



## Upcoming DealersEdge webinars

Dealers are encouraged to take advantage of a partnership between The CATA and DealersEdge to provide high-quality training and informational webinars to dealers at a significantly discounted rate.

The rate for CATA members for the weekly presentations is \$149, or half what is charged to viewers who do not subscribe to DealersEdge. And to help introduce a new audience to them, DealersEdge will permit CATA members to view one of the next three webinars free. 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 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 drop-down menu to CATA-DealersEdge webinars.

Coming topics:

Premiering Thursday, July 10 at 12 p.m. CDT

**“Update on the Latest Version of Obamacare/ACA: Actions Car Dealers Need to Take Soon!”** Get an action plan for organizing your dealership’s key compliance activities, as many need attention between now

SEE **WEBINARS**, PAGE 2

## How much profit do customers believe dealers make on a sale?

Consumers believe car dealers make about five times more profit on the sale of a new car than they actually do, based on a survey commissioned by TrueCar, Inc., a negotiation-free car buying and selling platform.

The finding comes as a portion of the results of the inaugural TrueCar Buyer Study, which examines the “trust gap” between consumers and dealers. While buyers fear they will overpay on their new-car purchases and believe dealers make

about 20 percent profit on the sale of a \$30,000 new car, dealer profit margins actually are shrinking, down from 5.5 percent in 2003 to 3.8 percent in 2013, according to the National Automobile Dealers Association.

TrueCar’s survey also showed that consumers believe that a “fair” profit margin on a new-car sale would range from 10 percent to 12 percent. In addition, if told that dealers theoretically made no profit on new-car

SEE **PROFIT**, PAGE 2

## Canada enacts new ‘anti-spam’ bill

New Canadian “anti-spam” legislation (CASL) enacted July 1 prohibits a commercial email, text or other electronic message to a Canadian recipient without prior express permission. In addition, the Canadian law requires any such messages to prominently identify the sender and include contact information, along with a way to unsubscribe.

What is deemed to be a “commercial” email is broadly defined and the potential penalties are very large (up to \$10 million). The requirements under the CASL are different and broader than those under the U.S. “CAN SPAM” law. In addition, the CASL applies not only to email, but also to text messages, and certain other elec-

SEE **ANTI-SPAM**, PAGE 2

## Congratulations!

Five area Ford dealerships provided outstanding customer service in 2013, earning them a President's Award from Ford Motor Co. **Arlington Heights Ford** won the award for a record 25th straight year. Other winners include **Bull Valley Ford** (Woodstock), **Buss Ford** (McHenry), **Fair Oaks Ford** (Naperville), and **Wickstrom Ford** (Barrington). Two area Lincoln franchises also won a President's Award: **Buss Lincoln** (McHenry), and **Wickstrom Lincoln** (Barrington).

Seven area dealerships won the 2014 Stellar Care Award, the highest honor for Subaru retailers: **Evanston Subaru**, Skokie; **Gerald Subaru of North Aurora**; **Grand Subaru**, Bensenville; **Gary Lang Subaru**, McHenry; **Liberty Subaru**, Libertyville; **Napleton's Schaumburg Subaru**; and **Roto Subaru**, Arlington Heights.

## Profit

CONTINUED FROM PAGE 1

transactions, consumers surveyed responded that they would be willing to "tip" them 8 percent on a sale.

"The TrueCar Buyer Study results show that fear and mistrust have a cost in the car-buying process," said Scott Painter, TrueCar founder and CEO. "If consumers believed that they were getting information that they could trust as part of a more transparent process, they would be willing to pay dealers more.

"These survey results are consistent with the idea that increased transparency in the car-buying process can result in higher margins for dealers and greater consumer satisfaction. With upfront and transparent information, everyone wins."

The TrueCar Buyer Study was conducted in February 2014 and surveyed more than 3,000 consumers across the U.S. The objective of the survey was to identify consumers' perspectives regarding perceived profits made by car dealers with questions aimed at determining what consumers believe a fair profit would be.

The survey showed that roughly one-quarter of car buyers feel that they overpaid for their purchase and that 32 percent of car buyers stated that they would not return to the same dealership due to low customer satisfaction with the purchase process. The survey was executed by Strategic Vision.

## Anti-spam

CONTINUED FROM PAGE 1

tronic messages sent to Canadian email addresses, including those sent via social media, blogs, or other electronic communications platforms.

There are a number of exceptions as well as questions about the applicability of the new law to entities outside of Canada.

## Marketplace

**Finance Director** Solid track record in increasing product sales while securing customer loyalty, forging strong relationships with external business partners. Exceptional mentor and coach; combine business acumen with innate leadership abilities to recruit, build, retain top-performing lending institutions. Daniel Martino, (630) 917-1410.

## Webinars

CONTINUED FROM PAGE 1

and 2015. A presentation for U.S. dealerships only.

Most would agree that the provisions of the Affordable Care Act, so far, have presented a moving target. To avoid putting your dealership or group in compliance jeopardy, you and your managers need to understand the "final/current" version and how that impacts auto dealerships, especially over the next six months.

Kelli Personette, a health care reform consultant for American Fidelity, presents a summary of what car dealers need to know about the ACA and its impact on their dealership organization.

Premiering Thursday, July 17 at 12 p.m. CDT

**"A Scientifically Proven & New Look at Fixed Ops Pay Plans"** Traditional fixed ops pay plans reward average performance and, in fact, promote mediocrity. Better to use Key Performance Indicators to change behavior (process) to produce the gross profit goals desired, argues Ray Branch, the webinar presenter.

KEEPS' data and research show that traditional service department pay plans are not driving the correct human behavior, the behavior or process needed to achieve the desired gross profit targets. Visit with Branch as he describes a scientifically proven way to motivate your service staff to new levels of performance.

Learn the principles behind behavior/process management focused pay plans. These principles will convince you to junk the old traditional methods of rewarding strictly on a financial performance model. There is a better way.

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

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## The dealer franchise network: A good deal for everyone

By **MARK SCARPELLI**

METRO CHICAGO NADA DIRECTOR

Price Competition. Public Safety. Greater Convenience for American Consumers. We've said this before but now we're showing everyone why new-car dealers are vital to the economy and to their local communities.

The National Automobile Dealers Association has launched a major "Get The Facts" initiative. Aimed at the media, opinion leaders and policymakers, the campaign promotes the benefits of franchised auto dealers and provides key facts about our businesses. The NADA has rolled out a variety of multimedia resources and an informative new webpage, [www.nada.org/GetTheFacts](http://www.nada.org/GetTheFacts).

The centerpiece is a must-see animated video, "A Good Deal for Everyone," that details the value of franchised dealers in the car buying process — including the significance of performing warranty and safety recall work.

We're also highlighting the economic engine that is the dealer

franchise network. There are 17,700 new-car dealerships with nearly 32,000 domestic and international franchises across every state in the country which employ more than 1 million people.

At a time when some automakers, notably Tesla, are attempting to sell their vehicles directly to consumers, there have been many misconceptions about the dealer business. The NADA's "Get The Facts" initiative sets the record straight about who we are and what we do.

And despite some misinformation that has surfaced over the last several months, franchised new-car dealers provide the best, most efficient and most cost-effective way to sell and distribute new cars in America, and we're proud of our businesses and business model.

The NADA's efforts will set the record straight about the benefits of the dealer franchise network for consumers, manufacturers and local communities everywhere. Franchised new-car dealers benefit consumers through price competition, accountability on warranty and safety recall issues, and provide enormous economic benefits

to local communities across the country.

Indeed, the dealer franchise network is supported by automakers as the best and most efficient way to buy, sell and service cars in the marketplace.

The "Get The Facts" initiative highlights four central benefits of franchised auto dealers, which include:

**Price Competition** New-car dealers compete fiercely for business and drive consumer prices down;

**Consumer Safety** New-car dealers take the side of consumers in warranty and safety recall situations;

**Local Economic Benefits** New-car dealers create well-paying local jobs and generate significant tax revenue that have a huge impact on local economies; and

**Added Value** New-car dealers simplify an otherwise complex car-buying experience.

We're making sure that the car-buying public — along with everyone else — understands that what we do is A Good Deal for Everyone.

## 10 must-have technologies for new cars

A list of the high-tech features that new-car buyers say they must have includes four features that could be categorized as infotainment and two that clearly are safety features.

While some of the features are not as new as one might think, considering that the average car these days is more than 10 years old, there are plenty of drivers for whom the

high-tech features are, indeed, brand new.

The editors at Kelley Blue Book compiled a list of 10 "must-have" features from a survey of consumers conducted in the fourth quarter of 2013. The most desired feature, by 43 percent of respondents, was availability of USB/auxiliary ports. That's hardly cutting edge technology, but it is basic, allowing driv-

ers and passengers to at least charge their mobile devices while they are riding. It also is standard equipment on most compact and larger cars.

Vehicle diagnostics ranked second in the survey, at 40 percent, and back-up/blind spot cameras tied with Bluetooth for third in the rankings at 39 percent. Bluetooth supports hands-free calling, and texting and is

Feature	Deemed "essential"
USB/auxiliary port	43%
Vehicle diagnostics	40%
Back-up/blind-spot camera	39%
Bluetooth	39%
Premium sound system	33%
Recall advisor	33%
Driving directions	28%
Stolen car recovery/immobilization system	26%
Collision sensor	25%
Satellite radio	21%

available as standard equipment on most compact and larger cars. Blind-spot and back-up cameras rarely are standard equipment but are available

as options.

Many automakers already incorporate some of the safety technologies into their new cars, but at relatively steep prices.

## Franchised New-Car Dealers in the 8-county CATA area as of 1 July 2014

Car Line	Chicago only Ill.	Rest of Cook Cty. Ill.	Lake Cnty. Ill.	DuPage Cnty. Ill.	McHenry Cnty. Ill.	Kane Cnty. Ill.	Will Cnty. Ill.	Lake Cnty. Ind.	Porter Cnty. Ind.	Total [prior] 1/1/2014	Total [present] 7/1/2014
Acura	1	4	2	3	0	0	0	1	0	11	11
Alfa Romeo	1	1	0	0	0	0	0	0	0	0	2
Aston Martin	0	0	1	1	0	0	0	0	0	2	2
Audi	1	3	1	2	0	0	0	1	0	8	8
Bentley	1	1	0	1	0	0	0	0	0	3	3
BMW	1	4	1	3	1	0	0	1	0	11	11
Bugatti	1	0	0	0	0	0	0	0	0	1	1
Buick	2	9	1	4	4	1	3	2	3	29	29
Cadillac	1	8	2	2	1	0	1	1	0	16	16
Chevrolet	4	15	5	6	4	4	6	4	2	50	50
Chrysler	3	10	4	4	3	3	2	3	2	34	34
Dodge	4	11	4	4	3	3	2	3	2	36	36
Ferrari	0	0	1	1	0	0	0	0	0	2	2
Fiat	1	2	1	1	0	0	0	1	0	4	6
Ford	3	13	6	7	3	4	5	4	2	47	47
GMC	1	9	1	4	3	1	2	2	2	25	25
Honda	4	10	3	2	1	2	1	2	0	25	25
Hyundai	2	10	4	3	1	1	1	2	0	24	24
Infiniti	1	4	1	2	0	0	0	1	0	9	9
Jaguar	1	3	1	2	0	0	0	1	0	8	8
Jeep	3	10	4	4	2	3	2	3	2	33	33
Kia	1	8	3	3	1	1	1	2	1	21	21
Lamborghini	1	0	0	0	0	0	0	0	0	1	1
Land Rover	1	3	1	2	0	0	0	0	0	7	7
Lexus	1	4	1	2	0	0	0	1	0	9	9
Lincoln	1	6	3	2	1	0	0	1	0	14	14
Lotus	0	0	1	0	0	0	0	0	0	1	1
Maserati	1	1	1	2	0	0	0	0	0	3	5
Mazda	0	7	3	3	1	0	1	1	1	17	17
McLaren	1	0	1	0	0	0	0	0	0	0	2
Mercedes	1	5	1	2	0	1	0	1	0	11	11
Mini	1	2	1	1	0	0	0	0	0	5	5
Mitsubishi	0	5	1	2	1	0	1	1	1	12	12
Nissan	2	12	3	4	1	1	1	2	1	27	27
Porsche	0	3	1	1	0	0	0	0	0	5	5
Ram	4	11	4	4	3	3	2	3	2	36	36
Rolls-Royce	1	1	0	0	0	0	0	0	0	2	2
Scion	4	11	3	4	1	1	1	2	1	28	28
smart	0	2	0	0	0	1	0	0	0	3	3
Sprinter	1	3	1	0	0	1	0	0	0	0	6
Spyker	0	0	0	0	0	0	0	0	0	1	0
Subaru	1	5	2	2	1	1	1	1	1	15	15
Toyota	4	11	3	4	1	1	1	2	1	28	28
Volkswagen	2	7	3	4	1	0	1	2	0	20	20
Volvo	1	4	1	1	0	0	0	1	0	8	8
# of Car lines	65	239	81	99	38	33	35	51	23	651	664
# of Outlets	33	158	50	64	18	21	19	33	16	407	412

NOTE: The difference between car line and outlet figures is the result of outlets that handle more than one car line. The increases this period largely stem from the additions of Alfa Romeo, McLaren and Sprinter; and from increases of Fiat and Maserati franchises.