



CATA Bulletin

DRIVE **CHICAGO** .COM
official Web site of CATA dealers

a biweekly newsletter

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New CATA annual directory set to mail

One complimentary copy of the 2004 CATA annual report and directory was scheduled to mail the week of Aug. 18 to every member of the Chicago Automobile Trade Association. The publication is chock-full of useful information, including a listing of all members—dealer and allied—and their addresses and phone numbers.

Members may purchase additional copies of the directory for \$10 each, to defray printing and mailing costs. Advance payment is required.

The directory is not available to nonmembers of the association.

www.cata.info

Go to the Web site for association information, including the schedule of upcoming CATA Learning University courses.

Think AYES!

Demand high—and growing—for skilled auto techs

The U.S. Bureau of Labor Statistics says the auto-repair work force needs to grow by 35,000 technicians a year over the next decade to meet the sharply increasing demand.

According to industry experts, the shortage is greatest for high-end diagnostic experts. Post-high-school auto repair programs that turn out highly skilled mechanics graduate 10,000 technicians a year at most, according to the Department of Education.

“I see a reluctance in school counselors to let students take vocational courses,” said Ralph McKinnon, who teaches auto mechanics to high schoolers in Burien, Wash., near Seattle. His school is part of a national coalition called Automotive Youth Educational Systems, based in Troy, Mich., that aims to improve car-related classes and provide stu-

dents with apprenticeships.

Jim Butcher, the AYES manager for Illinois, matches AYES students with area dealerships for the year-long internships. Call Butcher to at the CATA to discuss the program, at 630-424-6020.

More than 675 AYES instructors and administrators—9 from Illinois, including Butcher—and auto industry executives gathered in Detroit in July for the annual AYES Instructors Training Conference. Dinner speakers at the conference’s onset included Rick Wagoner, chairman and chief executive of General Motors; and Gerd Klaus, Volkswagen president and CEO.

During the conference’s general sessions, several manufacturers said they would make

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July auto sales point to improving business environment

Higher business spending, record levels of incentives and recent tax breaks contributed to strong sales of new cars and light trucks in July. The month’s sales totals were the highest of the year, improving the year-to-date annualized rate toward the 16.3 million sales mark that the National Automobile Dealers Association projected for the full year.

“This relatively strong sales performance suggests

that an improving stock market, the start of a renewal in corporate investment, and growing customer satisfaction are supporting sales of new vehicles, especially light trucks,” said NADA Chief Economist Paul Taylor.

Leading the sales gains were sales of crossover utility vehicles (up 30 percent) and luxury sport utility vehicles (up 20 percent). Also faring well were pickup

trucks (up 6.4 percent), vans (up 7.5 percent) and luxury European vehicles (up 4 percent).

“The blistering 18.1 million unit annual pace for sales in July a year ago, as the Big Three renewed incentives, tends to mask the strength of last month’s totals,” Taylor added.

“But year-to-date sales are just 2.2 percent behind 2002, the fourth strongest year on record.”

Weekly 'DriveChicago on TV' show debuts Sept. 13 on PAX-TV

DriveChicago expands to television next month with the launch of a new weekly television show, "DriveChicago on TV." The 30-minute program's format gives participating dealers more exposure and another avenue to reach consumers.

The show airs at 8:30 a.m. Saturdays beginning Sept. 13 on PAX Television, which locally is WCPX-TV, Channel 38.

With the new program, DriveChicago now presents its subscriber dealers to the public via the Web, in print, and in radio and television programming. Regular advertising supports all the outlets.

"The new television show is not a run-of-the-mill 'infomercial.' To attract and hold an audience, it will include segments on industry news like new technology, and visits with 'Ask Paul' host Paul Brian," said Don Longacre, general manager of DriveChicago.

Special three-minute Dealer Segments during the program give dealers to feature their vehicle inventories, perhaps including a "special of the week," but the segments allow a dealer to deliver other messages, too. Reviews of such topics such as the dealership's history and its sales and service policies offer the chance to personalize the dealership, to make it more inviting.

Advertisements for the show will appear in the Daily Herald and Hollinger International newspapers—the Chicago Sun-Times, the Daily Southtown, Pioneer Press, Star Newspapers and the Post-Tribune—which with the CATA are co-owners of DriveChicago. The Daily Herald and Hollinger also will alternate as episode sponsors, along with other sponsors.

The Dealer Segments will intersperse with What's New segments that will educate the viewer about new concept and production vehicles, important industry news and, as February approaches, information about the upcoming Chicago Auto Show.

Paul Brian, the CATA communications director and host of the association's weekly radio show, "Drive Chicago," also will appear on "DriveChicago on TV" to answer questions submitted by e-mail to "Ask Paul."

Several 30-second spots will be available to vehicle manufacturers and companies with vehicle-related products.

Heidi Hornsby, who joined the DriveChicago staff this month, will oversee the new television program. For more details, contact Hornsby at 630-424-6087 or hhornsby@drivechicago.com

DriveChicago is distinct among the various Web portals that area dealers use to sell their used vehicles. If you are a CATA dealer, you own DriveChicago.com. Other portals may not reinvest profits in their portals to improve them. DriveChicago does.

DriveChicago is an entity of the dealers, by the dealers, for the dealers.

- The local nature of DriveChicago.com—all vehicle inventory resides in this market—attracts a more focused Web shopper. And no other Web portal offers as complete a listing of used-car and new-car inventories.

- Free, ongoing instruction for Internet managers and staff helps them stay on top of ever-changing technology. The Internet "year" is three months.

- The vested support of two of the Chicago market's largest newspaper publishers means wide exposure for DriveChicago in Chicago and suburban media, with an estimated 3 million readers a day.

- The affiliation of a network-owned television station and a network-owned radio station means more promotion and Web portal recognition.

And the new television program means DriveChicago now is present in all media, to help participating dealers.

The DriveChicago staff is based at the CATA offices in Oakbrook Terrace. To reach DriveChicago, call 630-424-6080.

It's 9 a.m. Saturday . . .

Is your radio tuned to WLS-AM 890?
Then you're listening to
"Drive Chicago," the CATA's
own radio show!

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

Review past editions or search by topic at www.cata.info/

Jerry H. Cizek III President, Publisher
Erik K. Higgins Editor, Director of Dealer Affairs

NADA: Full speed ahead

BY RAY SCARPELLI

NADA DIRECTOR, METRO CHICAGO

Will the second-quarter slump in sales make way for a sizzling end-of-summer spike? Is leasing vehicles still worthwhile? Will imports overtake the "Big Three"? Many questions still have to be answered, but here's some information we know for certain:

Manufacturers are doing a better job of listening to dealers before taking any drastic action, according to the results of our Winter Dealer Attitude Survey, published in the July issue of the magazine, NADA's AutoExec. The surveys are your chance to "grade" your manufacturers, and your input through the surveys are gaining importance at headquarters. The Summer Dealer Attitude Survey was due last week.

Auto financing is a complex service that dealers offer to the public, and it's one that is little understood. That was all too evident in the recent media coverage of the new California law requiring dealerships to retain loan documents for seven years. The headline in the New York Times? "California Takes Aim at Dealer Bias in Car Loans." There was no mention that finance companies offer dealers a wholesale rate not available to the consumer. There was no mention that market forces, competition and our own long-term interest in maintaining a customer base impose important constraints on the contract, or retail rate.

NADA Chairman Alan Starling corrected those omissions in a letter published in the Times. But we still

need to make sure these key messages are part of any discussion or media coverage of dealer-assisted financing. And we need to be part of that education campaign. The fact is, we make financing available to millions of consumers who otherwise might not be able to obtain it.

To fax or not to fax, that is the question. With increasingly complex rules on privacy and solicitation, both the NADA and dealers will have to wrestle with what constitutes unlawful faxing. Fortunately, NADA's legal department is on the case, reviewing the rules and regulations and preparing educational materials to help dealers understand their new obligations.

To explain why it makes sense for you to participate in a new NADA member benefit, the Long-term Care insurance Web site is now available to members at www.ltcpolicy.com/

Planning for the NADA convention is racing along. Make your reservations now, as NADA space in the most popular hotels is filling up fast; Bellagio and Caesar's Palace are sold out. Go to www.nada.org for other suggestions for fast, easy convention registration.

Speaking of registration, dealers and employees can sign up now for NADA fall seminars. Two courses meet in Chicago: the new, "Body Shop Estimating for Success," on Oct. 13; and the popular "How to Drive More Business Through Your Body Shop," Sept. 18-19.

Other NADA seminars: "Parts Management and Profitability," Sept. 4-5 in Pittsburgh; "More than Revenue and Expenses: In-depth Financial Analysis," in Cincinnati, Sept. 22 for beginners, Sept. 23-24 for ad-

vanced; "Service Advisor Survival," Sept. 9-10 in Oakland, Calif.

The Dealer Academy continues to educate dealership managers and successors, and offers Official Auction and Used Car Training courses Aug. 6-8 in Manheim, Pa., Sept. 16-18 in Spokane and Oct. 13-15 in Columbus, Ohio.

Coming soon: NADAEpress.com. It's a new Internet-based executive organizer, designed to save busy dealers' time by arranging news and information links from across the Internet on one convenient page. The personalized home page links you to important NADA content and a wide array of news, financial services, weather, travel and other information of your choosing. This kind of service is already popular with thousands of executives from Fortune 500 companies. NADA will be providing the service to you free of charge in September.

Finally, congratulations to NADA President Phil Brady, who was named an Automotive News All-Star for enhancing the association's relations with Congress.

As always, NADA stands ready to help you succeed, as do I. If there is ever any way we can help, don't hesitate to call me or the professional staff at the NADA, 800-252-6232.

Make sure your NADA membership is up-to-date! The benefits far outweigh the annual dues. For those dealers with multiple stores, you need a separate NADA membership for each rooftop. To confirm your membership status, call the NADA Membership Department at 800-252-6232, ext. 2.

'03 NADA convention lands Zetsche as keynote speaker

Dieter Zetsche, CEO and president of the Chrysler Group, will be the keynote speaker at the National Automobile Dealers Association's 87th annual Convention and Exposition in Las Vegas on Jan. 31, 2004.

Zetsche will offer his views on the future of his company and its relations with dealers at the Jan. 31-Feb. 3 convention's opening general session.

"Dieter Zetsche clearly recognizes the importance of a strong working partnership between dealers and manufacturers," said Alan Starling, NADA chairman.

"We're very pleased he will be on hand to share his insights into that relationship

and the overall direction of the Chrysler Group."

A member of the Board of Management of Daimler-Chrysler AG since December 1998, Zetsche has served as the Chrysler Group Division chief executive since November 2000. He has received widespread credit for bold restructuring plans to set the automaker on a successful path for the future.

In his 27 years with DCX, Zetsche has held a variety of positions in research, international development, engineering and product development.

Additional convention information is available online at www.nada.org/convention/

1 in 4 leave showrooms because of salesperson treatment: J.D. Power

More than one-fourth of the people who walked out of a new-vehicle dealership without buying said they did so mainly because they didn't like the way the salesperson handled their business, according to a new J.D. Power and Associates study.

"While satisfaction scores have improved overall, the 2003 Sales Satisfaction Index Study finds relatively little evidence that dealers as a whole have improved the actual processes with which they interact with customers," said Chris Denove of J.D. Power.

"Dealers and manufactur-

ers are sometimes under the false impression that customers are truly committed to a certain model. However, approximately one-half of the shoppers who leave a dealership because they didn't like the way the dealer handled their business don't make the effort to purchase from another dealer selling the same brand. Instead, they simply walk across the street to purchase an entirely different brand."

The study finds that customer satisfaction with the new-vehicle sales process has improved slightly over 2002.

In Memoriam

Larry Roesch, president of seven area dealerships and a director of national, state and metropolitan dealer associations, died Aug. 7 at the age of 69.

The Larry Roesch Family Auto Group operates Chevrolet, Volkswagen and Mitsubishi dealerships in Bensenville; Volkswagen and Mitsubishi in Orland Park; Chrysler-Jeep in Elmhurst; and Ford in Elk Grove Village.

Roesch served as a CATA director from 1975 to 1978, and as an NADA director from 1987 to 1993. Roesch was a current IADA director, having first being elected in 1975. He was IADA chairman in 1989.

He is survived by his wife Lenore; sons Paul, David and Dan; daughters Jeannine and Catherine; and 11 grandchildren.

The family requests memorials to the Cystic Fibrosis Foundation, at 312-236-4491, or to Immaculate Conception High School in Elmhurst, at 630-530-3460.

AYES

CONTINUED FROM PAGE 1

their electronic technical data systems available to participating AYES schools. The addition would be a valuable classroom resource.

Manufacturers also announced a new scholarship program to honor Jack Smith, the originator of AYES. Each manufacturer will make available a \$5,000 scholarship to qualified AYES students.

Conference sessions also focused on technology such as Hybrid systems, fuel cells and fiber optics. In the coming year, AYES will join with I-CAR—the Inter-Industry Conference on Auto Collision Repair—an international, not-for-profit training organization formed by the collision industry in 1979. The goal is to certify 20 high schools in I-CAR

collision repair by the end of 2004.

Last year, 867,000 technicians were available to work on 221 million U.S. cars. That came to one for every 255 cars. In 1994, the number was one technician per 218 cars. The comparisons are based on figures from the Bureau of Labor Statistics and the National Automobile Dealers Association.

Generally, auto repair training relies on school-dealer partnerships. "Such partnerships makes sense for dealers," said Pete D'Alessandro, the service manager at Lustine Toyota-Dodge in Woodbridge, Va.

"The biggest problem for consumers today is having unskilled and underqualified technicians repair their cars, making incorrect diagnostic decisions. This leads to more problems and higher costs for consumers."