



DOT hazard class ORM-D phased out

As a reminder, the U.S. Department of Transportation hazard class ORM-D (Other Regulated Material) expired Dec. 31. ORM-D is a hazard class specific to the United States.

ORM-D is widely used for consumer commodities which are hazardous materials subject to the DOT Hazardous Material Regulations but which present a limited hazard during transportation due to their form, quantity and packaging. DOT defines a consumer commodity as a material that is

packaged and distributed in a form intended or suitable for retail sales for consumption by individuals for purposes of personal care or household use.

Common examples of ORM-D materials include household cleaners, drain openers, and aerosol cans.

The DOT's original rulemaking phased out the ORM-D class for air shipments by Dec. 31, 2012, and ground shipments by Dec. 31, 2013. After industry challenged the deadline for ground shipments, DOT extended the deadline to Dec.

31, 2020.

The DOT phased out the ORM-D classification in order to align U.S. regulations with international transportation standards, specifically the Limited Quantity exceptions. The Limited Quantity exceptions for highway shipments are very similar to the ORM-D requirements.

Limited Quantity shipments by highway are also exempt from labeling and placarding requirements, as well as from shipping paper requirements

SEE HAZARD, PAGE 2

New-car financing rates expected to drop in 2021

Despite rising prices for new cars, SUVs, and especially pickup trucks, experts predict low interest rates should continue to work in the favor of buyers and lessees throughout the year. That's welcome news not only for those who intend to buy or lease a vehicle, but it should help automakers and dealers move the metal in the wake of falling sales caused by the latest surge in coronavirus cases.

According to BankRate.com's chief financial analyst Greg McBride, CFA, the national average for a five-year new-vehicle loan should drop to 4.08% in the coming months, with four-year financing expected to average 4.75%. By contrast, auto loan rates were at 4.60% last January for five-year terms, and 5.33% for five-year financing. They subsequently dropped to 4.22% and 4.88%, respectively, by year's end.

SEE FINANCING, PAGE 2

Annual car giveaway helps woman, grandchildren in time of need

Chevrolet of Homewood on Dec. 24 continued its annual tradition of giving away a car every Christmas Eve by donating a 2020 Chevy Sonic to a local grandmother who is taking care of four grandchildren after her daughter and son-in-law died in Octo-

ber in a tragic car accident.

Dollena Colvin's daughter and son-in-law, Jeremy and Michelle Steward, borrowed Colvin's car Oct. 6 and were en route to a laundromat when they were killed instantly in a collision.

"[The accident] left them

with me now," Colvin said of her grandchildren, one of whom is recovering from brain cancer and another who is only 10 months old.

"This is such a blessing for me" the Blue Island resident said as she touched her new car. "It will never replace

my daughter. Never. But I tell everybody she's looking down like, 'Y'all better get my momma a car!'"

Under the Homewood Chevy Cares contest, Colvin was nominated to win the car by her niece, DeAnna Taylor,

SEE GIVEAWAY, PAGE 2

In Memoriam

John Guido Sr., who with his brother Tony opened Arlington Heights Ford in 1984, died Dec. 28, 2020. He was 73.

Beginning in 1989, Arlington Heights Ford won the President's Award 30 straight years, the only U.S. Ford dealership to accomplish the feat. The dealership carries an A+ rating by the Better Business Bureau.

Mr. Guido served 26 years as chairman of the local Ford Dealers Advertising Fund. He also was a CATA director from 1999 to 2008.

"Thirty-five years total on two boards shows John's dedication to the industry and his fellow dealers," CATA President Dave Sloan said.

Tony Guido added that his brother loved golf and was an avid fan of the Chicago Bears and White Sox.

Survivors include his wife, Diana; a daughter, Deana; a son, John Jr.; and five grandchildren.



Financing

CONTINUED FROM PAGE 1

With the typical new vehicle now costing about \$39,000, the expected rate cuts would mean a consumer could expect a monthly payment of \$627 on a five-year loan with \$5,000 down and \$779 on a four-year term.

"The backdrop of low interest rates and a recovering economy will bring about an easing of terms, especially rates, as competition heats up," McBride said. "We'll see rates for both new- and used-car loans trending lower throughout the year, but at a snail's pace."

Lower financing costs and still strong residual values will likely help new-vehicle leasing stay affordable as well. That's because monthly payments are based on the difference between the trans-

action price and what it's expected to be worth at the end of the term, financed at current rates. It also would make it easier for automakers' financing subsidiaries to offer low-rate or zero-percent-interest loans on select models as needed to spur sales.

If Bankrate's predictions are, in fact, on the money, that would mean five-year auto financing would be the cheapest since early 2015, with four-year rates being the lowest since 2014. That's when the Federal Reserve Board first began raising interest rates since the onset of the Great Recession.

As it is, the Fed has already signaled to keep borrowing rates at 0% through 2023 at the earliest to keep the U.S. economy in positive territory in wake of the COVID-19 pandemic's punishing effects.

Hazard

CONTINUED FROM PAGE 1

provided the materials are not hazardous wastes, hazardous substances, or marine pollutants. Shippers and carriers of Limited Quantity shipments must receive full DOT hazardous materials training.

Because hazardous waste transporters use public roads, highways, rails, and waterways, regulations for container specifications, labeling, marking, and placarding primarily are developed by the DOT, with input from the EPA.

The federal DOT was established by an act of Congress in 1966 as a federal Cabinet department concerned with all facets of transportation: cars, trains, trucks, planes, boats — anything with wheels or wings or a keel — and especially if hauling hazmat is involved.

Giveaway

CONTINUED FROM PAGE 1

a South Holland resident.

"She kind of inherited a new life," Taylor said of her aunt, "If an accident like that happened to me, I would want someone to support my mom."

Helping those in need

This was the sixth year Chevrolet of Homewood donated a car on Christmas Eve, though this year's donation was done with less fanfare — and fewer people — than in years past, due to COVID-19 concerns. Dealership staff were present at the event, as were some of Colvin's relatives.

More than 700 submissions were made in the latest giveaway, far surpassing

the roughly 400 that were received in 2019. Chevrolet of Homewood principal Steve Phillipos attributed the increase in submissions to the toll the COVID-19 pandemic has taken on so many families.

"They're all touching stories, they really are," Phillipos said. "It made it very difficult for us to pick these nice folks. But we think it's a great thing."

He added: "These are beautiful people. I know they believe in miracles, and we believe in miracles."

Even the plates and sales tax on the vehicle were paid for by the dealer, as was the car's first six months of insurance. "All you have to do," Phillipos told Colvin, "is drive your new car."

The CATA Bulletin is published by the
Chicago Automobile Trade Association
18W200 Butterfield Rd. Oakbrook Terrace, IL 60181-4810

The CATA Bulletin is distributed via blast e-mail every other Friday except during the Chicago Auto Show, when it is not produced.

Listings of items for sale are subject to the approval of the CATA. Candidates for employment must submit a full resume to the Editor.

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

David E. Sloan
Erik K. Higgins

President, Publisher
Editor, Director of Dealer Affairs

3 ways to strategize for dealership success in 2021

Dealership leaders have entered 2021 with many important lessons learned on pivoting and keeping their businesses moving forward despite industry disruption.

Proactive dealerships stayed ahead of the curve by adapting to their customers' needs, accommodating new buying behaviors and meeting their customers where they are by embracing new sales models. According to IHS Markit, 65% of dealers now expect an acceleration in the development of online vehicle sales and booking platforms.

However, as growing car-buying trends cement into ongoing consumer buying habits, dealers are challenged to strategize for success for the long haul — with no time (or resources) to waste.

In recent forecasts, automotive sales are projected to grow 9% year-over-year in 2021, rising from under 75 million in 2020 to almost 82 million.

To embrace these 2021 car sales opportunities, dealers need to ensure their sales team and process are nimble and ready to adapt. In a blog post, AutomotiveMastermind, a software firm that helps dealerships target potential customers, offered three ways for dealerships to embrace auto industry trends and strategize for success in 2021:

- Put the right people in the right roles

- Refocus your sales and marketing processes on the customer experience

- Deploy an inventory strategy driven by data

Right people, right role

In previous years, sales processes — and sales teams — likely were structured differently than they are today. Dealerships and team members that resisted change and digital transformation inside the dealership now can't afford to ignore growing consumer demand for new buying experiences.

In one recent study, consumers who purchased at the peak of the pandemic and completed their entire transaction at the dealership interacted with 3.8 dealership personnel on average. That number drops to 3.0 for consumers buying partially online and partially at the dealer and to just 2.1 personnel on average for online-only buyers.

With digital platforms automating the process, customers can take a self-serve approach to actions such as negotiating their trade-in, reducing the overall number of staff touchpoints and improving the efficiency of the sales process.

But the physical dealership experience is an automotive trend that still matters. The same previously mentioned IHS Markit study found 79% of all surveyed consumers test drove their vehicle prior to purchase — 69% of those consumers at the dealership.

By embracing an om-

nichannel approach, dealers are empowered to both implement new cost-saving efficiencies and ensure their dealership's online and offline experiences are seamlessly integrated. But the right team is needed to support the process.

When hiring new employees, seek out recruits who are digitally proficient, as well as those who are willing and excited to expand their horizons and seek out ways to grow beyond their current experiences.

Don't forget to inspire and incentivize the team to continue growing their sales skills by participating in ongoing training and education opportunities. With the increasing popularity of virtual events, these previously cost-prohibitive trainings are more accessible than ever.

Refocusing on the customer experience

When consumers are deciding how to buy, whether if that's online or in-store, convenience is critical. Research finds both online and in-person car buyers ranked convenience as the leading factor when deciding where to buy a vehicle — ahead of any other consideration, including price.

Every experience customers have with the dealership online and in-store should reflect the dealership's internal brand values. With dealerships around the country competing for attention and sales, it's critical to cut through the noise by delivering the right message

at the exact right time.

By leveraging high-quality data and intelligent marketing technology, dealers can identify prospective buyers predicted to begin shopping for a vehicle soon and begin targeted and tailored outreach before the competition.

Commit to inventory strategy driven by data

With so many aspects out of a dealer's control when it comes to inventory constraints, dealership success in 2021 rides on "controlling what is controllable" starting with utilizing the wealth of data locked away in the CRM and DMS to fuel a data-driven inventory strategy.

With wholesale pre-owned prices performing consistently strong, many dealers are sending cars to auction now more than ever. But with wholesale prices slowing, some dealers are holding onto trade-ins they may not have in the past to help fill their lots.

With retail typically generating less overhead than auction, this approach poses a valuable opportunity for dealers with the right customer and market insights. Before sending vehicles to auction, identify prime retail opportunities by analyzing factors like the vehicle's maintenance history report to better predict reconditioning costs and see how quickly similar vehicles have sold in the past.

Franchised New-Car Dealers in the 8-county CATA area as of 1 January 2021

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] 7/1/2020	Total [present] 1/1/2021
Acura	1	4	2	3	0	0	0	1	0	11	11
Alfa Romeo	1	3	0	1	0	0	0	1	0	7	6
Aston Martin	0	1	0	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	2	28	28
Cadillac	0	8	2	2	1	0	1	1	0	15	15
Chevrolet	3	15	5	6	4	4	6	4	2	49	49
Chrysler	3	11	5	4	3	3	2	3	2	36	36
Dodge	4	11	5	4	3	3	2	3	2	37	37
Ferrari	0	0	1	1	0	0	0	0	0	2	2
Fiat	0	3	0	1	0	0	0	1	0	5	5
Ford	3	13	6	7	3	4	5	4	2	47	47
Genesis	2	6	2	3	1	1	0	1	0	16	16
GMC	1	9	1	4	3	1	2	2	1	24	24
Honda	4	9	3	2	1	3	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	11	5	4	3	3	2	3	2	36	36
Kia	1	8	3	3	1	1	1	2	1	21	21
Lamborghini	1	0	0	1	0	0	0	0	0	2	2
Land Rover	1	3	1	2	0	0	0	1	0	8	8
Lexus	1	4	1	2	0	0	0	1	0	9	9
Lincoln	1	5	3	2	1	0	0	1	0	13	13
Lotus	1	1	0	0	0	0	0	0	0	2	2
Maserati	1	2	0	2	0	0	0	0	0	5	5
Mazda	1	7	1	3	1	0	1	1	1	16	16
McLaren	1	0	0	0	0	0	0	0	0	1	1
Mercedes-Benz	1	5	1	2	0	1	0	1	0	11	11
Merc-Benz Vans	1	3	1	1	0	1	0	0	0	7	7
Mini	0	3	0	1	0	0	0	0	0	4	4
Mitsubishi	0	4	1	1	1	0	0	1	1	9	9
Nissan	2	12	2	4	1	1	1	2	1	26	26
Porsche	0	3	1	1	0	0	0	0	0	5	5
Ram	4	11	5	4	3	3	2	3	2	37	37
Rolls-Royce	1	1	0	0	0	0	0	0	0	2	2
Subaru	1	5	2	2	1	2	1	1	1	16	16
Toyota	4	11	3	4	1	1	1	2	1	28	28
Volkswagen	2	7	3	4	1	1	1	2	0	21	21
Volvo	1	5	0	1	0	0	0	1	0	8	8
# of Car lines	61	238	74	100	39	35	33	53	21	655	654
# of Outlets	33	162	46	62	20	23	19	36	16	419	417

NOTE: The difference between car line and outlet figures is the result of outlets that handle more than one car line.