connected vehicle technology could have provided an active warning to the school bus driver of the approaching truck as he began to cross the intersection,” a NTSB report concluded. “Although the bus driver was adamant in his post-crash interview that he had pulled forward sufficiently

to see clearly in both directions, he failed to see the oncoming truck and proceeded into its path.”

Researchers are developing machine-to-machine (M2M) communication technology that would allow the exchange of data between vehicles, allowing each to know what’s going on around them.

A car, for instance, could “see” the velocity of nearby vehicles and react when they turn or brake suddenly. Using computer algorithms and predictive models, the car could measure the skills of nearby drivers — and ensure you’re safe from their bad moves — and predict where other vehicles are going.

“We’re even imagining that in the future cars would be able to ask other cars, ‘Hey, can I cut into your lane?’ Then the other car would let you in,” said Jennifer Healey, a research scientist with Intel.

Intel is working with National Taiwan University on M2M connectivity between vehicles as a way to make roads more predictable and safe.

“Car accidents are the leading cause of death for people [ages] 16 to 19 in the United States. And 75 percent of these accidents have nothing to do with drugs or alcohol,” said Healey, who delivered a TED Talk on the subject in March.

The Alliance of Automobile Manufacturers, an industry trade group

working with the NTSB on connected vehicle technology research, has thrown its support behind the creation of a radio spectrum to be used for vehicle-to-vehicle communication.

Earlier this year, the AAM joined The Intelligent Transportation Society of America and major automakers in urging the Federal Communications Commission to reserve the 5.9 GHz band of spectrum for connected vehicle technology.

The groups have stated the technology “is expected to save thousands of lives each year — from potentially harmful interference that could result from allowing unlicensed Wi-Fi-based devices to operate in the band.”

In response to a Computerworld magazine request for comment, the AAM said with connected vehicle technology changing so fast, “the best thing the government can do is create the right framework that encourages long-range innovation. The government is still determining what that should be.”

A pilot of the technology in Ann Arbor, Mich., led by the NHTSA, is drawing to a close, it said, and the research will be analyzed for months.

“The NHTSA will need to look at the interaction of cars talking to each other, as well as cars talking to the infrastructure. The promise for enhanced safety has all of us watching this proj-

ect,” the AAM stated. “NHTSA will announce its intentions soon, and whatever form that takes, we seek a pathway that will allow creative minds to respond. But even before that, we are urging government to be very vocal in their support of preserving the 5.9 GHz spectrum for connected cars so that we don’t put the cart before the horse and spur connected cars forward and then find there is not sufficient spectrum.”

A study by the National Telecommunications & Information Administration showed that connected vehicle technology “could help prevent the majority of types of crashes that typically occur in the real world, such as crashes at intersections or while changing lanes.”

The NTIA’s conclusions also revealed some reservations around implementing the technology.

“Further analysis is required to determine whether and how the identified risk factors can be mitigated, the report said. “While the state-of-the-art of existing and proposed spectrum sharing technologies is advancing at a rapid pace, NTIA recognizes ... the potential risks of introducing a substantial number of new, unlicensed devices into them without proper safeguards.”

Webinars

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see how it can be applied successfully in the dealership setting.

The speaker, Erik Nachbahr, has spent the last 15 years working with retail car dealer clients on their technology challenges. Join Erik and DealersEdge for a revealing discussion of the technology advances and issues that face auto retailers today. Erik will share his real-world solutions to help improve employee efficiency, computer and data security and dealership cost controls.

You will learn:

- How to gain a competitive advantage by accelerating your store's information flows
 - Ways to address the risks posed by the Business Software Alliance and FTC actions
 - About the Red Flags that can help identify security risks that can result in customer data theft
 - How to reduce dealership costs while increasing capacity and reliability
- Thursday, Aug. 15 at 12 p.m. CDT
“How to Create a “Disney-Like” Customer Experience In Your Dealership Service Department” Find out what it would take to change your

Service Department so that customers want to return and do business with you. Instead of “marketing” to them, create the retail atmosphere that “attracts” them and pleases them no end.

Some retailers have already mastered the “Disney-like” approach to the customer experience. Department stores such as Nordstrom have achieved nirvana: a body of customers that can't wait to visit and spend money. A lot of money!

Visit with Don Tipton as he explores just what you need to do to help break the mold and create a Service Department where customers can't wait to visit and spend money.

Gens X and Y

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to 27 percent.

More than 5 million people a month visit Cars.com, AutoTrader.com and DriveChicago.com from their mobile devices. Thirty percent of Cars.com traffic comes from mobile devices.

If Gen X and Y car shoppers are using mobile devices to research their options, you better believe they're using them on your lot. In fact, according to a recent study from eBay Motors, 44 percent of 18- to 35-year-olds use mobile devices to com-

pare pricing or get information while at a dealership.

The rate in other age groups was 27 percent, and the average age of these mobile car shoppers is 43.

A Cars.com study revealed that the top use of mobile on the lot is price comparison, followed by searches for general information and then vehicle feature information. In other words, Gen X and Y shoppers who arrive on your lot are more susceptible than ever to online marketing from your competitors — and it may lead them right off your lot.

Fortunately, the advantag-

es of mobile go both ways, and dealers and OEMs are beginning to realize that.

Leveling the playing field, closing the sale

It's closing time. Your younger potential customers have arrived on your lot, but now you're facing a new obstacle: mobile use on the lot.

If nearly half of your Gen X- and Y-aged potential customers are inclined to use mobile Internet on your lot, they've got power in the palm of their hand in the form of easy access to book data, competitor pricing and more.

And even if they aren't

using mobile devices on the lot, they've likely come fresh off hours of online research; when they step foot on your lot, they're armed with every scrap of online information available on your inventory. Shouldn't your salespeople have the same information to achieve higher-volume, higher-gross selling?

The iPad is a great tool to help you go head to head with them. It helps build credibility, and allows you to prove the value of your inventory by showing customers online information on a vehicle — from book data to J.D. Power awards.

Marketplace

Parts Manager More than 30 years' dealership experience, 25 as parts manager. Honest, straight-forward manager; exemplary track record with vendor relationships and customer service. Inventory control management expert with impressive results in efficiency/cost savings. Expert with ADP. Marian Bala, (630) 363-4707.

Hillary Clinton to speak at NADA convention

Former Secretary of State Hillary Rodham Clinton, a potential candidate for president in 2016, will address dealers from around the country next January at the National Automobile Dealers Association's 2014 Convention & Expo in New Orleans. The former first lady and U.S. senator from New York will give the keynote speech on the last day of the event, which is scheduled to run Jan. 24-27.

“The NADA has a long history of inviting high profile speakers who have provided diverse perspectives on a wide range of issues,” said Desmond Roberts, chairman of NADA's convention committee and principal of Advantage Chevrolet in Hodgkins and Bolingbrook. “We've hosted U.S. presidents from both parties as well as prime ministers and other dignitaries who have offered interesting insights and opinions.”