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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, July 25 at 12 p.m. CDT

“How to Generate Your Own Sales Leads by Effective Prospecting Via the BDC and Beyond!”

The easiest way to generate leads is to buy them. But it might not be the most effective. But either way, it makes no sense to bypass legitimate and workable prospecting

SEE WEBINARS, PAGE 2

60 stores to host BBQs for USO

Meteorologists predict weather on July 20 that is favorable for an outdoor barbecue. And that’s a good thing, with 60 area dealerships poised to host cookouts that day to help raise funds for the USO.

Participating dealerships are identified on www.drivechicago.com, with links to each of their websites and Facebook pages.

And both the Chicago Automobile Trade Association and the USO are furnishing the dealerships with banners to display in their showrooms or outdoors.

The CATA has worked with many radio, print, television and social media partners to develop an aggressive promotional campaign leading up to the July 20 barbecues. All proceeds collected at the events will be donated to USO programs that support deployed troops, military families, wounded, ill and injured troops and their caregivers, and families of the fallen.

The USO, a nonprofit, non-political organization, has for 70 years provided Americans with a tangible way to express appreciation and gratitude for the dedication and sacrifice of the nation’s troops and their families.

The CATA and the USO also are jointly hosting a “Salute the Troops” social media contest, July 8-21. Dealers who best support this contest will win 500 tickets to the 2014 Chicago Auto Show.

Some of the planned fundraising activities include car washes, with dealers asking for donations; and on-demand DJs, with donations made for song requests.

The CATA is eager to report how much money the fundraisers collect.



Webinars

CONTINUED FROM PAGE 1

strategies to capture sales opportunities before they start shopping.

Presenter Joni Stuker will show you:

- How to identify and maximize results from your “Circle of Influence”
- How to maximize results from the “Service to Sales” strategy
- How to identify “orphans” and complete a successful adoption
- How to use “Equity Alerts” to prompt more interest
- How to use incidental contact with prospects to get them in the buying mood

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

“How to Harness 21st Century Technology for Increases in Staff Efficiency, Computer Security & Cost Control” A real-world look at technology advances that can benefit auto dealers today.

Tech moves quickly these days. Let’s slow it down a notch so we can see how it can be applied successfully in the dealership setting. Presenter Erik Nachbahr has spent the last 15 years working with retail car dealer clients on their technology challenges.

Join Erik and DealersEdge for a revealing discussion of the technology advances and issues that face auto retailers today. Erik will share his real-world solutions to help improve employee efficiency, computer and data security and dealership cost controls. You will learn:

- How to gain a competitive advantage by accelerating your store’s information flows
- Ways to address the risks posed by the Business Software Alliance and FTC actions
- About the Red Flags that can help identify security risks that can result in customer data theft
- How to reduce dealership costs while increasing capacity and reliability

Marketplace

License and Title Clerk 25 years’ industry experience, adept at all phases of electronic vehicle registration, billing, contracts, filing. Organized, skilled with Reynolds and Reynolds system. Teri Ranachowski, (630) 759-8750.

Controller/CFO 30 years of experience, including working with various dealerships in my capacity as a licensed CPA providing traditional assurance and tax services for both single and multipoint dealership groups. I also have experience working for a dealership in fixed operations and ADP systems administration. Jim Kegl, CPA, (815) 354-6374.

Some vehicle technology doesn’t sync with drivers’ smartphones

Some of the latest in-dash “infortainment” systems are turning into a giant headache for drivers, as problems with phone, entertainment and navigation functions were the biggest source of complaints in the latest J.D. Power & Associates survey of new-car quality.

The glitches easily outstripped traditional issues in the survey such as fit and finish and wind noise.

Much of the problem lies in the disconnect between product cycles for cars and smartphones. The technology in cars, which take years to come to market, can’t keep pace with relentless smartphone updates.

The compatibility issues highlight an industry debate: Should cars come with their own communication and navigation systems? Or should they simply mirror smartphones on their dashboard screens, tapping into the constantly updated mobile-application environment?

Meanwhile, car companies are spending millions of dollars developing interfaces, voice recognition software and navigation systems, many of which either already come loaded on phones or can be downloaded at the swipe of a finger. For instance, an automaker’s optional satellite-linked navigation and traffic system can cost \$2,000. But Waze, a division of Google Inc., provides the same functionality in a free app.

Automakers are attacking in-dash technology in a piecemeal way that could take years to sort out. Think of it as a modern version of the old Betamax-versus-VHS battle over videocassette recorder formats.

Ford Motor Co. has its own system. Apple Inc. is working with one set of automakers to design an interface that works better with its iPhone line. Some of the same car companies and others have joined the Car Connectivity Consortium, which is working with the major Android phone brands to develop a different interface.

All of this is complicated by the growing role of smartphones in daily life. “People today bond more with their smartphones than their car,” said Tom Mutchler, the senior engineer at the Consumer Reports Auto Test Center.

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The CATA Bulletin is distributed via blast e-mail every other Friday except during the Chicago Auto Show, when it is not produced.

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

CFPB responds (sort of) to letters on auto lending guidance

By **MARK SCARPELLI**

CHICAGO METRO NADA DIRECTOR

Democratic and Republican members of the House Financial Services Committee sent separate letters last spring to the Consumer Financial Protection Bureau regarding its earlier guidance on fair lending, requesting all relevant documentation that supports the CFPB's assertion that discrimination exists in indirect auto financing.

The letters also requested the studies the CFPB relied on to support its attempt to pressure indirect finance sources to compensate dealers for arranging financing with a flat fee instead of allowing consumers to negotiate competitive rates with dealers.

Combined, the signers of the two letters represent a majority of the Financial Services Committee. Richard Cordray, acting director of the CFPB, responded to the Democrats' letter by providing virtually no new information on the background information and methodology to explain the Bureau's conclusions, despite a specific request.

In NADA news ...

- Beginning in 2015, the **NADA Convention and Expo** will be held Thursday to Sunday instead of Friday to Monday.

"After surveying the membership and exhibitors, the consensus was to end the convention on Sunday, instead of Monday," said Desmond Roberts, chairman of NADA's convention committee and a Chevrolet dealer in Hodgkins, Ill. "The Thursday-to-Sunday timeframe will allow convention attendees to be back at work earlier the following week."

The 2014 NADA and American Truck Dealers (ATD) conventions will be held concurrently in New Orleans from Jan. 24-27 as scheduled from Friday to Monday.

Here are the revised dates for the

NADA and ATD conventions:

2015: San Francisco, Jan. 22-25

2016: Las Vegas, March 31 - April 3

2017: New Orleans, Jan. 26-29

2018: Las Vegas, March 22-25

In other news ...

- The **Occupational Safety and Health Administration** is targeting automotive repair and maintenance businesses, including new-car dealerships, through a Region 8 Local Emphasis Program. This focused inspection activity, scheduled for between April 16 and at least Sept. 30, 2013, stems from five complaints OSHA Region 8 received in FY 2010, all of which resulted in citations.

The NADA urges dealerships nationwide to review the inspection directive (www.osha.gov/oshdir/r08.html) and their health and safety compliance. Dealerships with specific questions regarding their compliance should contact Lauren Bailey, of NADA Regulatory Affairs, at regulatoryaffairs@nada.org or (703) 821-7040; or contact their state or local dealer association.

- New-vehicle dealers sold more than 17.1 million **used light vehicles** last year; of these, 9.4 million were retailed and 7.8 million wholesaled.

The average 2012 used retail selling price was \$17,547, up 1.6 percent from \$17,267 in 2011.

New-vehicle dealers acquired 61 percent of the used units they retailed from trade-ins, 24 percent from auctions and the remaining 15 percent from street purchases or other sources.

- As the U.S. economy gains momentum and auto sales increase, **employment at franchised new-car dealerships continued to rise**, up 3.2 percent last year, the National Automobile Dealers Association indicated in its latest state-of-the-industry report. In 2012, total employment at new-car dealerships increased to 963,400 employees, up from 933,500, according

to NADA Data 2013, a report on dealership sales and financial trends.

The average number of employees per dealership rose from 53 to 55 last year. New-car dealerships had an annual average payroll of \$2.9 million in 2012, up 12 percent from the previous year. The total payroll for all U.S. new-car dealerships was \$51.6 billion, up 12.6 percent. Average weekly earnings of employees at U.S. new-car dealerships last year was \$1,030, up 9.1 percent from the previous year.

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There also was a net increase of 95 franchised dealerships, bringing the total to 17,635 at the end of 2012.

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Sales, payroll and employment at new-car dealerships as a percentage of total U.S. retail activity in 2012: Sales accounted for 14.1 percent of total U.S. retail sales, and payroll accounted for 12.3 percent of total U.S. retail payroll.

Study: The more time spent car shopping on Internet, the less time spent car shopping

The amount of time consumers spend shopping for a car has decreased dramatically in the past two years, and the percentage of that time spent online has increased, a new study found.

According to the 2013 Polk Automotive Influence Study, new-car buyers who used the Internet in the shopping process reported spending 13.75 hours shopping for a vehicle, a decrease of 5.25 hours since Polk's 2011 study. Similarly, used-car buyers who used the Internet during the shopping process spent 15.25 hours shopping, 2.75 hours less than in 2011.

And while consumers are spending less time shopping overall, they are spending a greater percentage of their shopping time online than they were in 2011. Previously, buyers spent an average of 60 percent of their shopping time online, but that percentage increased to 75 percent in 2013 (77 percent for new-car buyers and 73 percent for used-car buyers).

Several factors likely drove the changes, including the improved quality and quantity of listings, better merchandising online, greater use of mobile devices and also macro factors such as the continually improving economy.

"When we commissioned the first study a few years ago, the economy wasn't as strong as it is now, and we believe that shoppers were being much more cautious, taking longer before arriving at their final purchase decision," said Kevin Filan of AutoTrader Group, which commissioned the study. "Now that the economy is stronger, buyers are taking less time overall, but they are devoting more of that time to shopping online. This is significant, as it points to the increasing influence of the Internet during the shopping process."

The study also revealed that the role of traditional media in the shopping process has decreased notably. Though all forms of traditional media showed

decreases in use, the biggest declines in use of traditional media during the shopping process for both new- and used-car buyers were seen in print newspapers, television and direct mail.

- For new-car buyers, use of television showed the biggest decline, going from 34 percent in 2011 to 22 percent in 2013. Close behind was print newspaper, which dropped from 28 percent in 2011 to 18 percent in 2013. Use of direct mail went from 16 percent in 2011 to 8 percent in 2013.

- For used-car buyers, use of television also exhibited the biggest decline, though the decrease was slightly less pronounced. Use of television by used car buyers went from 18 percent in 2011 to 12 percent in 2013. Use of print newspaper went from 26 percent in 2011 to 17 percent in 2013, and use of direct mail went from nine percent in 2011 to 4 percent in 2013.

"While dealers, OEMs and their advertising agencies have shifted more money into online advertising, there is still a large imbalance in the allocation between traditional and digital mediums," Filan said. "We know from the study that buyers who use the Internet are spending the most time on third-party sites, so dealers and automakers should ensure they are marketing their brands, their dealerships and their inventory where the active car shoppers are going online."

The study also found that:

- Three-quarters of car buyers indicate that they used the Internet during the shopping process, making it the most used source.

- Among Internet users, 62 percent of used car buyers and 47 percent of new car buyers indicated that the Internet was the primary source that led them to the dealership where they bought a car, which was more than fifteen times that of any other media source cited in the study.

Sedgwick deflects Q2 '13 unemployment insurance claims

One hundred forty-three CATA dealer members reported a combined 810 unemployment claims during the second quarter of 2013 to Sedgwick Claims Management Services, Inc., which has been serving CATA dealers under various names since 1979.

The company's efforts saved those dealers a total of more than \$1 million in benefits by contesting the claims.

Sedgwick CMS monitors any unemployment claims against its clients and contests all unwarranted claims and charges. The company counts about 260 CATA dealers among its clients.

Claims that can be protested and subsequently denied help minimize an employer's unemployment tax rate. The rate can vary between .55 percent and 8.95 percent of each employee's first \$12,900 in earnings.

The 2013 average unemployment tax rate among Illinois employers is 4.15 percent, or about \$535 annually per employee (\$590 in 2012). It marks the first time since 2007 that the average Illinois unemployment tax rate declined the following year.

"The unemployment tax is really the only controllable tax, in that it's experience-driven," Schardt said. An ex-employee's claim affects the employer's tax rate for three years.

For new enrollees, client fees amount to \$2.60 per employee, per fiscal quarter. For the fee, Sedgwick monitors all unemployment claims; files any appeals; prepares employer witnesses for hearings, as necessary; represents the client at any hearings; verifies the benefit charge statements; and confirms the client's unemployment tax rate.

To discuss retaining the company, call Schardt at (773) 824-4325 or Bruce Kijewski at (773) 824-4322.