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Infotainment issues top consumer complaints

Premium brands occupy most of the low spots in the customer-survey-based 2021 J.D. Power Initial Quality Study in which the Ram pickup truck ranks No.1 with the fewest reported problems.

It may seem ironic that many luxury brands lag behind mainstream nameplates, but there are a couple of logical explanations for that, said Dave Sargent, J.D. Power's vice president-automotive quality.

First, upmarket vehicles contain more new and complex technology. "Customers tend to struggle with it," he said. But that is less of an issue than something not working right.

Second, mass market automakers "continue to catch up in terms of fundamental build quality," Sargent said during an online briefing on the latest study results.

Only two luxury brands performed above average.

Still, "the industry continues to improve," Sargent said, citing a 3% improvement rate this year in fewer problems reported, "which is not bad" considering the environments of COVID, vehicle shortages and lots of newly introduced technology.

Twenty of 32 brands improved their quality from 2020. Surveyed consumers' complaints ranged

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Auto industry hit hardest by COVID supply chain disruptions, survey finds

The automotive sector was hit the hardest by supply chain disruptions during the Covid-19 pandemic, according to a survey that covered six broad industries.

The survey was conducted by the Economist Intelligence Unit

and sponsored by Citi. It surveyed 175 supply chain managers — more than 70% of which were based in Asia — in February and March this year, and its findings were released Aug. 25.

In addition to auto, the respondents came

from five other industries:

- Footwear and apparel;
- Food and beverage;
- Manufacturing;
- IT, tech and electronics;
- Healthcare, pharmaceuticals and biotech-

SEE **SUPPLY**, PAGE 4

Dealer grasps opportunity in electrics and fleet sales

Automobile dealers are some of the finest entrepreneurs in America, but their command of car retailing was tested as never before by the pandemic and the sudden rise of e-commerce. Now, add two more trends that are shaking up their industry: the rise of fleet sales and vehicle electrification.

Ohio megadealer Rick Ricart is leaning into those two developments as he aggressively recasts his seven new-car stores and one used-car outlet in Columbus for a different future. He's a third-generation dealer, but Ricart said he can't afford to live on his family's substantial legacy. So he's rolling up his sleeves to attack those important new areas of potential vulnerability — and im-

mense opportunity.

Electrified vehicles aren't going to dominate Ohio sales anytime soon, but they're in the process of doubling in the U.S. every year or so. And while Columbus isn't California in terms of demand for EVs, it is a college and government town with a consumer appetite for EV models that is going to be ahead of the pack.

"We want to get as far out over our skis as we can, without crashing," Ricart said. "I don't think it's a bad investment. As a dealer, we have to be certified [to service] all of our brands, to sell and service all the EVs coming out."

Ricart also needs to "adapt our own facilities to create charging stations and our own

SEE **SALES**, PAGE 4

Collision repair school to hold Sept. 9 golfing fundraiser

Chicago's Kennedy-King College, one of a handful of schools in the Chicago market with collision repair curricula, will benefit from money raised at a golf fundraiser, 6-9 p.m. Sept. 9 at [Topgolf](#) in Schaumburg.

The outing is being coordinated by the Collision Repair Education Foundation, which assists secondary and post-secondary collision repair training programs. CREF is based in Hoffman Estates.

An unlimited buffet and beer, wine and soda await golfers for \$150 each. Networking guests cost \$75 each. Sponsorships also are available ranging from \$500 to \$5,000. Contact Brandon Eckenrode, managing director for CREF, at (312) 231-0258 and Brandon.eckenrode@ed-foundation.org.



ed-foundation.org.

Money raised during the networking event will enable Kennedy-King's collision program to buy needed tools, equipment and supplies to help prepare students for entry-level industry employment. College staff, Kennedy-King collision students, and other guests are expected to participate.

"Across the country, this industry is facing an issue of an aging workforce and desperate need for entry-level staff. This focused effort to support Kennedy-King College's collision program will help current and future students in their collision program," Eckenrode said.

NADA Show '22 returning to Vegas

The National Automobile Dealers Association will kick off its 2022 Show in Las Vegas with a blockbuster Welcome Kickoff Reception at the brand new Allegiant Stadium adjacent to the Las Vegas Strip.

The Welcome Kickoff Reception on March 10, 2022, will bring together the entire auto industry for a rousing indoor tailgater, with a festive sports theme and a wide array of experiences and activities for Show attendees, exhibitors and industry partners. Reception attendees will have access to the field, various lounges and exclusive areas of the state-of-the-art stadium. Attendees also will enjoy gourmet food and top-shelf beverages.

"This is one of the biggest — if not the biggest — event that the NADA has hosted to date," said Scott Dube, a Massachusetts dealer and chairman of the NADA Show Committee. "The grand scale of this event signifies the importance of personal connections in our industry. We are excited to bring back the sense of community that our industry has been lacking since the coronavirus pandemic began, and help bolster relationships between the NADA, its members, automakers and the vendor community."

Headlining the Welcome Kickoff Reception will be a concert by the Grammy and Billboard Award-winning band Train. Since the release of their self-titled debut album, the San Francisco group has had 14 songs on Billboard's Hot 100 list. Also performing: the Drumbots, the official drum line of the NHL Vegas Golden Knights.

"We see this Welcome Kickoff Reception as a phenomenal way to bring the industry together in person after a long hiatus," said NADA President and CEO Mike Stanton. "The NADA Show has so much to offer everyone who attends, and this year in particular we wanted to combine our outstanding agenda with a landmark event that will create lifelong memories for anyone who attends."

NADA Show is returning to an in-person event in Las Vegas March 10-13, 2022. Tickets for the Welcome Kickoff Reception are included as part of [NADA Show 2022 registration](#) for NADA dealers, managers and their guests.

Congratulations!

D'Orazio Ford's (Wilmington) Allison D'Orazio and Corey Shawn Owens of **Castle Buick-GMC** (North Riverside) were members of NADA University's May 2021 graduating class.

Berman Nissan of Chicago, Star Nissan (Niles) and **Woodfield Nissan** (Hoffman Estates) were among 25 dealers named to the 2020 President's Circle by Nissan Motor Acceptance Co. for top performance. **Glendale Nissan** (Glendale Heights) was among NMAC's Partners in Excellence.

Tune in ...

... to "Drive Chicago," the CATA's automotive radio show, 8-9 a.m. Saturdays and 6-7 p.m. Sundays on WLS-AM 890.



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The DNA of today's dealerships — and of tomorrow's

By ERIN WILLIAMSON
HGreg.COM

The world of retail has gone through an intense period of change in recent years. Artificial intelligence, omnichannel marketing and improvements — or sometimes retractions — in customer experience are changing the way we experience the markets of today.

The same is happening in the world of car dealerships.

An exploration to help sort through it all finds some of the core characteristics of the successful dealership of today — and tomorrow.

1. Haggle-free prices

Buying a car is a big deal. After all, having a ride is attached to so many elements of life in the U.S. When driving away from the dealership, consumers all want that blissful feeling of having purchased the right vehicle at the right price.

Dealerships that are stuck in the past in terms of commissions are going to fall behind. Those that nurture a service-centered approach, without the

pressures of elevated sticker prices, find themselves growing.

Many years ago, we made the decision to back away from sale-price-based commissions. Today, we're enjoying high customer experience scores and associates who are motivated to find the best possible vehicle for customers' needs and budget — not a higher price.

2. Guarantees and what ifs ...

What if I don't like my car? What if things don't pan out as expected? Some car dealerships have a rigorous quality-control process that allows them to stand behind every vehicle they carry. Some even offer a flexible return policy whereby pre-owned car buyers can return their vehicle within a period of time (or miles driven) for a refund if they are not completely satisfied.

The truth is that sometimes things change fast and in unexpected ways. Consumers want to purchase from a dealership that 'has their back' through the what-ifs.

3. Customer experience

Where does the customer stand in the company's cor-

porate culture? Dealerships that speak to the customer experience both on their website and in person are worth looking into.

The rationale and reality is simple: Dealerships that prioritize the customer experience and convenience grow and retain staff and get positive reviews.

Some dealerships have introduced virtual showrooms, concierge-like services that include contactless purchasing, online chats and customer support, to name a few, which help eliminate friction and strain from the buying experience. Seeing services like these is a good indication of what you can expect.

4. Honesty and trust

Online reviews are important. Dealerships that have recent and relevant reviews have earned the trust of everyday customers. Having reviews is good, but industry-leading dealerships actively monitor those reviews and make them a part of their continuous improvement processes, exploring how they can improve based on customer feedback.

Regularly tracking reviews and customer feedback

helps dealerships swiftly spot concerns that need to be addressed as well as opportunities.

5. Staying power (longevity)

Experience matters, especially in the automotive and retail industries. When investing in a car, customers benefit when they're in the hands of a group of persons who have been around for a few years, experienced enough to know the balance between accommodating budgets and needs, and know the vehicle options on the market.

Dealerships that have been in business for a while have a loyal customer base because they understand the role of a vehicle in the lives of their customers. These dealerships also have greater access to cars and a knack for helping customers find that needle in the haystack — that perfect vehicle for one's particular needs and lifestyle.

HGreg.com, founded in 1993 by Greg Hairabedian, operates 21 dealerships in the U.S. and Canada, with that country's e largest inventory.

The face of America's auto industry is changing

More U.S. workers now are employed by foreign automakers and suppliers than domestic carmakers, according to fresh data from the U.S. Bureau of Economic Analysis.

About 51% of the 999,000 U.S. workers in the motor vehicles and parts manufacturing sector are em-

ployed by companies based in other countries, according to [BEA data](#) through 2019, the latest available. That's up from 34% in 2009.

Auto suppliers, the vast majority of which are foreign-based, account for many of those jobs, the Center for Automotive Research noted.

"This is all driven by investment," said Nancy McLernon, president and CEO of the Global Business Alliance. "Global automakers are making big bets on U.S. manufacturing because we have a huge consumer market, a skilled workforce and a strong business climate."

Infotainment

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from powertrain issues to squeaks and rattles, but these days the most beefs by far center on infotainment systems.

“It’s the biggest challenge for the industry,” Sargent said.

Specifically, Android Auto and Apple Car Play draw the most consumer criticism. It’s not that they don’t work but rather that many consumers reported struggling to connect with them properly. Sargent attributes that in part to more vehicles offering wireless connectivity.

“It’s not necessarily that (Android Auto and Apple Car Play) are not operating correctly.” But the connectivity issue is to a point where “some consumers gave up trying to use it,” he said. “That’s not good.”

Of all problems cited by new-vehicle owners, one in four are in the infotainment category, and six of the top 10 problems across the industry are infotainment-related. Smartphone connection is the top problem.

The Android Auto and Apple Car Play complaints have surpassed voice-recognition technology.

Supply

FROM PAGE 1

nology.

About 51.7% of respondents from the auto sector said disruptions to supply chains were “very significant” — the highest proportion across the six industries.

The footwear and apparel industry came in second with 43.3% respondents reporting “very significant” disruptions. Meanwhile, only 6.7% from the IT, tech and electron-

ics sector indicated the same.

Over the past year, the movement of goods was disrupted as the global spread of Covid forced many countries to shut borders, close workplaces or limit exports.

The spread of the more transmissible delta variant again heightened such worries, as major Asian manufacturing hubs such as China and Vietnam in recent weeks locked down parts of their coun-

Sales

CONTINUED FROM PAGE 1

infrastructure,” including a Level 3 DC fast charger and a “safe warehouse” for batteries and EVs that may be in for recalls. As underscored by the current problems General Motors is experiencing with onboard fires in its Chevrolet Bolt EVs, “we must have the right facility to secure and store these.”

Ricart is installing charging stations now for the use of the dealership’s 550 employees, with use of them free for workers and customers. The number of charging stations could total as many as two dozen over the next three years.

“We want to be leaders in our industry rather than say we won’t put charging stations in until it’s a necessity,” Ricart said. “Otherwise, from a PR standpoint, we look like we’re environment-killers. ‘This dealership wants to keep burning gas.’ People are going to want to drive their [Ford] GT on the weekends and an electric to work. It’s a balance.”

Even more dramatic a change than EV sales, for now, is how quickly fleet sales have risen in importance for Ricart and other U.S. car dealers. It’s one big reason Ford said recently that it’s

going to emphasize its fleet business more than ever before. “We’ve gone from private retail transactions to more people driving a vehicle that’s owned by a fleet,” Ricart said. “We saw that transition begin two years ago when we sold more F Series trucks through our fleet and commercial division than through our retail showroom.”

As for the fleet business, Ricart has created a dedicated division called R2B (Ricart to Business) to service the booming demand. “A lot of companies in our area are looking for a simple way to buy a package of vehicles,” he said. “They may be an auto-parts chain making deliveries, a landscaping company, an insurance company that has a fleet.” While individual retail customers used to drive the business, Ricart said, now demand is being led by fleet and commercial customers.

“They’ll plan ahead and let us know that they need, say, 20 cars and two big trucks within the next three to six months,” Ricart said. “And it’s great when Ford Credit makes it easy for companies to buy fleets,” with financial packages that include all regular maintenance and other costs of ownership in a monthly payment.

tries to curb a rise in Covid cases.

The auto industry was particularly affected by a shortage of semiconductors, which caused several carmakers to cut production at some of their plants. The chip shortage was caused by a surge in demand for personal computers and other consumer electronics as many people were kept at home during Covid lockdowns.

New locations

The pandemic has led some businesses to rethink their supply chains for the longer term, with about a third of respondents conducting a complete overhaul, the survey found.

One in five supply chain managers surveyed have invested or are looking to invest in the Philippines and India in the next 12 months as part of their strategy.

“Cheap labor costs and young populations in both

those countries are important factors in this choice,” said the report outlining the survey findings.

The report noted that the Philippine government is keen to attract manufacturing investments in sectors including electronics, automotive, aerospace, health and IT.

India, meanwhile, was a preferred location for many supply chain managers in the auto sector, according to the report.