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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 dropdown menu to CATA-DealersEdge webinars.

Coming topics:

Thursday, Aug. 25 at 12 p.m. CDT

“Top 7 Mistakes Dealerships Make When Buying Phone Systems” Mixing your IT and phone technology can cost you big time. Before you fall in love with the well-advertised “advantages” of Internet and IT System-based telecommunications, watch this presentation.

SEE **WEBINARS**, PAGE 3

Chicagoland Dealers Care can match dealers’ charity funding

Illinois charities, already struggling in a weak economy, face added fiscal pressures caused by delinquent state funding. Dealer members of the CATA can turn to the association for supplemental help via Chicagoland Dealers Care.

The 3-year-old program provides up to \$1,500 in matching grants to supplement a dealer’s contributions to local charities. Grant requests can be for a variety of



causes: academic programs, cultural arts, performing arts, medical research, and even humanitarian needs.

As a part of the program, the CATA also continues in its partnership with NBC 5 Chicago to spotlight the positive things that new-car

SEE **CHARITY**, PAGE 2

Dealers’ use of Groupon coupons for vehicle sales a no-no: BBB

The Better Business Bureau has seen recent interest among Illinois auto dealers in participating in Groupon discount coupon offers for vehicle sales to consumers. This practice, however, appears to be illegal in Illinois.

Patricia Kelly, senior counsel of the BBB-Chicago, said the Illinois Consumer Fraud and Deceptive Business Practices Act is clear on the issue.

It states in Section 505/2j.1., “No coupon shall be offered in connection with any retail sale of a motor vehicle.”

In addition, Kelly said the Motor Vehicle Advertising Regulations also address the practice in Rule 475.590, which states, “It is an unfair or deceptive act to advertise or offer free prizes, gifts or other incentives in connec-

SEE **GROUPON**, PAGE 2

CIMCO is latest CATA-approved partner

By **MARK BILEK**
CATA INTERNET DIRECTOR

The Chicago Automobile Trade Association is proud to announce it has added CIMCO to the list of Approved CATA Partners. This also includes CIMCO's parent company Comcast. With this partnership, CATA members have access to a redundant telecom solution that can serve all facets of business.

CIMCO, a Chicago-based provider of dedicated T1 telephone and Internet solutions, can handle PRI, PBX, Point-to-Point and MPLS solutions. Parent company Comcast offers triple-play coax-based services with 100M down/10M up Internet speeds, voice services, and TV services. Comcast also offers Ethernet fiber-optic services with speeds from 10M to 10G, point-to-point, point-to-multipoint and PRI.

According to Ed Burke, a CATA board member and chairman of the member benefits committee: "The key

to making this decision was the redundancy offered with the CIMCO/Comcast partnership. Many dealerships want the reliability of T1 lines for phone and secure Internet service and the affordability of broadband access. CIMCO provides those services and more."

In addition to the telecom benefits offered to CATA members, the association also includes a dedicated account manager and a 20 percent discount on standard CIMCO rates for traditional TDM products.

The addition of CIMCO brings the list of CATA-approved partners to five. They include Aflac, DealersEdge, First Payment Services, and Utility Management Group. For more information on any of the partnerships, please visit the CATA website (www.cata.info) and click on the Member Benefits shield on the bottom left corner of the screen.

If you are interested in finding out more about the services offered by CIMCO, please contact me at (630) 424-6082 or mbilek@drivechicago.com.

Roesch Ford is newest dealer to 'take wings'

Roesch Ford in Bensenville is the latest dealer to take advantage of the CATA's relationship with Aflac supplemental insurance. Once again, senior Aflac rep Paul Jackson and his team performed an efficient enrollment over the course of a few days. The highlights:

- 67 percent of employees chose at least one Aflac plan
- The employees saved more than \$11,000 by paying for their plans using pre-tax dollars
- The dealership brought about \$3,500 to its bottom line!

Since the program began earlier this year, several dealerships have strengthened their employee benefits package by offering Aflac.

The best part: It didn't cost the dealership a dime to put the program in place.

To schedule an appointment, call Paul Jackson at (313) 808-0221, or email Paul at p1_jackson@us.aflac.com.

Groupon

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tion with the purchase or lease of a vehicle where the vehicle is sold or leased at a price arrived at through bargaining or negotiation . . ."

The rule also states that these incentives may be advertised or offered by dealers if "the free prize, gift or other incentive is offered through a manufacturer's program or a manufacturer's authorized and approved dealer advertising association without any participation by the dealer . . ." The Groupon program is one that is not related to a manufacturer program but is one in which all sellers, including dealers, participate financially.

For these reasons, Kelly said the BBB suggests that Illinois auto dealers refrain from participating in Groupon offers for vehicles. Coupons for service or parts are permitted.

The BBB-CATA Automobile Advertising Review Program was established in 1996 as a sort of firewall between dealers and the Illinois attorney general.

Under the cooperative, the BBB notifies dealers whose ads don't comply with the state's rules on vehicle advertising. If subsequent ads are not brought into compliance, then the attorney general's office is notified.

Charity

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dealers do regularly in their communities.

Some initiatives have been developed into 15-second spots broadcast on NBC 5, and all are trumpeted on the CATA's weekly radio show, "Drive Chicago," at 8 a.m. Saturdays on WLS 890 AM; and on the association's website, ChicagolandDealersCare.com.

To discuss this program in more detail, contact the CATA's Sandi Potempa at (630) 424-6065 or spotempa@cata.info.

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

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

David E. Sloan
Erik K. Higgins

President, Publisher
Editor, Director of Dealer Affairs

Dealer reps continue to press case for dealer-assisted financing

The Federal Trade Commission this month held the second in a series of roundtable discussions on selling and financing motor vehicles.

Repeating comments made at the first roundtable in Detroit in April, David Vladeck, the FTC's director of the Bureau of Consumer Protection, said that the FTC is considering what, if any, additional federal regulation

is necessary in relation to auto finance.

At this month's gathering, in San Antonio, the FTC also sought information about how military personnel finance their automobile purchases.

The FTC roundtables of the automobile business emanate directly from the Dodd-Frank Finance Reform Act, under which auto dealers succeeded in avoid-

ing the regulatory purview of the specially created Bureau of Consumer Financial Protection, but not expanded regulatory scrutiny by the FTC.

The San Antonio roundtable produced a public record that documented:

1. Another failed attempt by consumer activists to use dated anecdotes to demonstrate systemic problems related to dealer assisted fi-

nance;

2. The fact that every alleged car purchase abuse already is illegal under state and/or federal law;

3. The absence of any data to support the prevalence of abusive dealer practices; and

4. The flawed data, flawed methodology and flawed conclusions previously offered by consumer activists as "evidence" of abusive dealer practices.

Still no movement by Quinn on HB 880

Illinois Gov. Pat Quinn had not acted by Aug. 18 on legislation to create the Dealer Recovery Trust Fund, to help people harmed by dealerships that close without settling liens on trade-ins.

Quinn faces an Aug. 28 deadline to sign or veto House Bill 880. If he does not act on it, the bill becomes law. Illinois's 60-day period for the governor to consider legislation is by far the lengthiest in the nation.

The trust fund would be endowed by adding \$500 to the price of an annual license for a dealer's established place of business 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.

Consumers and dealers would be eligible to file a claim against the fund if they purchase 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.

Webinars

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Among potential costly mistakes:

- Why buying the latest technology might be a bad idea for car dealers
- The important factors to consider when researching a new or upgrade to your phone system
- Which technology is critical for car dealers - and which is not
- Why your IT guy might not be the best source of information and analysis for this purchase - or why you need to listen to a "phone guy"
- What technology works best for a multi-location dealer group
- Cell phone integration and how that can improve your CSI
- How to make good, cost-effective decisions when buying telecom

Thursday, Sept. 8 at 12 p.m. CDT

"New Trends in Compensation: Getting Past 'Percentage of the Gross'"

"Almost since the beginning of auto retailing, the pay plans have been "a percentage of the gross profit." It is just not working as well as it did before (if it ever really performed). With 70 million Gen "Y" in the workforce, their seemingly quirky attitudes and expectations cry out for a "new way" to pay and manage your managers and your sales staff. What are the new compensation alternatives? What will motivate Gen "Y"? What if they don't like your lollipops? Possible friction between Gen "Y" and current Gen "X" managers?

Confidence over autos stays firm

The auto industry isn't taking its foot off the gas in the wake of the turbulence on Wall Street, at least not yet. Auto makers, dealers and industry analysts are all still expecting the pace of new-car sales to pick up in the second half of the year, undeterred by recent stock-market gyrations.

Industry analysts also said auto sales are underpinned by good credit availability. Most consumers with good credit records have no trouble getting car loans right now — a key difference

from two years ago, during the recession, when the lack of credit helped depress auto sales. Many consumers also deferred purchases of new vehicles during the recession and are now shopping to replace aging vehicles.

Auto sales have softened since May because of a shortage of Japanese-brand vehicles in the wake of that country's March earthquake. Because of the tight supply, auto makers have pulled back on the kinds of sales incentives that typically lure consumers into showrooms.

Multitasking while driving: Can emerging technology make a car uncrashable?

Think that texting while driving is a distraction? An enhanced navigation system in the new Audi A6, drawing on technology from Google, offers search and display functions that could take driver distraction to a whole new level. But Audi is also including safety features that make the car less likely to crash.

The standard map format on Audi's navigation has been replaced by Google Earth's satellite-photo images. And since the car serves as its own WiFi hot-spot, Google can search for restaurants or other landmarks, then provide guidance via the car's navigation.

Want to know if the motel has a pool for the kids? Just search the name of the motel. You can also find out how it looks and what features it offers, and if you like what you see then tell the navigation system to guide you there. An automated message does warn the driver of the dangers of integrating Google technology into a navigation system – and the increased chance of drawing a attention away from the task of driving.

But Audi has also developed enhanced high-tech safety features that make the A6 more difficult to crash, as well as safer in the event of an accident. Radar and cameras can detect from the front, side and rear of the A6 whether the car is in danger of a crash, and flash a warning on the dash. "A tap on the shoulder," an Audi spokesman calls it.

Milliseconds before a collision the seat belts tense and windows close, as does the sunroof. If a collision is imminent from the rear, the car's software calculates whether to deploy the brakes in order to mitigate a second collision, if sensors show another car is ahead. The airbags still don't deploy unless there's an actual crash.

"These two trends – advanced driver information and active safety – are developing in tandem," said Mark Dahncke, an Audi spokesman. "When you



carry your iPhone in the car you have this functionality already. We integrate the features into the car to make them as safe and useful as possible."

'Officer, the computer did it!'

Advanced information technology is creating more and more automotive applications, turning cars into rolling computers. Eventually drivers may need to assume less responsibility for actual operation of their vehicles.

Google demonstrated a driver-less car last year that navigated 1,000 miles of California roads, more or less free of incidents. And earlier this month, legislators in Nevada passed a bill authorizing the state's Transportation Department to draw up rules and standards for driver-less cars on state roads.

Volvo's new "City Safety" system reduces the chance of low-speed crashes in which the driver fails to brake in time, usually causing a rear-end collision. A laser sensor mounted on the rear-view mirror constantly measures that relative speed with the vehicle ahead, ordering the brakes to apply pressure in the event that driver fails to do so.

Might cars one day be uncrashable?

"It will happen at some point," said Dahncke.

In Memoriam

Roger Scher, 93, founder of Rogers Auto Group in Chicago, died Aug. 6.

Mr. Scher opened a used-car lot in 1934. It became Rogers Pontiac in 1956 and later moved two blocks south to its current address, 2720 S. Michigan Ave. The dealership added Hyundai in 1997, Buick in 1999, GMC in 2000 and Chevrolet in 2003.

His son, Monty Scher, is now president of Rogers Auto Group and is a director of the Chicago Automobile Trade Association. Other survivors include a daughter, Susan; six grandchildren and eight great-grandchildren.

Memorial contributions appreciated to Northwestern University Feinberg School of Medicine, for Scleroderma Research, c/o Maureen Mizwicki, 420 E. Superior St., 9th Fl. Rubloff Building, Chicago, IL 60611.

Tony Rakos, a longtime owner of Ed James Chevrolet in Bolingbrook, died Aug. 11 at age 85.

As a manager at Hennebry Chevrolet in LaGrange in 1954, Mr. Rakos hired James for a sales position. In 1969, the pair bought Fletcher Chevrolet in Lemont. Although equal partners, they opted to rename the dealership Ed James Chevrolet because James enjoyed better name recognition.

The dealership moved to Bolingbrook in 1978, and James sold his interests to Mr. Rakos's son, Mike, in 2000. The dealership was sold in 2006, and since has been named Advantage Chevrolet.

In addition to his son, Mr. Rakos is survived by his wife, Dorothy; daughters Catherine, Anne and Mary Jo; and five grandchildren. Contributions appreciated to The Kids' Ranch, a children's program created in memory of his late son, David, at (608) 522-5437.