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Customer satisfaction plunges in pandemic

In a surreal year in which everything seems to be going wrong, it probably comes as little surprise that consumers are increasingly frustrated with the auto industry. A new study found customer satisfaction has fallen to its lowest level since 1999.

Only a handful of brands found a way to keep customers happy, according to the American Customer Satisfaction Index, which reported the industry slipping overall by 1.3% this year. It was the third consecutive annual decline, and it marks a significant turnaround after customers reported satisfaction levels soaring to record levels following

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New free NHTSA app alerts drivers about recalls

The U.S. government's road safety agency is offering a smartphone app that will alert drivers if their vehicles are recalled.

The National Highway Traffic Safety Administration rolled out the free app for both Android and Apple phones on Aug. 27.

Owners key in or scan their 17-digit vehicle identification number, and the app will search the agency's database for recalls. If there is an open recall, the app will send an alert, the agency said.

People also can add child seats, trailers and tires, and the app will check those for recalls.

Private services such as Carfax already offer similar apps for vehicle recalls, but this is a first by NHTSA, which is part

of the U.S. Department of Transportation. Owners already could go to www.nhtsa.gov/recalls and check the NHTSA database for recalls. DriveChicago.com also has a prominent link to the NHTSA database.

Full information about the app can be found at www.nhtsa.gov/safercar-app.

The safety agency said vehicle information is kept on the owner's phone and no personal information is shared with the government.

"The SaferCar app allows you to store your information locally on your device, and then the app goes to work to inform you of recalls as they occur," NHTSA Deputy Administrator James

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COVID-19 even changing the ways people use their vehicles

Since the proliferation of the coronavirus pandemic, cars are taking on even more functions, proving they're not just for getting people from point A to point B.

Two separate surveys showed that many people are increasingly using their cars to get away from the people

they live with, get a change of scenery, take a nap, make a personal or business call, get some "me" time or just to feel normal again.

"I had to drive out to the suburbs recently. I have two teens and it was my first time in a while being out of the house," said Jenni

Newman, editor-in-chief of Cars.com in Chicago. "It was my first feeling that life was normal again. I was singing loudly and having a great time. It hit me, it was a fabulous soothing bond for my soul."

These new uses for vehicles are changing what consumers want

to buy in their next cars. For example, some consumers said they now want off-road capability and more space in their next vehicle. Some people seek added technology so they can work in their car or have entertainment during road trips. In some metro areas, there has been

an uptick in searches for sedans.

"The commute isn't part of our life anymore, so getting back in the car is part of the fun and experiencing driving again," Newman said. "It's a bubble on wheels for many of us."

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Satisfaction

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the Great Recession.

“The drop in satisfaction was more alarming a year ago, with 21 of 27 nameplates registering ACSI declines, but this ongoing slide pulls the auto industry into uncharted waters,” said David VanAmburg, managing director at the ACSI.

Exactly how the pandemic might have played into the downward performance this past year isn't quite clear, but there is no doubt the industry struggled simply to do business this year. Factory closures have left retailers short of some of their most popular products. Dealers in many states were forced to close their doors, at least temporarily, then adapt to doing much of their business online.

If there's been any good news for the industry, it's that other owner surveys, such as the J.D. Power Initial Quality Study, have indicated that the latest crop of cars, trucks and crossovers suffer from fewer problems. The IQS contained a few surprises, notably including the fact that Fiat Chrysler, normally an industry laggard, had several of its brands finish at the top this year.

Coincidentally, and perhaps surprising to some, that is mirrored by the ACSI which ranked Ram tied as its No. 1 mainstream brand, outscoring traditional competitors such as Honda and Toyota. Ram scored 80 points out of a possible 100, just behind the study's overall

winner, Lexus. And while the score for Ram was flat year-over-year, the Japanese luxury marque saw its own score slip by 2 points for 2020.

Ram tied with Toyota which slipped a point in this year's study.

Fiat Chrysler's pickup brand was a relatively rare exception. It was joined by only one other domestic marque, Cadillac, in the ACSI top 10. The Japanese had five brands in that list, the Germans three.

As good as FCA did with Ram, however, its truck brand anchored this year's customer satisfaction list, with a score of 73%. At least it was pointing in the right direction with a 3-point gain, one of only a handful of brands to improve their scores this year.

Korean manufacturers, which have seen a big surge in quality in recent years, didn't fare all that well in terms of customer satisfaction, with Kia coming in at 77 points, Hyundai at 76.

Experts warn that even with good quality, a manufacturer scoring poorly in terms of customer satisfaction needs to worry about retaining owner loyalty.

Following a combined 4.9% decline over the past two years, “automobiles and light vehicles hit an industry low not seen since 1999 and far below the peak score of 84,” said VanAmburg.

Whether manufacturers will be able to resolve their customer satisfaction problems after the pandemic will be one of the industry's big challenges.

In Memoriam

Bob Rohrman, who during a 65-year career built his business into one of the biggest family-owned auto groups in the nation, died Sept. 1 at age 87.

An Army veteran and a lifelong resident of Lafayette, Indiana, Mr. Rohrman started selling cars there in 1955. In 1963, he opened his first store, a used-car lot, also in Lafayette, then his first franchised store in 1970. The Bob Rohrman Auto Group now counts about 30 new-car dealerships selling 13 different brands and stretching from Indianapolis to Kenosha, Wisconsin.

Mr. Rohrman was widely recognizable from his frequent television commercials that saw him hyping cars while sometimes attired as various characters and for the blooper outtakes gathered during their production.

His benevolence included giving \$3.5 million to his high school alma mater to help build the Rohrman Performing Arts Center, and \$15 million to Purdue University to renovate what now is named Rohrman Field.

Mr. Rohrman often gave his customers a copy of his 2015 autobiography, “A Fantastic Ride.” Survivors include three sons, two daughters, 16 grandchildren, and 18 great-grandchildren.



Arlene Drabek, 77, the wife of longtime dealer and CATA director Lee Drabek (Gateway Chevrolet-Oldsmobile, Chicago), died Aug. 22.

In addition to Lee Drabek, survivors include a son, Lee “Buddy” Drabek; a daughter, Tracey Napora; four grandchildren; and one great-granddaughter.

Memorials appreciated to the Alzheimer's Association.

The CATA office in Oakbrook Terrace will be closed Sept. 7 to mark the Labor Day holiday.

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Appeals court overturns Trump fuel economy penalty reduction

A U.S. court of appeals on Aug. 31 overturned a fuel economy regulatory rollback implemented under the Trump administration which sought to delay the more than doubling of penalties for automakers failing to meet the requirements.

The decision could increase automakers' compliance costs substantially, the auto industry argued when the Obama administration adopted the hike in 2016. The industry at large has not met the country's fuel efficiency requirements since 2015, despite more electric vehicles being offered.

In its 3-0 decision, the U.S. Court of Appeals for the Second Circuit said the National Highway Traffic Safety Administration's rule in July 2019 that said the penalties no longer applied was far too delayed. It would have had to make that determination over their economic effects in January 2017 at the latest.

"We reject the NHTSA's argument that, at the time it issued the

2019 Final Rule, it was permitted to reverse the penalty increase on the grounds that the increase would create a 'negative economic impact,' " Circuit Judge William Nardini wrote. "... We need not reach the merits of the NHTSA's conclusions regarding negative economic impact because it was not authorized to undertake this reconsideration at the time it did so."

The NHTSA declined to comment.

The Alliance for Automotive Innovation, a trade association for the automotive industry in Washington, D.C., did not immediately have comment.

As a part of wide-ranging reforms to civil penalties ordered in 2015 by Congress, the NHTSA issued rules to raise fines to \$14 from \$5.50 for every 0.1 mpg of fuel more that new vehicles use over the standards.

A group of states that did not include Michigan and two envi-

ronmental groups challenged the Trump administration's decision to ignore the increase. They noted that the penalties had increased once in more than 40 years — to \$5.50 from \$5 in 1997 — and that inflation had reduced their impact.

When automakers do not meet the standards, they can purchase credits from their competitors or pay the fines that have cost companies in the tens of millions of dollars.

Detroit manufacturers lagged behind foreign-owned competition in meeting the fuel economy standards. General Motors, Ford and Fiat Chrysler Automobiles ranked 12th, 13th and 14th, respectively, among the 14 manufacturers measured, according to data from the Environmental Protection Agency.

In a separate case, a group of 23 states sued the administration over its March decision to roll back annual increases in vehicle efficiency from 5% through 2026 to just 1.5%.

Recalls

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Owens said in a statement.

The NHTSA says that one in four vehicles now on the road has an unrepaired recall, which is a safety risk. Automakers must fix safety recall problems at no cost to owners. The CATA's current advertising encourages car owners to take their vehicles to a new-car dealership to have them checked for open recalls, then to get the free recall service work.

Last year, 53 million vehicles, car seats, tires and equipment were recalled, according to the agency.

Inventory constraints impede August vehicle sales

New-vehicles sales in August, overall, were down 11% compared to last year, according to estimates from industry forecaster ALG. In July, the decline was 15%.

Several factors outside of the control of automakers hurt sales results. There were two fewer sales days last month as compared to August 2019, and sales over Labor Day weekend last year fell within August, but this year will be tallied in September.

As a result, for many automakers, their daily selling rate, or the number of new-vehicle sales per selling day,

showed a much less negative month.

Regardless, tight inventory across the industry weighed heavily. Toyota, Lexus, and BMW all had inventories of less than 40 days — normal levels are around 60 days — and as Charlie Chesbrough, senior economist at Cox Automotive, pointed out, "Obviously, you can't sell what you don't have."

Transaction prices also slipped slightly compared to July, but remain up 3.9% compared to the same time period in 2019.

"Vehicles are continuing

to sell at higher transaction prices when compared to the prior year even amidst the pandemic," said Eric Lyman, Chief Industry Analyst for TrueCar subsidiary ALG. "However, we are seeing month-over-month declines in average transaction price since May due to pullbacks on the richer automaker incentives that were in the market at the beginning of the pandemic.

"Consumers leaned into those offers to upgrade to higher priced trims and models, which drove up transaction prices."

COVID

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The new date night

Kim Sperling and her husband Bruce, both 46, have reinvented their date night. Every Sunday afternoon when her parents babysit their 8- and 7-year-olds, the couple take off in their 2018 Chevrolet Suburban SUV.

“We go for a drive and that would be our date day,” Kim said. “We go and get a milk shake and a lot of times end up taking a nap in our car. We talk for a while and turn on the air conditioning and fall asleep.”

The suburban couple started the drive-dates in April because, “We realized we’d lose our mind if there wasn’t some way for my husband and me to connect,” Kim said. Also, it was a chance to just get away from the kids and have a change of scenery.

In an April study by Cars.com, 53% of parents who responded to the survey said they “used their cars to hide from their kids, which is hilarious and also relatable,” Newman said.

The study had 990 respondents, 445 of whom were parents. One in four of the respondents also said they use their vehicle as a makeshift office because it was quiet, Newman said.

Off-roading in Dr. Ben

A two-part study done by TrueCar found that 73% of the 2,000 respondents said they used their cars as a private space to get away from the people they live with. The first part of the study was done in March and the

second part in July. TrueCar surveyed people ages 18 to 60-plus, an equal mix of men and women, said Wendy McMullin, director of research at TrueCar.

Her own colleagues were an inspiration to do the study, McMullin said.

“We have had Zoom meetings where their background is their vehicle,” McMullin said. “They’re using it as an office when they need a quiet and isolated space or a place to escape. We also saw a good portion of people who said they were taking it out just for a drive, going nowhere, except to get time for themselves.”

Beyond becoming a haven for “me time,” other activities the TrueCar respondents said they use a car for:

- Leisurely drives (56% of respondents)
- Road trips (45% of respondents)
- To carry home improvement supplies (37% of respondents)
- A place to take business or personal phone calls (37% of respondents)
- As a makeshift office space (32% of respondents)
- Off-roading (26% of respondents)

Also, seven in 10 of the respondents said they think of their car as an extension of their home and as a part of their family. Car owners said they felt an emotional attachment to their cars, with 35% of respondents naming their vehicles. The most creative names included Betsy, BIRTHA, Bumblee, Cherry, Dr. Ben and Falcon.

“We asked about life moments experienced in the car

and we had large portion say they got their first kiss in a car or shared major life news such as where they learned they’d become a parent,” McMullin said.

Changing consumer desires

TrueCar also found people are starting to identify features they want in their next car compared to what they desired pre-pandemic, said McMullin.

“Comfort is the top one selected,” she said. “People say they want to do more off-roading or have more space or better connectivity and more technology.”

Close to one-third of those surveyed said they want off-roading capability in their next car. A third of the vehicles currently sold are not capable of off-road driving, McMullin said, adding, “So this represents more people saying they want that capability than we currently see in car sales.”

The added technology satisfies people working in their cars to get quiet time. In the Sperlings’ case, they foresee more family road trips in the future, so they would pay to activate Bluetooth and have other in-vehicle technology.

“Our next car we get, we will buy a car with Bluetooth and built-in TVs in the car,” Kim Sperling said. “We thought we’ll probably road trip now and wish we had that.”

RVs and car sales rise

At Feldman Automotive, which has eight new-vehicle dealerships in Michigan and three in Columbus, Ohio, consumer preferences are shifting as people use their

vehicles as an “escape” compared to pre-pandemic, said Dave Katariski, COO of Feldman.

“We have also seen it in the RV business,” Katariski said, referring to Mark Wahlberg Airstream & RV in Columbus, Ohio, which the group co-owns. “People are buying RVs like crazy and they need a truck or SUV to tow the trailers.”

Beyond that, Cars.com said consumer searches for vehicles with moon roofs and sunroofs inched up 1.5% compared with the year-ago period, said Allison Phelps, a spokeswoman for Cars.com. Cars.com also found that 29% of shoppers who were in the market to buy a vehicle over Labor Day weekend said they would be looking for a convertible. It was the third most popular choice.

“We also witnessed an uptick in search activity for sedans,” Phelps said. “People searching for sedans increased 14 percentage points higher than the growth in overall search activity from April to June.”

Phelps said major metro hubs saw more significant growth in sedan activity than the rest of the country. In New York City, sedan searches were 41 percentage points higher, Chicago was 24 percentage points higher, and Los Angeles was 4 percentage points higher than the overall increase in searches on the site, Phelps said.

“People are being hyper cautious about public transportation and ride-sharing and so they’re turning to vehicle ownership to get to where they need to go,” Newman said.