



Volume 116, No. 14

July 15, 2019

Massarelli new NADA director

Joe Massarelli, president of Liberty Auto City, in Libertyville, has been elected to represent his fellow dealers in Cook, Lake and DuPage counties as their director on the board of the National Automobile Dealers Association.

SEE NADA, PAGE 2

Used-car sales volume to plateau in next 2 years

Used-vehicle sales volume is expected to plateau over the next two years, according to Manheim's Wholesale Market Insights report released July 8.

Volume is expected to dip by the end of 2019 to 39.2 million units from 39.4 million last year, and then fall to 39 million in 2020, Manheim predicted.

Used-car sales volume in June dropped 3 percent year over year, falling to a pace of 39.8 million units. The report notes, however, that June 2018 posted unseasonably high sales volume due

to an increase in consumer demand fueled by tariff fears and rising interest rates.

Following new-car prices, used-vehicle prices for June were up 4.1 percent year over year. In fact, Manheim's report shows that all major segments saw a year-over-year price increase in June, with midsize cars and pickup trucks leading the charge with increases of 4.8 percent and 5.3 percent, respectively. Luxury vehicles also saw an uptick in price, despite a slow start in the first five months of the year.



U.S. Rep. Daniel Lipinski, D-Illinois, left, congratulates John Alfirevich, principal of Apple Chevrolet, on July 8 for winning the 2019 Time Dealer of the Year award.

Alfirevich gets congressional recognition

U.S. Rep. Daniel Lipinski, D-Illinois, visited Apple Chevrolet July 8 to share a certificate of congressional recognition of principal John Alfirevich's winning the 2019 Time Dealer of the Year award, one of the most prestigious and highly coveted awards that a new-car dealer can win.

"It is an honor to recognize not only a successful businessman, but someone who has demonstrated a longstanding commitment to our community," Lipinski said in the

commendation.

Recipients of the Time magazine award are among the nation's most successful auto dealers who also demonstrate a longstanding commitment to community service. Alfirevich, 56, was chosen to represent the Chicago Automobile Trade Association in the national competition — one of only 51 auto dealers nominated for the 50th annual award from more than 16,000 nationwide.

SEE ALFIREVICH, PAGE 3

Study shows how dealers can laugh their way to successful sales calls

Laughing might not be thought of as an important aspect of handling sales calls. But according to a new study, it is.

A new analysis by Marchex, a conversational analytics company, looked at 6,200 U.S. auto dealership sales conversations in January. The examination showed top sales performers laughed during more than half of their calls. That helped relax the caller and brought a positive feeling to the call, Marchex reasoned.

That was just one finding of the study. The top-performing salespeople used active listening much more than lower-performing sales representatives. Marchex said active listening leads to more dealership visits and more sales.

In a news release, Matt Muilenburg, head of automotive for Marchex, described active listening as being extremely important in making strong connections with prospective car buyers during phone calls.

“The data shows that taking the time to listen and create these high-value expe-

riences increases customer visits to dealerships and ultimately leads to more sales. This is especially critical today when dealer visits are at an all-time low,” Muilenburg said.

Requesting the caller’s name. Saying “please” and “thank you.” Those were two other attributes of top sales performers, the study found. Top sales performers asked for the caller’s name 163 percent more often than low performers. And 40 percent more often than bottom performers, the top performers provided their direct contact information to callers and also found out the caller’s contact information.

Ninety-nine percent of the time, top performers said “please” and “thank you” compared to 89 percent for lower performers.

The new report is the final installment of the Marchex Institute’s three-part series on how auto dealerships handle calls. Titled “2019 Auto OEM Study: How some OEMs are boosting sales at the expense of others,” the initial

report that came out in November showed how some OEMs are taking advantage of new data showing the importance of calls in “the path to purchase” for consumers who want to buy a car.

The second report, which came out earlier this year, analyzed how call-handling affects purchasing decisions at car dealerships. The report showed that those answering inbound sales calls strongly influence the likelihood of a caller booking an appointment or showing up at a dealership.

The final installment focuses conversation quality and showing how good salespeople speak with their callers and close more business.

“Do you need third-row seating?” “Are you wanting leather seats?” Top performers ask about caller preferences more often, according to the report. Top performers worked to find out about the caller’s needs and preferences 57 percent more often than lower-performers.

Questions like that, using what Muilenburg described as “understanding and em-

pathy,” provide important information to the caller and increase sales, Muilenburg said.

“This data helps dealers understand how to deliver empathy at critical moments and capture the interests of the customer over the phone,” he said.

When dealerships value the caller experience, it gives them an edge, according to the report, which stated that callers can hang up the phone and look for a dealership that is more willing to answer their questions. “Dealers who take proactive steps to optimize inbound phone calls know that the conversation is key,” the report states.

That conversation, as mentioned earlier, should include fun.

In calls that included laughter, top performers laughed much more often on the call than bottom performers.

“We can surmise that laughing keeps the call positive and relaxes the caller, two behaviors that likely contribute to the results of top performers,” the report stated.

NADA

FROM PAGE 1

Massarelli, who emerged from the nominating process as the lone qualifying nominee, begins a three-year term at the NADA Show next February.

Downstate dealer Jamie Auffenberg represents Illinois dealers in the state’s 99 other counties. His current term lasts another 18 months.

Massarelli will succeed Mark Scarpelli, who has been the NADA Metro Chicago director since 2011.



Massarelli

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.

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Automakers don't need to merge

History shows merging entire car companies is usually a recipe for failure.

By JOHN MCELROY

Back in the early 1980s, automotive executives and experts were predicting that by the year 2000 there would be only five automakers left in the world: two in the U.S., two in Europe and one in Japan. The thinking was that automakers had to merge to get enough manufacturing scale to make massive investments in new products and still be able to make a profit.

It never happened. Today there are more automakers than ever before.

But the need-to-merge thinking persists. Fiat Chrysler just proposed a 50-50 merger with Renault, and while that didn't happen (at least for now) it's clear automakers still believe they need to mash their companies together.

But why? The history of the auto industry is littered with mergers that failed. Chrysler and Mitsubishi. Renault and American Motors. BMW and Rover. Daimler and Chrysler. Ford with Mazda, Volvo, Jaguar, Land Rover and Aston Martin. General Motors with Suzuki, Subaru, Isuzu and Saab. This is not a comprehensive list, but you get the point. These mergers, acquisitions and joint ventures fail far more often than they

succeed.

When you try to mash two car companies together, you invariably run into corporate and regional cultural differences that prove insurmountable. It takes forever to develop a strategy that everyone agrees to and even longer to make decisions. The benefits of higher scale usually are offset by more bureaucracy and red tape.

Therefore, some companies have tried to take a simpler approach and share in product development, such as GM and Ford engineering automatic transmissions together, or Renault and Daimler cooperating on engines and platforms. Yet, while they looked good on paper, these projects never produced the expected results, and the parties involved simply drifted apart.

So, here's a suggestion: Don't mash entire companies together, merge their powertrain operations instead. Engines and transmissions consume a tremendous amount of capital investment. Yet OEMs all make engines with roughly the same displacements and transmissions with the same number of gears.

When Sergio Marchionne wrote his famous treatise, "Confessions of a Capital Junkie," he bemoaned the fact that nearly 90 percent of the industry's powertrains overlap, meaning OEMs are spending billions to build similar versions of the same thing. And most of their customers can't tell

the difference.

Moreover, everyone seems to believe that in another decade electric cars will render many of those powertrains obsolete. So why not find a way to slash billions in ICE capital investment right now?

FCA identified shared powertrains as one of the key reasons why a merger with Renault made sense. But why do automakers have to merge their entire companies together to achieve that? Why not just merge powertrain operations? To keep the corporate structure clean you could even spin it off as its own stand-alone powertrain company.

And maybe there's an even simpler solution. What if FCA just gifted its powertrain operations to another automaker? What if FCA's CEO, Mike Manley, went to GM's CEO, Mary Barra, and said: "Here, it's yours. You build them, we'll buy them. In fact, let's commit to a 10-year contract and lock in the price."

History shows that merging entire car companies is usually a recipe for failure. It's not necessary. Significant savings could be found by consolidating specific operations, not entire corporations. Best of all, this approach would leave each automaker free and independent to pursue its own strategy on how to persuade consumers to buy its cars and trucks.

John McElroy is producer of "Autoline Detroit" on WTVS-TV in Detroit.

Alfirevich

CONTINUED FROM PAGE 1

"Starting out in the business, I felt that other dealers had a leg up on me because of their longevity and experience. However, my passion, will and desire to always do the right thing has persevered, motivating me and keeping me wanting more for my dealership, my employees and my community for 35-plus years," Alfirevich said last year upon his nomination for the award.

He began his career in the car business at age 12 at Bob Motl Chevrolet in Chicago, where his father, Joseph Alfirev-

ich, was the general manager. Joseph later bought the franchise, renamed it Apple Chevrolet, and moved it to Tinley Park.

John Alfirevich credits the dealership's philosophy of treating customers with "unpretentious integrity" as a key to success as well as the dealership's emphasis on honesty and transparency in every transaction. Over the last year, Apple Chevrolet has donated to 98 nonprofit agencies, including many schools, churches and youth sports teams.

"I believe dealers play an enormous role in their communities by donating to many great causes to advance the well-being of their communities," he said.

Franchised New-Car Dealers in the 8-county CATA area as of 1 July 2019

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] 1/1/2019	Total [present] 7/1/2019
Acura	1	4	2	3	0	0	0	1	0	11	11
Alfa Romeo	0	3	1	1	0	0	0	1	0	6	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	29	28
Cadillac	1	8	2	2	1	0	1	1	0	16	16
Chevrolet	4	15	5	6	4	4	6	4	2	50	50
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	6	5
Ford	3	13	6	7	3	4	5	4	2	47	47
Genesis	2	6	2	3	1	1	0	1	0	14	16
GMC	1	9	1	4	3	1	2	2	2	25	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	7	8
Lexus	1	4	1	2	0	0	0	1	0	9	9
Lincoln	1	6	3	2	1	0	0	0	0	14	14
Lotus	1	1	0	0	0	0	0	0	0	1	2
Maserati	1	3	0	1	0	0	0	1	0	6	5
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	1	3	0	1	0	0	0	1	0	5	5
Mitsubishi	0	4	1	2	1	0	0	1	1	11	10
Nissan	2	12	2	4	1	0	1	0	1	25	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	1	0	0	0	0	0	0	0	1	1
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	656	658
# of Outlets	34	161	49	63	20	22	19	36	16	421	420

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