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**One lucky attendee at First Look for Charity will win a 2020 Ford Explorer ST. It is the official vehicle of next month's Chicago Auto Show.**

## Auto Show gala aims to raise \$3M

A 2020 Ford Explorer ST is just \$275 away for someone who attends this year's First Look for Charity.

But everyone who attends will feel like a winner. The black-tie gala on Feb. 7, held

the evening before the Chicago Auto Show opens to the public, directly benefits 18 important Chicago area charities. Last year, the event raised more than \$2.9 mil-

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*Help promote the show!*

## Materials shipped for 2020, auto show

All members of the Chicago Automobile Trade Association in good standing will receive materials this week to help them get through the coming year and to help publicize the Chicago Auto Show, Feb. 8-17 at McCormick Place. It's your show; please promote it.

Packages sent via United Parcel Service to dealer principals and company presidents include the following:

- 1 CATA-member 2020 window decal; and
- 1 form to photocopy to order free supplies of odometer statements, used-car buyer's guides, used-car limited warranty statements, and

emission control equipment statements.

Also, to promote the 2020 Chicago Auto Show, the shipment includes:

- 4 Chicago Auto Show easel cards;
- 2 Chicago Auto Show posters;
- 1 First Look for Charity poster;
- 2 CATA member tickets good for admission throughout the auto show;
- 50 Employee Appreciation Day admission tickets, good Feb. 10-14 and Feb. 17; and
- 200 tickets valid for half-

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## What to do when a dealership is victimized by data hackers

A call is placed at 5:15 p.m. Friday by a dealership's chief information officer, who says she thinks the company has been hacked. The allegedly hacked customer records have not been posted, yet the tip appears legitimate. The CIO asks, "What do we do?"

Scenarios like this are increasingly common, and the reputational, regula-

tory and operational effects can be devastating. The response should be swift and focused, and it should include:

**MOBILIZATION:** Responding to a data breach will involve resources from across the company's functional groups — IT, HR, legal, risk, accounting, marketing — and from the C-suite to the affected line of business, as well

as external resources such as breach counsel, forensic investigators, crisis management and PR teams, and notification mail processors. The dealership should have a response plan in place before the incident, and the team should be mobilized immediately.

Many of the issues faced next will  
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## CATA office closed Jan. 31-Feb. 18 for auto show

The office of the Chicago Automobile Trade Association will close in Oakbrook Terrace Jan. 30 and not reopen till Feb. 19.

Far from taking a three-week cruise, the CATA staff will relocate to McCormick Place to produce the 2020 Chicago Auto Show.

Because the CATA office will be closed, association members must make the following adjustments:

Dealership personnel responsible for securing any forms provided by the



CATA — odometer statements, used-car buyer's guides, used-car limited warranty statements, and emission control equipment statements — must place orders by Jan. 28 to ensure the orders

can be processed by Jan. 30. Don't be caught with an empty supply shelf.

Use of meeting rooms at the CATA is suspended Jan. 30-Feb. 18.

Calls to the CATA office will automatically be forwarded to CATA staff at McCormick Place.

## NADA's '20 Dealership Workforce Study opens

Participation in the 2020 Dealer Workforce Study, one of the automotive industry's largest workforce studies, is underway at [nadaworkforcestudy.com](http://nadaworkforcestudy.com). Participation ends April 15.

Dealer participation in the National Automobile Dealers Association report is vital and allows the NADA to analyze and provide such valuable information. The annual report helps new-car and -truck dealers to fine-tune employee compensation and benefits, promote retention, and stay ahead of the demographic curve.

All participating NADA Members will receive a complimentary custom report for their store. This exclusive report will include a Workforce Management Scorecard that compares and ranks the participating dealership against peer-



level dealerships on key metrics related to compensation, retention and turnover.

In addition, all participants will receive a complimentary electronic copy of the 2020 Dealership Workforce Study National & Regional Trends in Compensation, Benefits & Retention Report. Participants also will be granted access for up to one year to the Database Search Tool where they will find all of the data submitted for each of the past workforce studies.

Questions can be directed to [workforcestudy@nada.org](mailto:workforcestudy@nada.org).

## Charity

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lion.

First Look for Charity, now in its 29th year, is a unique and elegant way to peruse the nation's largest auto show before the throngs enter with their elbows a-flyin'.

About 10,000 people are expected to attend First Look for Charity, a fraction compared to an average daily attendance during the show's 10 public days. First Look for Charity attendees are treated to a wide variety of heavy hors d'oeuvres; champagne, wine and soft drinks.

Tickets are \$275 each and can be ordered [www.chicagoautoshow.com](http://www.chicagoautoshow.com). For corporate benefactor packages of 25 or more tickets, call the CATA's Erik Higgins at (630) 424-6008.

Purchasers can designate ticket proceeds to benefit any or all of the participating charities.

Benefiting charities this year include the 100 Club of Chicago, Advocate Health Care, the ALS Association Greater Chicago Chapter, Boys & Girls Clubs of Chicago, Catholic Charities of the Archdiocese of Chicago, Catholic Charities of the Diocese of Joliet, and Clearbrook

Also, Franciscan Community Benefit Services, JDRF, Susan G. Komen Chicago, the Ann and Robert H. Lurie Children's Hospital of Chicago, Lydia Home & Safe Families for Children, Misericordia, New Star, Special Olympics Illinois, Turning Pointe Autism Foundation, and the Jesse White Tumbling Team.

## Materials

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price admission any weekday of the show, to offer to customers.

Don't forget to **purchase** additional admission tickets to the auto show as well as any First Look for Charity tickets.

Any member in good standing who has not received the UPS shipment should notify the CATA. The shipments are trackable, to help resolve problems.

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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](http://www.cata.info).

David E. Sloan  
Erik K. Higgins

President, Publisher  
Editor, Director of Dealer Affairs

## As 2019 closed, average APR on used & new financing softened

While most used-vehicle financing metrics closed 2019 at a steady pace, Edmunds noticed the average interest rate for a new-vehicle retail installment contract fell for the third month in a row in December, dropping to its lowest point since February 2018.

Edmunds reported the annual percentage rate on new financed vehicles averaged 5.4% in December, compared to 5.5% in November and 5.9% in December of 2018.

Edmunds data showed that 22.4% of shoppers who financed their vehicle purchases in December 2019 got an interest rate below 3%, compared to 20.4% of those who financed purchases in December 2018.

“Automakers and dealers gave new-car buyers a lot of reasons to feel some holiday cheer in December,” Jessica Caldwell of Edmunds said in a news release.

“Everyone knows new-car deals are usually sweetest at the end of the year, but it’s been a long time since financing offers were this good,” she continued.

Meanwhile on the used-vehicle side, Edmunds determined that while terms and monthly payments in December mirrored the figures seen a year earlier, average APR on used financing dipped to 8.2% while the total amount financed rose by more than \$400 year-over-year to \$22,660.

Although interest rates took a dip, Edmunds pointed out new-vehicle retail prices are expected to hit near-record highs in December.

Edmunds data indicated that the average transaction price for a new vehicle will climb to \$38,377 in December, compared to \$37,260 last year and \$33,773 five years ago.

“The December numbers aren’t always indicative of larger market trends because people tend to buy pricey luxury vehicles, trucks and SUVs this time of year,” Caldwell said. “This drives up the average transaction price and lowers the average APR since these shoppers can usually qualify for the lowest promotional rates.

“But the fact that rates have been on a steady decline for the last several

months bodes well for more favorable financing conditions in 2020,” she continued.

Two other firms weighed in on how new-vehicle prices behaved in December, beginning with Kelley Blue Book.

The valuation analysts at Kelley Blue Book reported the estimated average transaction price for a light vehicle in the United States was \$38,948 in December. New-vehicle prices increased \$656 (up 1.7%) from December of 2018, while falling \$80 (down 0.2%) from November.

“New-vehicle transaction prices finished the year on a high note, with the average rising nearly 2% and approaching the record set in November 2019,” Kelley Blue Book analyst Tim Fleming said in a news release. “However, as retail demand fell in 2019, dealer discounts grew, approaching 7% of MSRP in December — the highest since July 2009.

“On a positive note, the discounts appear to be working as the average days in inventory fell by two days from the previous month,” he said.

## Hackers

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have civil and regulatory implications, and discussions should have the benefit of legal privilege. Consider engaging breach counsel first.

**STABILIZATION:** The first step in getting control of the data post-incident is to patch whatever leak exists. The technical team should lock down any stolen or misused credentials, devices or system vulnerabilities and preserve evidence.

**INVESTIGATION:** Once the technical vulnerabilities have been addressed,

identify the scope and duration of the incident; use outside forensic examiners, if necessary. At the same time, review contracts with any implicated third-party service providers, and identify applicable responsive insurance.

**ANALYSIS:** Data breaches are addressed primarily as a matter of state law, with every state defining and prescribing responses to a breach differently. The dealership also may have obligations related to data breaches under contracts with commercial vendors or suppliers. Understanding the responsi-

bilities — to customers, regulators, counterparties and investors — turns heavily on the language of the data breach statutes in each implicated state, and the language of any contracts.

Which states are implicated largely is determined by the location of customers and business operations. Whether counterparties must be involved is determined by the language of agreements. This is a highly fact-specific, largely “legal” analysis.

**NOTIFICATION:** After identifying the “what,” “how” and “who,” it’s time to notify any external stake-

holders. This may involve notifying customers, contractual counterparties and investors, and most-assuredly will involve notifying state attorneys general. Notification requirements differ by state, both as to timing and substance. The timing for most statutes runs from knowledge of the breach, and may be as short as 24 hours.

**EVOLUTION:** To the extent there is a benefit to a data breach, it lies in identifying the facts and circumstances that led to the breach and using them to anticipate future threats and improve company systems and practices.

## Franchised New-Car Dealers in the 8-county CATA area as of 1 January 2020

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] 7/1/2019	Total [present] 1/1/2020
Acura	1	4	2	3	0	0	0	1	0	11	11
Alfa Romeo	1	3	1	1	0	0	0	1	0	6	7
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	16	15
Chevrolet	3	15	5	6	4	4	6	4	2	50	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	2	24	24
Honda	4	9	3	2	1	3	1	2	0	25	25
Hyundai	2	10	4	3	1	1	1	1	0	24	24
Infiniti	1	4	1	2	0	0	0	1	0	9	9
Jaguar	1	3	1	2	0	0	0	3	0	8	8
Jeep	3	11	5	4	3	3	2	2	2	36	36
Kia	1	8	3	3	1	1	1	0	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	0	0	14	13
Lotus	1	1	0	0	0	0	0	0	0	2	2
Maserati	1	3	0	2	0	0	0	1	0	6	6
Mazda	1	7	1	3	1	0	1	0	1	16	16
McLaren	1	0	0	0	0	0	0	1	0	1	1
Mercedes-Benz	1	5	1	2	0	1	0	0	0	11	11
Mini	0	3	0	1	0	0	0	1	0	5	4
Mitsubishi	0	4	1	1	1	0	0	1	1	10	9
Nissan	2	12	2	4	1	0	1	0	1	24	24
Porsche	0	3	1	1	0	0	0	3	0	5	5
Ram	4	11	5	4	3	3	2	0	2	37	37
Rolls-Royce	1	1	0	0	0	0	0	0	0	2	2
smart	0	0	0	0	0	0	0	0	0	1	0
Sprinter	1	3	1	1	0	1	0	1	0	7	7
Subaru	1	5	2	2	1	2	1	2	1	16	16
Toyota	4	11	3	4	1	1	1	2	1	28	28
Volkswagen	2	7	3	4	1	1	1	1	0	21	21
Volvo	1	4	1	1	0	0	0	50	0	8	8
# of Car lines	63	240	76	100	39	34	33	52	21	658	654
# of Outlets	33	162	48	62	20	22	19	36	16	420	418

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