



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, April 18 at 12 p.m. CDT

“What Fixed Ops Managers Need to Know about the Financial Statement and Analytical Reporting”

No one has more control of reaching higher net profits than you, the fixed operations managers, do. Reach the Net Profits you desire by learning how to quickly analyze

SEE **WEBINARS**, PAGE 2

April 30 is deadline to complete 2013 NADA Workforce Study

Curious to know how your dealership’s compensation and benefits package stacks up? Ever stop to analyze your retention and turnover rates as a tool to recruit and retain top talent? That analysis can help guide development of innovative pay plans, benefits, and business structure adjustments.

The NADA’s 2013 Dealership Workforce Study isn’t the compensation study of yesteryear. This robust initiative collects data from dealerships across the United States and provides extensive

comparative data on dealership position pay averages, hours of operation trends, retention and turnover percentages, as well as health and retirement benefits.

There is no cost to participate! Car and truck dealerships that participate are eligible to receive:

- Basic Report - a custom report that presents your dealership’s compensation, benefits, and retention averages compared to the national and regional industry-complimentary.

SEE **STUDY**, PAGE 3

Service staff overtime exemption extended through September

Legislation which funds the federal government’s activities through September and signed into law in late March continues a 40-year precedent of exempting service advisors from federal overtime pay requirements.

Two years ago, the U.S. Department of Labor sought to overturn more than four

decades of precedent by saying that service salespersons no longer were eligible for the federal “salesmen” overtime exemption. That position directly conflicts with numerous federal district and circuit court decisions, including at least two issued in 2012, that have consistently

SEE **OVERTIME**, PAGE 3

Customers turning to social media for answers to service questions

Mastering social media is getting tougher for dealers and manufacturers because of shifting consumer expectations. Consumers increasingly want their service questions answered via Facebook, Twitter, Google+ and fan sites. And, the new study by J.D. Power and Associates predicts, companies that lack the ability to address questions on social media will lose customer loyalty.

Social media previously was used primarily to enhance the relationship between a dealership and its existing and potential new customers. But now, younger consumers are more likely to use social media for service questions, J.D. Power found.

In the study, service issues include all communications that involve customer product questions, requests for help and complaints about a problem.

Handling the issues via social media might involve as little as posting a Facebook

answer to a question or as much as providing instructions on what to do about a malfunctioning part.

The study notes that automotive dealers lag behind their manufacturers in connecting with consumers through social media primarily because they don't have the resources to handle what can be a time-consuming, but critical effort.

Some of the common social media gaffes made by companies include:

- ◆ Failing to respond to questions and problems.

- ◆ Passing the buck. Followers, said J.D. Power, don't want to be told "I can't help you."

- ◆ "Talking" too much. Consumers have limits to how many times they want to see posts.

- ◆ Advertising too much. Consumers tire of receiving promotional tweets.

- ◆ Having no fun. Followers want to see people having a good time.

Congratulations!

Continental Honda (Countryside), **Bill Kay Honda** (Bourbonnais), and **Valley Honda** (Aurora) are among 115 dealers nationwide to win the 2012 Honda President's Award.

Gina Fisher of **The Autobarn Volkswagen of Countryside** and John Jennings of **Jennings Volkswagen** (Glenview) are part of the Platinum Level of the 2012 Wolfsburg Crest Club for top sales performance.

Eight local Nissan dealerships are among 120 nationwide to win Nissan's 2013 "Owner First Award of Excellence": **Continental Nissan**, Countryside; **Gerald Nissan**, Naperville; **Gerald Nissan of North Aurora**; **Glendale Nissan**, Glendale Heights; **Hawkinson Nissan**, Matteson; **Martin Nissan**, Skokie; **Rosen Nissan of Gurnee**; and **Star Nissan**, Niles.

Webinars

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your own monthly financial statement and to then take the necessary actions.

Over her career as a dealer group controller and as consultant with Lloyd Schiller's Dealer Service Corporation and NCM Associates, presenter Brooke Samples has analyzed more than 14,000 financial statements. In this webinar, she will show how to interpret information and then how to apply real world actions based on the results. You will learn to:

- Identify the key profitability accounts for fixed ops
 - Calculate your profit potential using benchmarks and simple formulas, plus the actions to take to make large improvements
 - Understand how some accounts may impact other account positively or negatively
 - Recognize when too good is Too Good
 - Determine if you are staffed for maximum profits and for future growth
 - Calculate the days of supply for key assets and actions to take when they are out of line
 - Create your own monthly tracking spreadsheet
 - Prioritize your action plans to set record net profits
- Thursday, April 25 at 12 p.m. CDT

"Selling Parts & Accessories on eBay: What's new for 2013 and how do you take advantage of the mobile revolution?" A part or accessory sells every second on eBay Motors and in Q1 2013, mobile devices now account for 500,000 sales a week.

eBay Motors' Clayton Stanfield will bring us up to date on the best practices of the biggest online sellers of parts and accessories. You will learn:

- How to get from a "crawl to a run" when selling parts on eBay Motors
- Best practices for growing your parts & accessories business online
- How mobile technology is revolutionizing the P & A business
- Pictures, pricing, and product: What works best online
- Measurements and adding value

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

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Daydreaming more deadly than phones: insurance industry study

Drivers who are “lost in thought” are five times more likely to be involved in a fatal crash than are drivers distracted by use of some electronic device, according to new research by the Erie Insurance Group.

The study focused on the 65,000 fatal accidents that occurred in the U.S. over the last two years, identifying 10 percent as the result of some form of distracted driving – in line with federal and other insurance industry estimates.

But what the research found next came as a big surprise. It identified 62 percent of the crashes as the result of simply being “lost in thought.” That might mean failing to recognize a danger-

ous curve in the road, running into the back of another vehicle, surging through a red light or some other driver error.

By comparison, only 12 percent of fatal accidents covered by the data were blamed on some form of mobile phone use.

Other forms of distractions included:

- Rubbernecking, 7 percent;
- Kids or other vehicle occupants, 5 percent;
- Reaching for an object elsewhere in the car, 2 percent;
- Eating or drinking, 2 percent.

Other, more minor factors included operating ve-

hicle controls, such as the heater or radio, and even reaching for an ashtray. Pets were a problem blamed for 1 percent of all fatal distracted driving incidents.

“Distracted driving is any activity that takes your eyes off the road, your hands off the wheel, or your mind off your primary task of driving safely,” said Erie’s Doug Smith. “We looked at what law enforcement officers across the country reported when they filled out reports on fatal crashes and the results were disturbing.

“We hope the data will encourage people to avoid these high-risk behaviors that needlessly increase their risk of being involved in a fa-

tal crash.”

The survey was timed for release in April, which the U.S. Department of Transportation has dubbed National Distracted Driving Awareness Month.

While the Erie study might find plenty of other distractions that can lead to fatal crashes, it continued to emphasize the need for a driver to pull over to send texts, and to avoid using cell-phones while driving.

Recent studies support the concern that this has become a serious problem. Last November, a State Farm study found nearly half of drivers under age 29 use the Internet at least once a month while behind the wheel.

Study

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- Enhanced Report - a premium custom report that presents your dealership’s compensation, benefits, and retention averages compared to your franchise and local market

- Industry Report - a comprehensive report with critical economic factors and analysis — complimentary.

It’s easy!

1. Go to www.NADAworkforcestudy.com
2. Enroll using your NADA/ATD Member ID
3. Complete a simple online survey
4. Upload your payroll data file securely to our secure site

New for 2013: Dealer Group partici-

pation has been simplified and streamlined. Enroll one store and submit survey and payroll data for all dealerships within your group. Instructions are provided on the Workforce Study website.

The greater the participation in the 2013 Dealership Workforce Study, the more detailed and localized the data will be reported to benefit you and improve your performance.

Finally, this study will provide the Chicago Automobile Trade Association with vital data and trends to enable the CATA to influence state and local officials on your behalf.

Go to www.NADAworkforcestudy.com to get started. The period to participate ends on Tuesday, April 30.

Questions? Call NADA Customer Service at (800) 557-6232.

Overtime

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tently found service writers to be exempt “salesmen.” In 2011, the National Automobile Dealers Association urged Congress to exercise greater oversight on the matter.

Since then, language was included in the last three federal spending measures, squashing any attempt by the labor department to change its position or initiate any enforcement action.

“The NADA applauds Congress’ latest action and urges federal lawmakers to make the ban permanent,” said NADA Chairman David Westcott, a dealer from North Carolina.

Dealers with questions on this or other labor matters should contact the NADA at (703) 821-7000.

Save the date!

**The annual CATA golf outing is June 10 at
Cog Hill Golf and Country Club in Lemont.**



As new-car prices rise, some auto loans stretch to 97 months

Last month Nakisha Bishop took out a loan to buy a \$23,000 Toyota Camry and pay off several thousand dollars still owed on her old car. The key to making it work: She has more than six years — 75 months in all — to pay it off.

“I had a new baby on the way, and I was trying to keep my monthly payment a little bit lower to help afford child care,” Ms. Bishop, a 34-year-old sheriff’s deputy in Palm Beach County, Fla., said recently. She pays \$480 a month for the 2013 Camry, just \$5 a month more than the note on her old car. The car won’t be paid off until her 1-month-old daughter is heading to first grade.

Ms. Bishop’s 75-month loan illustrates two important trends rippling through the U.S. auto industry. Rising new-car prices and competition among lenders to attract borrowers is pushing loans to lengthier terms. In part, banks see the longer terms as a way to attract buyers, by keeping monthly payments under \$500 a month.

The average price of a new car now is \$31,000, up \$3,000 in the past four years. But at the same time, the average monthly car payment edged down, to \$460 from \$465, the result of longer loan terms and lower interest rates.

In the fourth quarter of 2012, the average term of a new-car note stretched out to 65 months, the longest ever, according to Experian Information Solutions Inc. Experian said that 17 percent of all new-car loans in the past quarter were between 73 and 84 months and that there even were a few as long as 97 months. Four years ago, only 11 percent of loans fell into this category.

Such long-term loans can present consumers and lenders with heightened risk. With a six- or seven-year loan, it takes car-buyers longer to reach the point where they owe less on the car than it is worth. Having “negative equity” or being “upside down” in a car makes it harder to trade or sell the vehicle if the owner can’t make payments.

Sedgwick deflects Q1 '13 unemployment claims

One hundred forty-eight CATA dealer members reported a combined 837 unemployment claims during the first quarter of 2013 to Sedgwick Claims Management Services, Inc., which has been serving CATA dealers under various names since 1979.

The company’s efforts saved those dealers a total of more than \$1 million in benefits by contesting the claims.

Sedgwick CMS monitors any unemployment claims against its clients and contests all unwarranted claims and charges. The company counts about 260 CATA dealers among its clients.

Claims that can be protested and subsequently denied help minimize an employer’s unemployment tax rate. The rate can vary between .55 percent and 8.95 percent of each employee’s first \$12,900 in earnings. The 2013 average unemployment tax rate among Illinois employers is 4.15 percent, or about \$535 annually per employee (\$590 in 2012). It marks the first time since 2007 that the average Illinois unemployment tax rate declined the following year.

“The unemployment tax is really the only controllable tax, in that it’s experience-driven,” Schardt said. An ex-employee’s claim affects the employer’s tax rate for three years.

For new enrollees, client fees amount to \$2.60 per employee, per fiscal quarter. For the fee, Sedgwick monitors all unemployment claims; files any appeals; prepares employer witnesses for hearings, as necessary; represents the client at any hearings; verifies the benefit charge statements; and confirms the client’s unemployment tax rate.

To discuss retaining the company, call Schardt at (773) 824-4325 or Bruce Kijewski at (773) 824-4322.



Only 1/3 of dealership web visits are for shopping: AutoTrader

After reviewing nearly 3 million visits to 3,000 dealer websites recently, AutoTrader found that only 32 percent of the visitors are interested in shopping for a vehicle.

One in three wants to find contact information, look up a service special, make a maintenance appointment, or do something that has nothing to do with vehicle shopping. AutoTrader can tag the visitors anonymously on the 3,000 sites and watch where they go.

So how to use this factoid? AutoTrader CEO Chip Perry suggests that dealers consider emphasizing parts and service more prominently on their sites. Typically, service is just one of nine pull-down tabs at the top of the dealer’s Web page. Clearly, lots of people are looking for service information or specials.

The finding really should be no surprise. Traditionally, about one in three phones calls to a dealership is for service. Why wouldn’t that be similar for Web visits?