



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. The fee includes both PowerPoint slides and audio; a telephone connection is not needed.

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:

Thursday, Feb. 10 at 12 p.m. CST

“Social Media: The Case for Outsourcing your Dealership’s Program” In a short time, Social Media Marketing has moved from being a somewhat silly online sharing mechanism dominated by teens to a powerful marketing platform capable of changing the fortunes of

SEE **WEBINARS**, PAGE 2

Lights, camera, action!

Curtain to rise Feb. 11 on 103rd Chicago Auto Show

It’s awards season. Tinseltown has trotted out its Oscar nominees; Motor Trend and others have named their car/truck bests for 2011; and the auto show circuit continues across America. Next stop: Chicago, which on Feb. 11 takes its frontrunner stature as North America’s largest auto show and widens the gap with others.

A distinguished feature of the last several years has been the Chrysler Test Track, which enabled the company to put Chrysler, Dodge and Jeep vehicles through the paces on the show floor. Few other auto shows can mimic Chicago’s lead on the indoor track front. Another bonn to McCormick Place.

But why stop at one track? This year’s Chicago Auto Show will see four—count ’em, four—test tracks. A near whirling dervish!

Continue to seek out the Jeep track. Added to that are test tracks for the new Chevrolet Volt, recently tabbed as Motor Trend’s 2011 car of the year; a construction zone created on the show floor for Toyota to highlight its SUVs; and a path to ride in the new Ford Explorer.

Other highlights to look for at this year’s show:

- First Look for Charity has live entertainment this year. Quite a bit of it, actually. The event will feature a performance by KC and the Sunshine Band, who tied The Beatles’ record of having four No. 1 hits in a 12-month period. So they’ve got that goin’ for them—and lots of fun for those who come to see them at the show’s black-tie preview Feb. 10.

But McCormick Place is a big venue, so patrons also will

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Younger consumer market proving a challenge for automakers

Americans likely will buy 1 million more new cars in 2011 than the 11.6 million they bought in 2010. But automakers navigating this recovery said it will be like no other.

A new and different market is emerging. It is younger, and it is challenged by a housing slump and nagging uncertainty over gas prices. Studies show younger drivers might not be so interested in buying a new car.

It seems cars just don't grab kids the way they used to, which is a problem since people younger than 38 are

expected to account for a larger percentage of the driving public than baby boomers by 2015, according to IHS Automotive.

"Many young people care more about buying the latest smartphone . . . than getting their driver's license," said Jim Lentz, president of Toyota Motor Sales. "That's a serious problem we need to address."

Meanwhile, RealtyTrac forecasts that lenders will repossess 1.2 million homes this year. People who are losing homes are unlikely to be shopping for a new car.

Rising gas prices, and their effect on buyers, will be the biggest wild card—especially with automakers churning out a bevy of new small, efficient cars.

So far, \$3.10 a gallon is not slowing a buyer migration back to light trucks, a category that includes pickups, SUVs, crossovers and minivans. GM says gas prices could top \$4 a gallon this year. But would that send drivers to the showrooms for new hybrids like the Ford Fusion or Honda Civic?

New jobs needed

The future is brighter, but a robust auto sales recovery will depend on sustainable job creation, easier credit and a continued flow of attractive and affordable vehicles.

Pent-up demand now is driving much of the recovery. Tens of thousands of people have driven their old

wheels about as far as they can go. The average vehicle on the road is more than 10 years old, according to consumer marketing researcher R.L. Polk.

The luxury market is getting a boost from the recent two-year extension of the Bush administration tax cuts, said Paul Taylor, economist for the National Automobile Dealers Association.

Leasing, which fell from about 27.5 percent of all new vehicle sales in late 2007 to 21 percent after the September 2008 financial meltdown, has bounced back to 28 percent, according to CNW Marketing, a research firm in Bandon, Ore.

And in the great middle of the market, the dynamics have changed. Even as unemployment begins to fall, people still have less disposable income.

Webinars

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dealers and other retailers. But just because someone spends a lot of time messing with his Facebook page is no reason to put him in charge of your Social Media Marketing program. See why outsourcing this function in your dealership may make as much sense as outsourcing other highly skilled functions like legal and accounting.

Thursday, Feb. 17 at 12 p.m. CST

"Six-Step Process for Conducting a Strategic Planning Session" Where do you want to be in five years, and how are you going to get there? You could use the usual method and fly by the seat of your pants. Or you could organize all the car-smarts and experience of your management team, along with good historical data, to create solid growth goals and the plan to make it happen. Strategic planning can reduce time spent "fighting fires" and help you focus on growing your dealership.

Thursday, FEB. 24 at 12 p.m. CST

"How the 'Best of the Best' Parts Advisors Get It Done Every Day" It may seem like a relatively minor role in the operation of a profitable dealership, but the Parts Advisor is a very important cog in the creation of an effective and profitable fixed ops process. Yet when they perform with great efficiency, they go almost unnoticed. Join a dissection of the Parts Advisor position and see why the position is important and how the very "best of the best" go about their daily tasks. An eye-opener and reminder for current Advisors, but also an excellent "new hire" training and orientation session.

Marketplace

System Administrator/Office Manager Maintain, reconcile accounts receivable/payable and petty cash; process payroll and related taxes; control expenses. Also conduct inventory control with manufacturers and perform computer backups and update downloads. Judy Ann Myers, (847) 201-1056.

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

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New-vehicle sales poised for double-digit gains in 2011: NADA

By **RAY SCARPELLI SR.**

CHICAGO METRO NADA DIRECTOR

U.S. new-car and light-truck sales are headed for double-digit percentage gains in 2011, the NADA's chief economist predicts.

"With wider credit availability, the auto industry should see new-vehicle sales jump nearly 12 percent this year, helping dealers come back strong from what has been a difficult economy," said Paul Taylor. "Auto sales are playing a key role in leading the economic recovery."

The average age of cars and trucks on the road today exceeds 10 years old, Taylor said Americans will need to replace their aging vehicles. That nugget, combined with low financing rates, means sales could reach 12.9 million new cars and trucks in 2011, Taylor said. Last year's new-vehicle sales total was 11.55 million light vehicles.

In other NADA news . . .

NADA UCG: Used-Vehicle Market Ends Year Strong

The used-vehicle market ended the year strong, likely recording another record-breaking price performance on the heels of big increases in 2008 and 2009, according to a report from the NADA Used Car Guide.

"December's auction prices showed continued strength on a year-over-year basis, with pickups, SUVs and vans up 10 percent," said Jonathan Banks, executive automotive analyst. This trend "dramatically exceeded our expectations," Banks said, with the increases driven by strong vehicle demand that superseded the high unemployment rate and relatively cautious consumer confidence witnessed in December.

Rising gas prices also have not had a big impact on used-vehicle values, Banks said. However, more expensive gas could spell trouble for already

heightened pricing on used trucks and SUVs.

"Our analysis indicates that there is some sensitivity when prices eclipse the \$3 mark, and if analysts' expectations are accurate, gas prices will continue to rise," Banks said. "If this occurs, expect to see NADA values on fuel sensitive segments fluctuate with expected changes in demand."

NADA Charitable Foundation funds canine companion for 9-year-old boy

Thanks to a donation from the National Automobile Dealers Charitable Foundation, life got a little easier for Ean Williams, 9. Ean, who has several disabilities that make daily tasks difficult to complete, was paired in January with a skilled companion dog named Kobe, at the NADA headquarters in McLean, Va. The union was made possible by a \$10,000 grant from the Frank E. McCarthy Memorial Fund to Canine Companions for Independence, which provides highly trained service dogs to assist children and adults with physical disabilities.

"Ean's disabilities are very complicated and very rare," said Nancy Williams, Ean's mother. "Kobe helps Ean in the morning to get his brace and his shoes. [Ean] needs assistance with dressing, so Kobe's there to bring things to him." Williams said Kobe helps her son to the bus, making sure that he's safe crossing the street. Kobe also opens handicap doors by pressing the button. "And then after school," she said, "just in terms of daily living, [Kobe] really bridges the gap socially with children who are not disabled and brings them a little bit closer to Ean," Williams said.

Frank McCarthy served as the NADA chief operating officer for more than three decades. The NADA charitable foundation established the fund to honor McCarthy after his

death in 2001.

NADA University Offers More Free Online Courses from Partners

NADA and ATD members can take advantage of more free training at www.NADAUniversity.com. In the Sales, Leasing and Finance category, NADA U Partner Ron Reahard offers "Great VSA Closes (\$3,000 Discount Close)," Grant Cardone offers "Time Closes," and Alan Ram offers "Phone Ups that Show Up." In the service category, NADA U Partner Don Reed offers "How to Achieve 100% Service Absorption," while Jeff Cowan offers "The Four Points Walk Around." All these NADA U Partners plus Jeff Sacks and Jared Hamilton are presenters for the 2011 NADA Convention workshop program.

Dealer Academy accepting applications for 2011 classes

The NADA Dealer Academy is accepting enrollments for a class in General Dealership Management (GDM) to be held Feb. 14-18, and for a Dealer Candidate Academy (DCA) class to be held Feb. 21-25. Individual Academy classes (e.g., Financial, Parts, Service and Variable Parts 1 & 2) are also open to department managers, who may attend a week of classes even if they don't have a student in the Academy program. For an application, call (800) 557-6232 ext. 2, or e-mail academy@nada.org.

Dealer 'Pain Points' continue to resolve dealer issues

NADA University's "Dealer Pain Points" program is proving extremely popular with dealers. Each "pain point" addresses and resolves a particular issue, concern, or dealer compliance obligation in short video segments with NADA U experts. Because of its popularity, it will continue as a prominent regular feature.

5 tweaks to your dealership marketing that mean business

By **KEVIN ROOT**

With the new year well underway, have you thought of any dealership resolutions you could make to really make a difference this year? If you're looking for differences that will increase profitability, consider these best practices.

1. Generate service department reviews

Eighty-nine percent of consumers say they would consider using online reviews when deciding where to take their car for service. It's a good bet your dealership is focused on generating sales department reviews. But are you focused on service department reviews too?

2. Post Web site content for the service department

Why is it that service departments generate 80 percent of the dealership profits, but most dealership Web sites contain 80 percent sales department content? Consider these ideas for quality service-related content:

- Include content with information about why customers should bring their car to you for service instead of the light-repair guy down the street. Your factory-trained technicians and competitive pricing are two reasons.

- Video works especially well for this. Show viewers some of the specialized equipment you have and make a point about your genuine OEM parts. Video increases engagement by 2.7 minutes per visitor.

3. Collect every customer e-mail address

Sounds like a no-brainer, right? Unfortunately the average dealership has less than 10 percent accurate e-mail addresses from its total customer base. That is crazy when you think that the average direct mail service reminder costs 55 cents compared to an e-mail reminder, which costs a fraction of that—usually 4 cents to 14 cents when development and service costs are factored in.

It's even crazier when you realize that e-mail reminders are infinitely more flexible, trackable, and even better for the environment, which studies show is an increasingly important consideration to consumers. Tip: Use this angle when asking a customer for his e-mail address. It works!

4. Use short, high impact subject lines

Smart dealerships know the value of

e-mail marketing, and smarter dealerships know the value of the subject line, which can make the difference between success and failure. Sixty-nine percent of consumers decide whether to open, hit "report spam," or use the delete button based on the e-mail's subject line.

Given that, here is a best practice: use the customer's name and specific vehicle in the subject line whenever possible to increase conversion rates. Remember, however, brevity is key. Click-through rates are 75 percent higher for e-mails with 49 or fewer characters.

5. Deploy pull vs. push service marketing

Switch your service marketing from a push strategy to a pull strategy. Push is where you decide what to send and when to send it (just like those guys filling your mail box with spam). Pull is where your customers tell you what they want you to send and when to send it. This is the next generation in service marketing. Customers know they're getting something they asked for that is relevant to them.

Kevin Root is the senior vice president of product strategy for DriverSide.

Auto Show

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be able to enjoy blues-rock phenoms, the North Mississippi Allstars; and jazz trumpet star Rick Braun. For a full look at the night's activities, see http://www.chicago-autoshow.com/first_look/first_look_entertainment.aspx.

- Ours is the first auto show to create a media preview day specifically for new and social media. Why is that important? Because everyone is tweeting, Facebooking and blogging. We want to make

sure that as news trends toward a digital age, we embrace them. It's going to be an experiment on Feb. 10, when social media and PR and marketing folk all come together at the nation's biggest auto show.

- By the way, make sure you sign up for Twitter (@ChiAutoShow) and click the "like" icon at the www.facebook.com/ChicagoAutoShow Official Facebook Fan Page. It's great for up-to-the-minute information on ap-



pearance dates and times, special promotions and contests.

- Pack the car full and park cheaper with this year's special discounted evening

parking at the McCormick Place parking lots. There are three main McCormick Place lots labeled A, B and C. The daytime rate is \$14 at Lot B and \$19 at Lots A and C. But after 6 p.m., the rate at all three lots drops to \$10.

- Saturdays and Sundays only, the Chicago Auto Show

operates free shuttle bus service to and from the Millennium Park Garage and East Monroe Garage. Park at Millennium Park for \$14 and ride a free shuttle to the doors of McCormick Place.

- The show's all-new Web site, www.ChicagoAutoShow.com, has everything from basic show information about tickets, parking, hours, mass transportation, history and vehicles on display, to a photo gallery of new and old cars that's second to none.

It's fresh-looking, interactive, intuitive and informative.