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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 drop-down menu to CATA-DealersEdge Webinars.

Coming topics:

Thursday, March 24 at 12 p.m. CDT

“Parts Inventory Reconciliation Part II - The Advanced Course” In fixed operations, car dealers face a dilemma: The Service Department sells a perishable product (labor) while the Parts Department sells a more durable product (inventory). That leads to pressure on

SEE WEBINARS, PAGE 2

Bill taps dealers to endow trust fund to settle trade-in payoffs

New Illinois legislation would add a \$500 charge to the annual license fee of each new- and used-vehicle dealer and each motorcycle dealer, to create a fund to right consumers wronged by dealerships that close without paying off trade-in liens.

The Dealer Recovery Trust Fund is sought by the Illinois attorney general's office, to which such consumers have turned for recourse. The office estimates unpaid liens of \$5 million statewide and is suing 7 closed dealers to recoup some of that.

Assistant Illinois Attorney General Greg Grzeskiewicz described consumers who subsequently saw their credit scores damaged while they were saddled with two vehicle loan payments. He said Illinois is the only state without a recovery fund or a bonding mechanism to help consumers.

Annual dealer licenses would increase \$500 for a dealer's main place of busi-

ness and \$50 for each additional place of business. The secretary of state's office currently counts 895 new-vehicle dealers, 2,831 used-car dealers, and 771 motorcycle dealers, meaning the fund would collect more than \$2.2 million in its first year.

The legislation provides that when the fund balance reaches \$3.5 million as of Aug. 31, collection of the fee would be suspended the following year for dealers who did not have a claim paid from the fund; or a suspended or revoked license; or have any civil penalties assessed against them during the previous three years.

Consumers and dealers could file a claim against the fund if they buy a vehicle on or after Oct. 1, 2011, from a dealer who goes out of business without satisfying a trade-in lien. A claim could not exceed \$35,000. But at that limit, dealers still could be exposed to loss in a dealer trade gone bad.

Dealers sell more cars by subscribing to search engine optimization

By **TONY FRENCH**

PRESIDENT, AUTOMOTIVE INTERNET MEDIA

Your Web site is your online storefront. How you prepare your store for business has a direct impact on how well your dealership performs. Every real estate agent has heard the old axiom, “location, location, location,” repeated many times.

That expression is equally important in today’s Internet market. But the word “location” should be changed to “page rank,” for it by far is the most important attribute of winning online customers for your dealership.

Instead of waiting and watching other dealerships make things happen, why not embrace the Internet and make something happen for your dealership? It’s your turn; it’s your time. The next move is up to you.

Search engine optimization, otherwise known by its acronym, SEO, provides many positive features for the dealers who invest in this specialty service. The issue for most dealers who don’t invest in optimization is that they don’t understand it or they think SEO is a one-time task to complete.

Dealers who understand SEO realize that staying on top of the search engine rankings translates to selling lots of cars and trucks for them, and their monthly investment is moving them further and further away from their competitors.

At some point, it is virtually impossible for other dealers to ever catch up, which is why winning dealers need to educate themselves on what SEO really is and how it can benefit their dealerships.

Here are some of the positive benefits for Search Engine Optimization:

- **High ROI** Pound-for-pound and dollar-for-dollar, SEO brings a higher return on your investment than any compa-

rable form of marketing.

- **Long-Term Positioning** Once in place, a properly designed and optimized site should stay in the rankings long-term compared to pay-per-click campaigns, where the costs and outlay are unpredictable.

- **Targeted and Increased Traffic** SEO will increase the number of visitors who actively search for your service or product (i.e., Chevy Dealers Chicago, Chevrolet Parts).

- **Promotion that Doesn’t Sleep** Imagine having your own marketing and promotions company working exclusively for you! One that works 24 hours a day, 7 days a week, 365 days every year. That’s the benefit of SEO.

- **Increased Brand Visibility** SEO can give your brand a high local profile — and for a comparatively low outlay.

- **Higher Sales** SEO will lead to increased sales of vehicles, service and parts for your dealership.

Most new-car dealers use AutoTrader and Cars.com (CATA members use DriveChicago.com) as their main platforms to market their inventories and advertise their dealerships. Both companies provide a valuable service. But in today’s market, more and more consumers are simply using Google to search for inventory and dealerships.

According to comScore.com, 60 million people search “something” automotive-related every month. Dealerships which understand this potential and optimize their Web sites to win customers in this huge market are, in most cases, the dealerships that are selling the most cars.

Dealers and General Managers are encouraged to attend our free SEO seminar that will explain Search Engine Optimization in simple, easy-to-understand language. This is not a seminar that uses technical terms and vocabulary. We simply explain SEO in a way that most business owners will grasp the concept and offer steps needed to win online.

The author will be one of three panelists at a free CATA seminar on April 12 that helps dealers and general managers achieve SEO. To register, call the CATA at (630) 495-2282.

Webinars

CONTINUED FROM PAGE 1

the parts manager, whom service technicians think should stock at least one of everything to make their jobs easier, even while the owner focuses on keeping inventory levels low. The pressure to serve at least two masters inevitably results in distortions that show up when the parts manager’s pad doesn’t match the controller’s general ledger.

Thursday, March 31 at 12 p.m. CDT

“How to Detect and Prevent Internal Dealership Theft” Learn how to remove temptation and stop devastating theft and embezzlements. The presenters will teach you how to detect the thief from within and how to set up controls designed to stop it before any theft gets started.

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

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President, Publisher
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As Japan reels, immediate supply of exports not a threat: analyst

Amid an unfolding disaster, a return to normalcy appears to be a long-term goal for Japan, following one of the most powerful earthquakes ever recorded and an ensuing tsunami March 11, then ongoing efforts to prevent a full meltdown at a nuclear plant and radiation panic.

Electricity conservation efforts and rolling blackout measures have forced the nation's auto industry to reduce or halt production, leading to worries in the United States of supply shortages just as sales here heat up.

CNW Research reports that while U.S. shoppers considering Japanese brands could be willing to put off their purchases for a short time, there likely would be a dramatic downward impact on loyalty following a 90-day delay.

"Because Toyota, Nissan and Honda work on a tight supply chain, disruptions—and there obviously are many—are felt quickly. Certainly within 45 days," said CNW President Art Spinella.

But Michelle Krebs, a senior analyst with Edmunds.com, said the U.S. market appears sufficiently stocked to weather a temporary disruption of most imported vehicles. "The majority (67 percent) of Japanese brand cars sold in the U.S. are also produced here in North America," she said.

"An estimated 79 percent of Hondas sold in the U.S. are produced in American plants; for Toyota, it's 72 percent; Nissan, 65 percent. At the other end of the spectrum, only 8 percent of Suzukis sold in the U.S. are produced in America, as are 16 percent of Mazdas," Krebs said.

Japanese automakers have poured out their support—both financially and with words of encouragement, condolence and solidarity—and provided updates on the safety of their employees.

Days after the disaster, Toyota pledged to donate \$3.75 million in aid relief and recovery. Among other initial responses, Nissan and Mazda both said they would donate 30 million yen (\$371,149). Honda in Japan has given relief and recovery efforts totaling 300 million yen as well as 1,000 generators and other supplies.

"Taking into account the severity of the situation, Nissan will make its utmost efforts to provide support to restoration services," the company said in a statement. "Fully cooperating with the government's request to place national priority on securing electricity for areas in need, Nissan and its group companies will proactively take measures to conserve electricity usage in all of its activities."

Among stateside auto industry efforts, JPMorgan Chase, which operates vehicle financier Chase Auto Finance, pledged \$5 million to the relief and recovery efforts. The bank also was urging its employees to donate to the American Red Cross and World Vision and said it would match whatever its employees give.

NADA backs Red Cross's Japan relief campaign

The National Automobile Dealers Association is urging its 16,000 members to support the Japan Earthquake and Pacific Tsunami fund of the American Red Cross.

To jumpstart the campaign, the NADA Charitable Foundation pledged a \$100,000 donation to the Red Cross' special Japan fund. The Red Cross set up the fund to support disaster relief efforts in Japan after the devastating earthquake and tsunami on March 11.

"The magnitude of the disaster in Japan keeps growing. Relief needs are staggering," said Stephen Wade, NADA chairman. "We're reaching out to dealers and their employees across the country to help support the international relief efforts in Japan."

Nearly 10,000 people are feared dead, following the massive 9.0 magnitude quake that rocked the Pacific Ocean and nearby Japan. More than one-half million people have been evacuated; and many others are homeless without food, water, or electricity.

To make an online donation, visit www.redcross.org. Or, checks can be mailed to: American Red Cross, Japan Earthquake and Tsunami Relief, P.O. Box 37242, Washington, DC 20013.

The National Automobile Dealers Charitable Foundation, established in 1975, is the philanthropic arm of the NADA. Funds contributed by new-car and -truck dealers and friends provide emergency relief and financial support to colleges and universities.

"Our thoughts and prayers are with the people of Japan at this time," said JPMorgan Chase chief executive and chairman Jamie Dimon. "This donation is to help both with immediate needs as well as the ongoing relief and recovery efforts in the months ahead."

Meanwhile, the General Motors Foundation initially gave \$250,000 to the Red Cross as a supporting member of the Disaster Responder program. It has since topped that with an approval for another \$500,000 donation from the GM Foundation to the Red Cross's relief fund for Japan.

"Humanitarian relief is an important part of the Foundation's work, and we're answering the call for help in the wake of such terrible devastation," said John Montford, who is chairman of the GM Foundation and senior advisor for government relations and global public policy.

"There is remarkable compassion among GM employees," Montford said, "and I know that same spirit will make a difference in helping the Japan relief effort."

Unleash your power in social media

By JONATHAN LUCENAY

Why would anyone “follow” a car dealer on Facebook or Twitter? Sure, people are passionate about their cars and they may love the dealership, but they don’t want to open up their news feed and find the wall covered with used-car inventory.

People go to Facebook for social networking—to follow their friends, family, and passions. This can be a powerful tool if you know your target market and can take advantage of that information. So what do you need to know to turn a “follow” into a relationship?

Generally, people will give you the opportunity to advertise to them for free via social media for one of three reasons:

1. They are passionate about your product and your posts fuel that passion.
2. They have a customer service issue.
3. They get something, such as special online-only deals or online prize giveaways.

Ask yourself, are Tuesdays a slow day in service? Why not drive business with a Tuesday-only Facebook special? What are you doing with those extra tickets to the ball game? Why not give them away to your Facebook fans?

The question is: What do you need to know in order to engage your customers on social media? This is where the power comes into play. Knowledge is power, and you have to know your customers. At a minimum you should know the following about your customers:

- Age
- Marital status
- Number of children

- Income
- Lifestyle pursuits such as sports, NASCAR, video games, etc.

To make the most of your Facebook page, you need to know who your customers are. Knowing your customers enables you to post relevant information for them, which makes your Facebook site a valuable resource and helps build a fan base that is similar to your customer base. This is where you can leverage your current marketing investment.

Your marketing company should have data insights on the demographic and behavioral attributes of your customers, and should be able to tie that to the customers following you on Facebook. You can start with the five key attributes above, and then get more detailed as you work with better analytics and insights. As you get more specific, you will understand whether you should talk about the wine club event, the humane society, or the NASCAR race.

The bottom line is, a dealer who doesn’t have a good profile of his larger database will spend all his free marketing on a very small group of people. But if he uses a broader profile he will increase the likelihood that more people will follow him online.

Social media is where your customers are, so you should be there as well. Facebook can feel like a nebulous space, but with the right marketing analytics and insights, it can be a very targeted and engaging space for the people “following” you—and help you to turn fans into clients.

Jonathan Lucenay is founder and CEO of Summit Resources, LLC, an Atlanta-based marketing company that provides “guaranteed sales” for auto dealers.

FTC to examine issues for consumers in vehicle financing, leasing

The Federal Trade Commission will convene a roundtable April 12 in Detroit to gather information and consumer experiences related to dealer-arranged financing, which the FTC describes as “a complicated, opaque process” that can involve unfair or deceptive practices.

It will be the first of a new series of FTC roundtables around the country to explore consumer protection issues. The roundtables are prescribed under the Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in July 2010.

Regulators, consumer advocates, industry participants, and other interested parties can participate in discussing consumer protection issues connected with motor vehicle sales and leasing.

Those who want to be a roundtable panelist must e-mail their name and affiliation to MotorVehicleRoundtables1@ftc.gov by March 28.

The FTC indicates it seeks to expand its understanding of the car-buying process and vehicle financing issues to determine what additional regulations, if any, may be necessary to protect consumers.

Dealer representatives argue that dealer-assisted financing increases access to, and decreases the cost of, credit for car buyers. Additionally, dealer representatives said they will highlight both the actions of dealers to increase financial literacy among consumers; and long-standing and ongoing efforts to promote regulatory compliance among franchised dealers.

Congratulations!

Gartner Hyundai was named one of the 2010 Top 10 Hyundai Certified Pre-Owned dealers by Hyundai Motor America.

Save the date!
Wednesday, June 22

Mark your calendar to attend the 2nd annual CATA Dealer Meeting & EXPO! Full details in the weeks ahead.