Volume 112, No. 2 January 19, 2015

Upcoming DealersEdge webinars

Dealers are encouraged to take advantage of a partnership between The CATA and DealersEdge to provide high-quality training and informational webinars to dealers at a significantly discounted rate.

The rate for CATA members for the weekly presentations is $149, or half what is charged to viewers who do not subscribe to DealersEdge. And to help introduce a new audience to them, DealersEdge will permit CATA members to view one of the next three webinars free. 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 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 drop-down menu to CATA-DealersEdge webinars.

Coming topics:

Premiering Tuesday, Jan. 20 at 12 p.m. CST

"Habits & Practices of Exceptional BDC Managers" Some BDCs succeed beyond expectations; others flounder or even fail. The difference is almost always the manager. The exceptional BDC manager makes it work!

See **Webinars**, Page 2

More automotive mergers ahead?

Fiat Chrysler CEO Sergio Marchionne said his company has no immediate plans to merge with another automaker, but he added that consolidation will be necessary in the automotive industry's future.

Marchionne, speaking this month at the Detroit Auto Show, has long argued that the capital-intensive industry has too many players and that consolidation would enable it to better mitigate risks and make it more attractive to Wall Street, which he said undervalues automakers.

"The cost of executing (product launches) is in excess of what a mature industry is able to afford," he said. "Look at how capital markets value auto stocks. We are assigned incredibly poor valuation."

Marchionne said Wall Street formed a pessimistic view of the industry due to

See **Mergers**, Page 2

Form 8300 notices due Jan. 31

As a reminder, dealers by Jan. 31 must contact any purchaser for whom they were required to file a Form 8300 (Cash Reporting) in 2014, and tell them that the form has been filed with the Internal Revenue Service.

Potential language of the written statement:

"Dear Customer:

We are required by the Internal Revenue Service to report transactions involving more than $10,000 in cash and "cash equivalents," under the provisions of 25 U.S.C. 60501. We have filed a Form 8300 with the IRS on (month, day, 2014), indicating that you provided us with (dollar amount) in connection with the purchase of your (year, make, model). We wanted you to know that we have complied with this federal reporting requirement. Again, we thank you for your patronage."

Dealerships should make sure they are using the most recent Form 8300, revised in August 2014.

Mergers

Continued from Page 1

the way capital has been used in the past, notably when expensive product launches failed to resonate with the public, leading to massive losses.

The capital market only views premium automakers in a positive light, he said.

"We also have a history of trying to do mergers and (have built) unmanageable monsters," Marchionne said. "I understand the skepticism."

FCA may not consolidate with another automaker during his tenure, but Marchionne said the industry needs to embrace the idea in an open way without the bias of CEO egos.

When asked if he thinks other automaker CEOs share his view on mergers, Marchionne quipped, "Because of their body posturing, that's unlikely."

Meanwhile, Marchionne said there have been no changes to FCA product plans due to falling gasoline prices. The automaker sets product plans based on carbon-dioxide reduction targets, he said, noting it will continue to do so.

"The CO^2 stuff is wagging the dog," he said. "CO^2 regulations are what's driving the portfolio. We don't look at oil prices, we look at CO^2, which is a healthy thing. A painful but healthy thing."

Marchionne said falling gasoline prices may lead FCA and other automakers to ask CAFE regulators to alter the timeline of government-imposed fuel-economy regulations during the mid-term review of the policies in 2017.

"There is an argument that says we should slow down the rate of regulations," he said. "There's an opportunity (in 2017) to take a look at that. Not minimizing CO^2 reduction, but reviewing the application of (fuel-economy) regulations."

If fuel prices stay low and CAFE timeline requirements remain the same, Marchionne said there is a question as to whether consumers will be willing to pay extra for the technologies needed to reach the fuel-economy targets.

Feb. 13

Feb. 14-22

Webinars

Continued from Page 1

Joni Stuker is a BDC pro with decades of experience and know-how when it comes to what makes a dealership BDC succeed. Join Joni for a 60-minute workshop where she will outline the habits and practices that make some BDC managers stand out as exceptional.

You will learn how Exceptional BDC Managers all have habits like these built into their work day routines:

• Set an effective daily work plan
• Understand and practice the Power of a Live T.O.
• Promote interaction via the "Go Green" board
• Understand and apply the "45-Minute Rule"
• Use Dynamic Pay Plans tied to growth
• Achieve dealership goals through "Self-Generating Appointments"

<u>Premiering Tuesday, Jan. 27 at 12 p.m. CST</u>

"Internet Ups: Guiding the Prospect from Email to Phone to Showroom" In this presentation, rescheduled from Oct. 2, Mark Rodriguez offers a practical guide to keep your prospects "in the net" until you can greet them on the showroom floor.

An alarming number of Internet prospects—up to 95 percent, by some estimates—never make it into the showroom. Some aspect of the experience turns them off to your dealership. All too often it is the email-to-phone transition that is the dead end to the sale.

Converting online shoppers to showroom customers requires specially designed processes and a well-developed skill set. Mark Rodriguez, of Auto Client Care, Inc., has developed just such a game plan for auto retailers and she will share it with DealersEdge members during a special webinar presentation. You will learn:

• The steps for setting a showroom appointment
• How to create and use professional scripts to support your game plan
• The essential elements for building your value story over the phone
• Methods for staying in control of the call

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

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Erik K. Higgins Editor, Director of Dealer Affairs

Better Business Bureau ramping up online customer-review efforts

Consumer reviews now are part of everyday decision-making. Review websites such as Yelp, TripAdvisor, and Angie's List have become increasingly popular over the past decade and now exist for nearly every product and service.

Yelp alone contains more than 60 million reviews of restaurants, barbers, mechanics, and other services, and has a market capitalization in excess of $4 billion. Moreover, there is mounting evidence that these reviews have a direct influence on product sales.

But what of the reliability of those websites?

A study released in November by researchers from Harvard University and the Boston School of Management, "Fake It Till You Make It: Reputation, Competition, and Yelp Review Fraud," charges that roughly 16 percent of restaurant reviews on Yelp are fraudulent, and owners of small businesses have complained of Yelp's practices, saying Yelp is slow to remove fake reviews or promotes negative reviews of businesses that don't advertise on the site.

Officials from Yelp said earlier this month that the Federal Trade Commission had ended an inquiry of the company without taking action.

Enter the Better Business Bureau.

Imagine customer reviews like the ones on Yelp except that the reviews all are from real people who had actually used a product or service. No fake reviews from PR agencies or competitors are tolerated. No one is allowed to manipulate reviews to make businesses seem better or worse.

Sound too good to be true?

A program being rolled out nationally by the BBB is aimed at accomplishing this seemingly impossible task.

Katherine Hutt, a BBB spokeswoman, said online reviews in the process of being launched by the non-profit group are tied to the organization's original mission. In an email interview, Hutt explained:

"For more than a century, the BBB has been all about fostering trust in the marketplace between businesses and consumers. What started out as a truth-in-advertising campaign in 1912 has grown to include dispute resolution, industry self-regulation, consumer education, and charity reports."

Hutt insists the BBB's online reviews have more credibility because of the way they are screened.

As with the complaints it takes from customers, Hutt says the BBB employs a verification process for all reviews appearing on its sites.

Identities of reviewers are not shared with the public, said Hutt. But the BBB insists that all reviewers share their names and other details sufficient to verify that they are indeed customers of the businesses they are reviewing. She says the information also is shared with the businesses being reviewed as part of the verification process, adding: "If a consumer cannot prove he or she is a real customer, we will not publish the review. … It's as simple as that."

History of the Program

While the first BBB online review pilot program was launched back in 2004 (the same year Yelp was founded), it wasn't until 2012 that it was announced as an option for local BBBs to implement.

The BBB office overseeing Chicago and northern Illinois launched its Customer-Verified Review program in July 2014. On that first day, office President Steve Bernas said 13 consumers offered a review of a business or service — before the program had even been advertised locally.

During the first six months, Bernas said reviews are running about 60 percent positive to 40 percent negative.

When a consumer submits a review, Bernas said the BBB shares the review with the business to confirm the consumer was a customer. A business can respond to the review (the majority do), ignore the review, or challenge it. Reviews are posted online three days later.

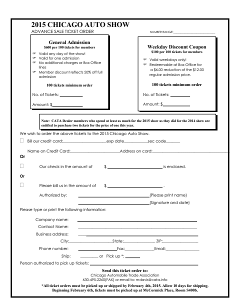
Third-party comments are not permitted; only the reviewer and the business may add comments to a Customer-Verified Review. Also, a Customer-Verified Review is not part of the BBB rating formula and does not affect a company's BBB letter grade.

Hutt said the organization's careful benchmarking and exacting verification standards have caused it to move more slowly than many startups and has led to fewer reviews being published.

Member-discounted auto show tickets on sale now

Tickets and vouchers that admit the holder to the 2015 Chicago Auto Show free or at a reduced price can be ordered by CATA members using the order form (right), which is posted at www.CATA.info.

The passes promote goodwill with customers and even can help persuade a prospect to close a deal. The General Admission ticket ($600 for 100) admits the holder free, without a box-office wait. The Weekday Discount voucher ($100 for 100) admits the holder for $6 during the week. Regular admission is $12.



2015 CHICAGO AUTO SHOW
ADVANCE SALE TICKET ORDER
NUMBER RANGE:____________

General Admission
$600 per 100 tickets for members
- Valid any day of the show!
- Valid for one admission
- No additional charges or Box Office lines
- Member discount reflects 50% off full admission

100 tickets minimum order
No. of Tickets: ________
Amount: $________

Weekday Discount Coupon
$100 per 100 tickets for members
- Valid weekdays only!
- Redeemable at Box Office for a $6.00 reduction of the $12.00 regular admission price.

100 tickets minimum order
No. of Tickets: ________
Amount: $________

Note: CATA Dealer members who spend at least as much for the 2015 show as they did for the 2014 show are entitled to purchase two tickets for the price of one this year.

We wish to order the above tickets to the 2015 Chicago Auto Show.
☐ Bill our credit card:__________exp date________sec code______
Name on Credit Card:__________Address on card:__________
Or
☐ Our check in the amount of $__________ is enclosed.
Or
☐ Please bill us in the amount of $__________.
Authorized by: __________(Please print name)
__________(Signature and date)

Please type or print the following information:
Company name: __________
Contact Name: __________
Business address: __________
City:__________State:__________ ZIP:__________
Phone number: __________Fax:__________Email:__________
Ship: ______ or Pick up *: ______
Person authorized to pick up tickets: __________

Send this ticket order to:
Chicago Automobile Trade Association
630-495-2260(FAX) or email to: mdavis@cata.info
***All ticket orders must be picked up or shipped by February 4th, 2015. Allow 10 days for shipping. Beginning February 6th, tickets must be picked up at McCormick Place, Room S400b.**

Franchised New-Car Dealers in the 8-county CATA area as of 1 January 2015

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] 7/1/2014	Total [present] 1/1/2015
Acura	1	4	2	3	0	0	0	1	0	11	11
Alfa Romeo	1	2	0	0	0	0	0	0	0	2	3
Aston Martin	0	0	1	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	3	29	29
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	4	4	3	3	2	3	2	34	35
Dodge	4	11	4	4	3	3	2	3	2	36	36
Ferrari	0	0	1	1	0	0	0	0	0	2	2
Fiat	1	3	0	1	0	0	0	1	0	6	6
Ford	3	13	6	7	3	4	5	4	2	47	47
GMC	1	9	1	4	3	1	2	2	2	25	25
Honda	4	10	3	2	1	2	1	2	0	25	25
Hyundai	2	10	4	3	1	1	1	2	0	24	24
Infiniti	1	4	1	2	0	0	0	1	0	9	9
Jaguar	1	3	1	2	0	0	0	1	0	8	8
Jeep	3	11	4	4	2	3	2	3	2	33	34
Kia	1	8	3	3	1	1	1	2	1	21	21
Lamborghini	1	0	0	0	0	0	0	0	0	1	1
Land Rover	1	3	1	2	0	0	0	0	0	7	7
Lexus	1	4	1	2	0	0	0	1	0	9	9
Lincoln	1	6	3	2	1	0	0	1	0	14	14
Lotus	0	0	1	0	0	0	0	0	0	1	1
Maserati	1	1	1	1	0	0	0	0	0	5	4
Mazda	0	7	3	3	1	0	1	1	1	17	17
McLaren	1	0	1	0	0	0	0	0	0	0	2
Mercedes	1	5	1	2	0	1	0	1	0	11	11
Mini	1	2	1	1	0	0	0	0	0	5	5
Mitsubishi	0	4	1	2	1	0	1	1	1	12	11
Nissan	2	12	3	4	1	1	1	2	1	27	27
Porsche	0	3	1	1	0	0	0	0	0	5	5
Ram	4	11	4	4	3	3	2	3	2	36	36
Rolls-Royce	1	1	0	0	0	0	0	0	0	2	2
Scion	4	11	3	4	1	1	1	2	1	28	28
smart	0	2	0	0	0	1	0	0	0	3	3
Sprinter	1	3	1	1	0	1	0	0	0	6	7
Subaru	1	5	2	2	2	1	1	1	1	15	16
Toyota	4	11	3	4	1	1	1	2	1	28	28
Volkswagen	2	7	3	4	1	0	1	2	0	20	20
Volvo	1	4	1	1	0	0	0	1	0	8	8
# of Car lines	65	241	80	99	39	33	35	51	24	664	668
# of Outlets	34	159	49	64	19	21	19	34	16	412	415

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