



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. 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. On the tan bar across the top of the screen, click on Education/Careers and follow the dropdown menu to CATA-DealersEdge webinars.

Coming topics:

Thursday, Nov.15 at 12 p.m. CST

“Best Practices for Using Benchmarks to Drive Improved Dealership and Departmental Results”

Join Phil Kent, a CPA at CATA allied member Michael Silver & Co., for an examination of benchmarking for both financial and non-financial dealership managers.

SEE WEBINARS, PAGE 2

Manufacturers aid Sandy victims

As the scope of the damage caused by Superstorm Sandy continues to unfold, the companies that keep America on wheels are joining the effort to get New England back on its feet. As happened with Hurricane Katrina in 2005, several auto manufacturers are contributing to the ongoing rescue and relief efforts.

BMW of North America, whose headquarters are in Woodcliff Lake, N.J., was directly affected by the hurricane. The company has given \$1 million to the American Red Cross to aid in disaster relief.

The **Ford Motor Co. Fund** and Ford employees have collected \$50,000 to donate to the American Red Cross. Ford is also offering MSRP discounts for customers who need to replace vehicles.

In addition to the \$250,000 donated by the GM Foundation to the Red Cross' Disaster Responder Program, **Chevrolet** is sending 50 trucks to the Red Cross to

help out. The Express cargo vans, Traverse crossovers and Tahoe SUVs will come from local inventory and will be equipped with OnStar Hands-Free Calling minutes and turn-by-turn navigation services.

Ram has donated \$100,000 to the American Red Cross and sent 20 Ram 1500 Tradesman trucks to the organization.

Like BMW, **Toyota** also contributed \$1 million to the American Red Cross. Toyota also plans to match employee contributions to the Red Cross and other nonprofit organizations that are aiding the affected communities.

Mazda North America may not have the buying power of the big guys, but the company still offered \$100,000 to the Red Cross and \$10,000 in grants to food banks in the communities near Mazda's Northeast regional office.

In addition to their material contributions, several auto manufacturers,

SEE NADA, PAGE 4

Buyers will travel farther to buy cars with positive online reviews

A positive online review of a dealership can draw a wider radius of potential car buyers, according to a new study of more than 1,600 car buyers and 600 dealerships by Digital Air Strike.

In releasing the results of its Fall 2012 Automotive Social Media and Reputation Trend Study, the automotive social media, online reputation and lead-generation management firm said it found that nearly 70 percent of recent car buyers said online review sites influenced their choice of dealership.

Review sites, dealership websites and Facebook were named as the top three most influential digital mediums

used to help buyers make their dealership selection. And the study, as have several other reports of late, also found that car buyers are increasingly using social media in the vehicle purchasing process.

Dealership Facebook fan counts are up, according to the study, with the average count rising to 719 likes, up from 560 likes in April.

When visiting dealer Facebook sites, buyers cited their top five most valuable items as dealership service promotions such as coupons or discounts; pictures of cars; sales promotions; reviews from consumers about the dealership; and articles about cars

and/or car care tips.

And car buyers who are using photo/video sharing social networks named the top five used as YouTube at 70 percent; Pinterest at 21 percent; Flickr at 18 percent; Instagram at 17 percent; and Photobucket at 14 percent.

“The study found evidence that car dealers who actively engage in social media and reputation management have the potential to increase both their market share and their market reach,” said Alexi Venneri, co-founder of Digital Air Strike.

Many car buyers also noted they were willing to drive long distances to purchase vehicles from dealers with

positive online reviews: 24 percent said they would drive 30 miles to a dealer with positive reviews, 15 percent said they would drive as far as 40 miles, and 31 percent said they would drive 50 miles or more.

The study noted that more than three quarters, or 77 percent, of dealers’ Facebook fans live within a 50-mile radius, which could make it a valuable targeted marketing tool for dealers.

The firm’s biannual study included an in-depth analysis of how 600 U.S. dealers use social media, and an online survey of 1,600 consumers who bought a car in the last six months.

Advance tickets to '13 Chicago Auto Show on sale now

Tickets and vouchers that admit the holder to the 2013 Chicago Auto Show free or at a reduced price can be ordered by CATA members using the order form included posted at www.CATA.info.

The passes promote goodwill with customers and even can help persuade a prospect to close a deal.

Two kinds of passes are available, General Admission ticket and Weekday Discount voucher. The former, which costs CATA members \$600 for 100

tickets, admits the holder to the auto show free, without a box-office wait.

The Weekday Discount voucher costs members \$100 for 100 and admit the holder for \$6 during the week. Regular admission is \$12.

A minimum 100 passes must be purchased with either order. All CATA members in good standing will receive a package in early January that includes, among other things, 200 complimentary Weekday Discount vouchers.

2013 CHICAGO AUTO SHOW	
ADVANCE SALE TICKET ORDER	
General Admission \$600 per 100 tickets for members <input type="checkbox"/> Valid only day of the show <input type="checkbox"/> Valid any day <input type="checkbox"/> No additional charges or Box Office fees <input type="checkbox"/> Member discount reflects 35% off full admission 100 tickets minimum order No. of tickets: _____ Amount \$: _____	Weekday Discount Coupon \$100 per 100 tickets for members <input type="checkbox"/> Valid weekdays only <input type="checkbox"/> Redeemable at Box Office for \$12.00 (includes the \$2.00 regular admission price) 100 tickets minimum order No. of tickets: _____ Amount \$: _____
<small>Note: CATA member who spend or have in stock for the 2013 show will be able for the 2013 show and entitled to purchase two tickets for the price of one \$600 each.</small>	
We wish to order the above tickets for the 2013 Chicago Auto Show. <input type="checkbox"/> Bill our credit card: _____ and debit: _____ (M/C code) _____ <input type="checkbox"/> Name on Credit Card: _____ Address on card: _____	
<input type="checkbox"/> Our check in the amount of \$ _____ is enclosed. <input type="checkbox"/> Please bill us in the amount of \$ _____ Authorized by: _____ (Please print name) _____ (Signature and date)	
Please type or print the following information: CATA Company name: _____ Contact name: _____ Business address: _____ City: _____ State: _____ Zip: _____ Phone number: _____ Fax: _____ Email: _____ <input type="checkbox"/> Bill _____ or Pick up _____ Person authorized to pick up tickets: _____	
Fax this ticket order to: Chicago Automobile Trade Association 18W200 Butterfield Rd. <small>*All ticket orders must be picked up or shipped by January 31st, 2013. Allow 10 days for shipping. Beginning February 6th, tickets must be picked up at MEC credit Plaza, Room 5000B.</small>	

Scam alert

Dealers are reminded to scrutinize items they receive which are mocked up to resemble an invoice but which are nothing more than a solicitation for money.

The “vendors” typically offer services surrounding Internet and computer activity, and a customer account number appears on the paperwork. But a close reading of the fine print concedes the statement “is not a bill, invoice, or statement of account due.”

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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
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Natural gas gets nod from auto analysts as vehicle fuel of future

Natural gas got a strong vote of confidence as a future vehicle fuel at a recent automotive industry event.

New methods of extracting the gas are one of the biggest changes affecting the auto industry in years, General Motors chief economist Mustafa Mohatarem said at the Society of Automotive Analysts' strategic planning summit in Michigan.

"The U. S. now has a 100-year supply of natural gas," he said. "I'd make a bet it's the next big transportation fuel. The price is so much lower than gasoline. People will find a way to use it."

The idea got a second from John Casesa, an investment banker at Guggenheim Partners.

"We're also very high on natural gas," he said. "It's a massive change for the United States, and probably a big deal for the motor industry."

Long-haul trucking may be the first field to make widespread use of the fuel, but other vehicles will fol-

low, Mohatarem predicted.

Casesa is skeptical about the outlook for start-up automakers trying to develop electric vehicles.

"Their prognosis is extremely difficult," he said. "If pure EVs are going to happen, it'll either be because of government policy in China or in the United States because the big companies figure it out." Price, battery range and charging time remain the technology's greatest challenge.

Mohatarem is more bullish on the outlook for new automakers based in developing markets.

Along with the shift to natural gas, the biggest change in the next 25 years will be the emergence of major automakers from India, China and perhaps Russia, he said.

The meeting marked the Society of Automotive Analysts' 25th anniversary. Maryann Keller, managing partner of Maryann Keller & Associates and one of the SAA's founders, said the greatest lesson automakers should draw

from the last 25 years is to eliminate anything that distracts them from developing great vehicles.

She said Chrysler, Ford and GM wasted more than \$50 billion in ill-advised diversifications, stock buybacks and a string of harebrained schemes.

"The only thing an auto company can do to drive its stock value up is develop better cars," Keller said. "The only way to enhance shareholder value is great products."

Chrysler-Fiat, Ford, Nissan-Renault and Volkswagen Group all will face challenges replacing their current charismatic and visionary leaders, Casesa and Keller agreed.

Succession planning is "the question of the day," Keller said.

"It will become very bumpy at the companies" after the inevitable leadership changes, Casesa said.

Left unsaid was the assumption that replacing an exceptional leader is a better problem than not having one at all.

Webinars

CONTINUED FROM PAGE 1

Just about everyone uses benchmarks to some degree in their profession. When you just compare your results or experience with peers; this is a simple form of benchmarking. Yet nothing provokes more discussion among dealership managers than questions about what the benchmarks should be and how they should be interpreted.

Benchmarking is a much more sophisticated exercise in both the calculation and application to your dealership and/or your specific dealership department. Kent outlines the basic, as well as more advanced methods for using benchmarking as a critical profitability management tool. You will learn:

- About "past-year", "competitor" and "industry standard" benchmarks - similarities and differences
- About "cross-dealership", "departmental" and "expense benchmarks"
- How some benchmarks that are seldom used, yet important to the goal
- How to use "top end" benchmarks to identify areas of weakness
- How to compute and compare critical benchmarks in the

dealership

- How to dig deeper when benchmark results indicate a need or weakness

Thursday, Nov. 29 at 12 p.m. CST

"Learn the Secrets and Savings of Consolidating Back Office Operations for Multi-Location Dealer Groups" Many have tried and failed. Learn about those who have made it work and work well.

It makes a lot of sense. So many back office tasks are duplicated by individual dealership locations that could benefit from economies-of-scale and more efficient use of your most talented staff. But all too often the attempted consolidation fails to deliver or is so frustrating that it is scrapped altogether.

This webinar features Jodi Kippe and Mercedes Hendricks from the Dealer Services Group at Crowe Horwath., who will detail how some dealer groups have attained huge savings and improved efficiencies by consolidating many support functions. You will learn:

- How to merge different policies, floor plans, and OEM financials
- Why setting up a standard chart of accounts for all points is essential for improved efficiency

Sandy coming to a used-car lot near you?

The effects of Superstorm Sandy are expected to ripple across the auto in-



dustry. While Sandy hurt October sales figures, as dealerships across the Eastern Seaboard missed several days of sales, experts expect that in the months ahead, the storm will boost an already-burgeoning industry as Sandy's victims replace damaged vehicles.

"If anything, it'll make November an interesting month to watch," said Jessica Caldwell, senior analyst for Edmunds.com. The storm decimated a region that accounts for about 20 percent of all U.S. car sales.

The destruction is likely to include thousands of vehicles damaged or destroyed by floodwater. In some cases, vehicles damaged by floodwater can be repaired. But if recent history is any indication, a number of seriously flood-damaged vehicles will wind up on used-car lots and sold to unsuspecting consumers.

Experts say half of the vehicles damaged or destroyed by Hurricane Floyd were put back on the road. The National Automobile Dealers Association warns that damage from flooding may not begin to become apparent for 90 days or more.

"A car that's been in a flood, with the engine submerged for any length of time, will never be the same," said Carl Sullivan, who has nearly two decades of experience inspecting vehicles for AiM, a California-based team of auto inspectors.

"It's important for used-car shoppers to know how to spot flood damage no matter where they live, because these cars can end up on a dealer lot anywhere in the country," Sullivan said.

10 tips to detect flood-damaged vehicles

Once the clean-up, reconditioning and rebuilding begins, there is concern that water-damaged vehicles may return to the marketplace. Nefarious individuals may buy these vehicles, thoroughly clean them and attempt to resell them.

While there is no sure way to know if a vehicle has been damaged by flooding, the NADA offers 10 inspection tips that can detect water damage. A prospective buyer can spot a flooded vehicle by following these simple steps:

1. Check the vehicle's title history by VIN through commercially available vehicle history reports like Carfax (www.carfax.com), Experian's Auto Check (www.autocheck.com), or through the National Insurance Crime Bureau's VinCheck (https://www.nicb.org/theft_and_fraud_awareness/vincheck). The report may state whether a vehicle has sustained flood damage.
2. Examine the interior and the engine compartment for evidence of water and grit from suspected submersion.
3. Check for recently shampooed carpet.
4. Look under the floorboard carpet for water residue or stain marks from evaporated water not related to air-conditioning pan leaks.
5. Inspect for rusting on the inside of the car and under interior carpeting and visually inspect all interior upholstery and door panels for any evidence of fading.
6. Check under the dashboard for dried mud and residue, and note any evidence of mold or a musty odor in the upholstery, carpet or trunk.
7. Check for rust on screws in the console or other areas where the water would normally not reach unless submerged.
8. Look for mud or grit in alternator crevices, behind wiring harnesses and around the small recesses of starter motors, power steering pumps and relays.
9. Complete a detailed inspection of the electrical wiring system looking for rusted components, water residue or suspicious corrosion.
10. Inspect the undercarriage of other components for evidence of rust and flaking metal that would not normally be associated with late model vehicles.

While these inspection suggestions will not detect flood damage in every case, they do provide some information to protect the consumer from purchasing a vehicle damaged by water or flood.

"When in doubt, have the vehicle checked out," Underriner urges. "Your safety and your family's safety are far too important to risk."

Sandy

FROM PAGE 1

including Toyota, Mazda and Ford, announced plans to provide aid to current owners affected by the hurricane, including lease and finance payment deferments, waived late fees and other considerations. Nissan also announced a program offering employee pricing

and financing to customers looking to replace hurricane-damaged cars and trucks. Affected owners are encouraged to contact the finance companies for details.

Anyone who wants to support to victims of Sandy are encouraged to visit www.redcross.org or call 1-800-RED-CROSS (1-800-733-2767) to make a donation.