



CATA Bulletin

DRIVECHICAGO.COM
official Web site of CATA dealers

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'Vitality Report' on Page 4

The seminannual roll call of the number of dealers in the eight-county area of the Chicago Automobile Trade Association, and the car lines they handle, appears on Page 4 of this newsletter.

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Board members welcome any questions, concerns and comments from their fellow CATA members!

DRIVECHICAGO.COM

The only dealer-owned Internet portal

Online ads involve special compliance considerations

Requirements for disclosures in Internet advertisements mirror any such requirements for ads placed in more traditional print and electronic media, attorneys reminded an audience Jan. 14 at a workshop, "Green Lights & Red Flags: FTC Rules of the Road for Advertisers."

Online ads must be clear and conspicuous, of course. But there are other considerations unique to an Internet

ad, said Steven Wernikoff of the Federal Trade Commission.

Disclosures should be placed near or on the same screen as the triggering claim, and the Web page should use text or visual cues to encourage scrolling by consumers, to uncover all information.

Hyperlinks usually are necessary when full and complete disclosures are too

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Spam, you're it

The increasing proliferation of e-mail spam, often pornographic in nature, can be difficult to overcome. An attorney for the Federal Trade Commission suggested the FTC could pursue the originator of unwanted e-mails, but many regulations for the Internet are new and lack the teeth of comparable statutes for, say, solicitations via fax.

But David Maher, an attorney with Sonnenschein Nath & Rosenthal, offered a simple approach to deal with e-mail spam: Just delete it.

Such e-mails routinely include a return address at the end of the message that implies the recipient can "unsubscribe" to any future correspondence. But Maher said that action often does little more than indicate to the sender that the message was read and responded to.

The usual result, said Maher, is more future spam.

Imports top the list of vehicles preferred by Hispanics

But group dissatisfied with service experience

The 10 most favored vehicle brands among Hispanics, who represent about 14 percent of the U.S. population and 8 percent of new-vehicle buyers, all are import brands, according to a J.D. Power and Associates study released Jan. 13.

The 2002 U.S. Hispanic Automotive Segment Report traced a high penetration of imports among Hispanics in metropolitan, suburban and rural markets. Suzuki topped the preference list, followed by Mitsubishi and Nissan.

“By 2020, the Hispanic population in the United States is expected to double to 70 million people, and new-vehicle sales to Hispanics also will experience significant growth, increasing from 8 percent of total sales to 13 percent,” said J.D. Power’s Bill Williams.

“When put in the context of the phenomenal growth of the segment, the predisposition for imports among Hispanics becomes particularly important for domestic makes. It is crucial that manufacturers and dealers pay close attention to the experiences and expectations of Hispanic new-vehicle buyers,” Williams said.

Hispanic buyers rate fuel economy, purchase price and

resale value significantly higher in their vehicle selection than do non-Hispanics, the study found. But while Hispanics tend to rate their new vehicles—domestic and import—as “outstanding,” they are much less enthusiastic about their vehicle service experiences overall.

“Hispanics,” said Williams, “are particularly critical of their experience with dealer service, rating virtually every step of the process significantly lower than do non-Hispanic owners, particularly in the performance of the service advisor, but also in the quality of the service work.”

The study gathered the opinions of 12,000 Hispanics using online focus groups and English-language questionnaires.

Top 10 new-vehicle preferences of Hispanics

Nameplate	Market share
Suzuki	12.3%
Mitsubishi	11.2
Nissan	11.1
Land Rover	10.6
Isuzu	9.5
Volkswagen	9.1
Kia	8.7
BMW	8.3
Toyota	8.1
Honda	8.1

Source: J.D. Power and Associates

Environmental radicals torch SUVs at Pennsylvania dealership

A radical environmental group set ablaze at least four sport utility vehicles at an auto dealership in western Pennsylvania on Jan. 1, causing about \$90,000 in damage in the group’s fight “to remove the profit motive from the killing of the natural environment.”

The Earth Liberation Front, considered by the FBI as one of the nation’s most prolific domestic terrorist organizations, claimed responsibility for the vandalism. The group set fire to gasoline jugs placed under the vehicles at Bob Ferrando Ford Lincoln Mercury in Girard, Pa., about 110 miles north of Pittsburgh.

The ELF is loosely organized. Anyone who carries out an action under the group’s guidelines and claims responsibility as part of the organization is considered a member. Its name has been attached to a string of vandalism in Pennsylvania in the past year.

The ELF Web site indicates the group “uses direct action in the form of economic sabotage to stop the destruction of the natural environment. In North America alone since 1997, the ELF has caused over \$45 million in damages to entities who profit from the destruction of life.”

Last month, the ELF Web site declared that ELF mem-

bers and cells from the Animal Liberation Front set a Nov. 26 fire at a mink farm in Erie, Pa. The fire destroyed a barn, but no animals or people were harmed.

“There is a direct relationship,” the ELF Web site stated, “between our irresponsible over-consumption and lust for luxury products, and the poverty and destruction of other people and the Natural world. By refusing to acknowledge this simple fact . . . we make ourselves accomplices in the greatest crime ever committed.”

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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 at <http://cata.drivechicago.com/>

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

Compliance

CONTINUED FROM PAGE 1

lengthy to be placed near the claim, or need to be repeated. However, hyperlinks should be avoided if a disclosure is integral to the meaning of the claim, such as information about unexpected costs or safety warnings. In such cases, the disclosure should be positioned next to the claim.

If banner ads are employed, necessary disclosures should appear within the banner, or consumers should be directed via hyperlink to the disclosure.

Web page designers should recognize the importance of disclosures too. A disclosure should not be hard to find on the page and it should not be presented in colors—white lettering on a light background—that makes it difficult to read.

Designers also should recognize the technological limitations of the average consumer's computer. In other words, sites that use bells and whistles like plugins and Java might look

great, but they won't communicate anything if the reader doesn't also have that software.

Attorneys for the FTC used the workshop to outline how they treat advertising infractions. The type of correspondence the agency sends to a merchant or advertiser—an access request or a civil investigative demand—can suggest the seriousness of the FTC's pursuit on a matter.

The agency conducts no "informal" explorations, said C. Steven Baker of the FTC. "We're either going to investigate or we're not," he said.

Conversely, a state's attorneys office can make informal requests for information before resorting to a CID.

Workshop panelists agreed that any merchant facing an investigation by a governmental agency should be forthcoming.

James Jeffries, a Wisconsin assistant attorney general, said that if fines are warranted, an attorney general's office likely will negotiate the settlement amount. Not so with the

FTC, said Baker.

"The initial demands for money made by the FTC are pretty much where the office intends to end negotiations, so the offender rarely can whittle down the original demand," he said.

Effective compliance also comes from self-regulation, such as the BBB-CATA Automobile Advertising Review Program, coordinated by the Chicago office of the Better Business Bureau.

The BBB examines the expanse of advertising by CATA dealers and notifies a dealer whose ad does not comply with the state's advertising regulations. The BBB allows the dealer five days to correct the ad before notifying the Illinois attorney general's office, thereby serving as a sort of fire wall.

James Baumhart, president of the Chicago BBB office, said his agency challenged 502 dealer ads in 2002 under the program, but just 12 of the offenders eventually were referred to the attorney general's office. One subsequent fine totaled \$200,000.

'Green' vehicle popularity soars

The popularity of environmentally friendly vehicles has increased 54-fold in the past five years, according to analysis this month by R.L. Polk & Co.

From January through October 2002, seven electric and gas-electric hybrid vehicles accounted for nearly 35,000 registrations, compared to just 650 new registrations in 1997. Gas-electric hybrids accounted for nearly 83 percent of the 2002 registrations.

Nearly 30 percent of all "green" vehicles sales occur in California markets, stemming from the state's higher fuel costs (nearly 20 cents per gallon more than the national average) and stricter environmental regulations.

The Toyota Prius and Honda Civic are the most popular gas-electric hybrid vehicles, representing 78 percent of all "green" vehicle registrations. Prius recorded 17,500 registrations; Civic, nearly 10,000.

Required EPA fuel economy guides are available on the Internet

An electronic version of the Fuel Economy Guide is available at www.fueleconomy.gov, the fuel economy Web site of the Environmental Protection Agency and the Department of Energy.

The EPA requires that the Fuel Economy Guide, which is updated and distributed to auto dealers each autumn for the new model year, is

"prominently displayed at each location where new automobiles are offered for sale." Customers must be given paper copies.

However, officials of the EPA said they think many customers would prefer to obtain the guide online. To that end, they encourage dealerships to

- Allow customers to use a dealership computer to ac-

cess the guide at www.fueleconomy.gov/ or

- Prominently display the fuel economy Web site on a poster or a stack of cards in the showroom, so that customers can download the guide at home or a public library.

A flyer noting that Web address is available as a portable document format (pdf) at www.fueleconomy.gov/

feg/dealers.shtml/

Paper copies of the guide are mailed to all dealers each fall. Officials of the EPA believe greater use of the Internet would reduce large printing costs.

Also, the Internet version of the guide is updated periodically with fuel economy information for vehicles that were not available when the paper guide was printed.

Franchised New Car Dealers in the 8-county CATA area as of 1 January 2003

Car Line	Chicago only Ill.	Rest of Cook Cnty. Ill.	Lake Cnty. Ill.	DuPage Cnty. Ill.	McHenry Cnty. Ill.	Kane Cnty. Ill.	Will Cnty. Ill.	Lake Cnty. Ind.	Porter Cnty. Ind.	Total [prior] 7/1/2002	Total [present] 1/1/2003
Acura	0	4	2	3	0	0	0	0	0	9	9
Aston Martin	0	0	1	0	0	0	0	0	0	1	1
Audi	1	3	1	2	0	0	0	1	0	8	8
Bentley	0	0	0	1	0	0	0	0	0	1	1
BMW	1	4	1	3	1	0	0	1	0	11	11
Buick	5	13	5	6	4	1	3	2	2	41	41
Cadillac	1	9	2	2	1	1	1	2	1	20	20
Chevrolet	7	23	7	9	5	4	7	6	2	71	70
Chrysler	7	14	6	4	4	3	3	5	2	48	48
Daewoo	1	3	1	1	0	0	0	1	0	11	7
Dodge	5	15	6	4	3	3	3	4	2	45	45
Ferrari	0	0	1	1	0	0	0	0	0	2	2
Ford	8	20	7	9	4	4	6	5	2	67	65
GMC	2	10	3	4	3	1	2	2	2	31	29
Honda	4	10	3	2	1	2	1	2	0	25	25
Hummer	0	2	1	1	0	0	0	1	0	4	5
Hyundai	3	7	3	3	1	0	1	1	0	18	19
Infiniti	1	3	1	1	0	0	0	0	0	6	6
Isuzu	0	7	1	1	1	1	1	1	0	14	13
Jaguar	1	3	1	2	0	0	0	1	0	8	8
Jeep	7	14	4	3	3	3	3	5	2	44	44
Kia	2	7	3	4	1	0	1	2	0	20	20
Lamborghini	0	0	0	1	0	0	0	0	0	1	1
Land Rover	0	2	1	1	0	0	0	0	0	5	4
Lexus	1	4	1	2	0	0	0	0	0	8	8
Lincoln	2	12	5	5	1	1	2	2	1	32	31
Lotus	0	0	0	1	0	0	0	0	0	1	1
Mazda	1	8	4	2	1	1	1	1	1	18	20
Mercedes Benz	1	5	1	2	0	0	0	1	0	10	10
Mercury	2	12	6	5	2	1	3	2	2	36	35
Mini	0	1	1	1	0	0	0	0	0	0	3
Mitsubishi	1	6	1	3	1	0	1	1	0	13	14
Nissan	3	12	3	4	1	1	2	2	1	29	29
Oldsmobile	1	8	2	1	4	2	4	2	2	29	26
Panoz	0	0	1	1	0	0	0	0	0	2	2
Pontiac	4	14	4	4	3	2	2	4	2	39	39
Porsche	1	2	1	1	0	0	0	0	0	5	5
Rolls-Royce	0	1	0	0	0	0	0	0	0	1	1
Saab	1	2	2	1	0	0	0	0	0	7	6
Saturn	1	6	2	2	0	2	1	1	0	15	15
Subaru	1	7	2	1	1	1	1	1	0	15	15
Suzuki	0	5	1	2	1	0	1	1	0	10	11
Toyota	4	12	2	4	1	1	1	2	1	28	28
Volkswagen	2	9	3	2	1	1	1	1	0	20	20
Volvo	1	4	3	1	0	0	0	1	0	10	10
# of Car lines	82	252	107	112	49	36	52	72	24	804	786
# of Outlets	66	214	64	83	24	24	27	41	12	542	555

NOTE: The difference between car line and outlet figures is the result of outlets that handle more than one car line. The measurements show that, over the past six months, there are more outlets but fewer lines sold.