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Pritzker signs legislation to lift cap on \$10,000 trade-in credit allowance

Illinois Gov. J.B. Pritzker approved legislation on Aug. 6 that restores the full tax credit allowance on first division vehicles that are traded in at retail. Since 2020, the allowance has been capped at \$10,000.

Senate Bill 58 also resets small trailer license fees from \$118 to \$36. It had been \$18 until last year. Both changes take effect Jan. 1, 2022, although customers who trade in their vehicles now, obtain an advance trade-in credit and then wait until Jan. 1 to buy their next vehicle would receive credit for the full

value of their trade-in.

Both the trade-in cap and the higher plate fee were instituted as lawmakers in 2019 sought to fund Pritzker's Rebuild Illinois capital infrastructure plan.

Consumers welcomed the restoration of the full tax credit allowance on their traded-in vehicles. Dealers, whose new- and used-vehicle inventories are at lows rarely seen, hope it will mean fewer private sales and more transactions at dealerships.

Two bills last spring would have returned the license plate fee back to the

previous cost of \$18. But the Transportation for Illinois Coalition — a group of statewide and regional business, organized labor, industry, governmental and nonprofit organizations which lobbied for the capital bill's passage in 2019 — warned that lowering the fees that much would take revenue away from state construction projects.

Lawmakers reached a unanimously approved compromise by raising the certificate title fee by \$5, from \$150 to \$155, to replace the revenues lost from the give backs. The law is effective Jan. 1.

Biden toughens standards for fuel-efficiency, challenges OEMs to sell more EVs

WASHINGTON — President Biden this month made dual moves to reduce greenhouse gas emissions, imposing tougher fuel-efficiency standards on automakers and challenging them to drastically ramp up sales of electric vehicles by 2030.

Biden signed an executive order on Aug. 5 that sets a target for electric vehicles, hydrogen-fuel cell and plug-in hybrid vehicles to make up 50% of U.S. sales by 2030 — a voluntary goal that auto makers said would entail federal support for vehicle charging stations and consumer tax incentives.

Separately, the U.S. Environmental Protection Agency proposed new rules that would require

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Cost to own, operate a new car: \$10,000 a year

The average cost of new-vehicle ownership is approaching \$10,000 a year amid a shortage of cars and trucks that has driven up prices, according to a new study.

The rising cost of vehicles stems from multiple factors, including a global semiconductor chip shortage that has limited car production and led to price hikes.

The average annual cost for owning

a new vehicle is now \$9,666, or \$805.50 a month, according to the 2021 Your Driving Cost study released by AAA.

The study, conducted from May 2020 to May 2021, reviewed costs for the five top-selling vehicles in nine categories. The vehicles were then assessed across six categories of expenses: fuel, maintenance/repair/tire costs, insurance, license/registration/

taxes, depreciation, and finance charges.

The vehicles studied by AAA had an average price tag of \$32,903, which is \$1,502 or 4.78% higher than last year. That suggests that the average cost of owning a new vehicle is even higher, since the average price of new vehicles recently topped \$40,000, according to car-research site Edmunds.

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At today's dealerships, both customers and employees are different

Today's car buyers are different than before. Consequently, dealers should handle them in new ways, according to automotive consultant Merlin Stevenson.

"The auto industry is one of the most disrupted in the world, across the whole chain," said Stevenson, vice president of automotive for GP Strategies. "Retail is the most affected part."

Accordingly, many sales staffs are shifting their approaches from consulting to curating customer experiences.

"It's less about selling," Stevenson said recently at an online CXAUTO2021 conference presentation entitled "People as a Key to Automotive Retail Transformation."

"When handling empowered customers," Stevenson said, "it comes down to (customer) experience and convenience."

Fifty-five percent of modern customers have done their online homework and arrive at the dealership fully informed about their vehicle of interest, he said. With such people, salespeople "need to do deep listening."

The main reason 70% of car shoppers visit a dealership is for a test drive, Stevenson said. "Don't just make the test drive a spin around the block. Let them experience the vehicle."

He breaks down today's customers into four categories: dealer-trusting traditionalists who usually are older; hybrid customers who shop and research both digitally and in-person; online savvy modernists; and online-focused information seekers.

Because empowered customers' online shopping and researching extends to vehicle pricing, "wiggle room is reduced" when it comes to price negotiation, Stevenson said.

Dealership service departments should strive to provide positive experiences, too, but for service customers, "every service visit is considered an inconvenience," he said.

Then there's the new and varied dealership workforce, he said, noting dealerships now cover four generations of employees: Baby Boomers and Generations X, Y and Z.

"It is a big challenge managing all of them," Steven-

son said. "They range from experienced salespeople to digital natives. The challenge is managing an organization that enables all employees to reach their potential and contribute to the team."

In the digital age, frontline

salespeople need traditional skills but also virtual-selling and social-media skills, he said. Moreover, dealerships should use data in decision-making. "Properly used data brings us closer to customers."

Many positives to report from 2021 Chicago Auto Show, surveyors find

Polling of consumers in the Chicago marketplace showed many positive takeaways from the first Chicago Auto Show ever held in July, Michigan-based Foresight Research found.

Conductors surveyed 500 random households in the Chicago market between July 20 and Aug. 4, plus extras to ensure that 200 respondents personally attended the show. The show continued to have a high awareness in the area, with just 10% of local households that did not attend citing a lack of awareness of the July show.

The summer dates allowed for an expansion of the show outdoors, significantly increasing test drive opportunities. The average visit (show dwell time) was 6 hours 5 minutes — almost 90 minutes longer than in 2020 and the longest dwell time ever measured by Foresight. Analysts attributed that to the show's outdoor street festival and the abundant number of ride-and-drives offered by manufacturers. Forty-five percent of visitors reported taking a ride indoors or outdoors.

Automakers, researchers found, "were hyper-focused on communicating their current and upcoming offerings in hybrid and battery electric vehicles, and the survey shows these efforts were not in vain." Show visitors were already 50%-100% more familiar with hybrids and electric vehicles than the local general population, and 76% of attendees said their likelihood to buy such vehicles increased as a result of

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EVs

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automakers to achieve a fleet-wide average fuel-efficiency equivalent of 52 mpg by the 2026 model year, using an industry measure that takes into account both fuel efficiency and emissions reductions.

The current requirement for that model year is 43.3 mpg under rules set in 2020 by the Trump administration.

Automakers would be allowed some increased flexibility to use credits they banked in past years by surpassing their goals to comply with the rules, the agency said. Auto executives said the targets were largely in line with their expectations.

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

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Trydon named CATA's new Member Benefits Partner for lighting

Vandalism. Theft. Both are ugly words that can be costly for dealers. It seems that no matter how brightly lit a dealership keeps its property at night, vandals will commit damage, and thieves will attempt to steal property any time they think no one sees them.

Trydon, a company whose patented ChaseLight system helps deter vandalism and theft, has been named by the CATA to be the association's member benefits partner for lighting concerns.

Dealers often believe that self-insurance is their only option for dealing with loss on their property exteriors, and that negatively impact their bottom lines. In reality, deterrence is the best approach to minimize loss, and ChaseLight is surprisingly affordable.

Housed in the Trydon lighting controller, ChaseLight uses a dealership's existing outdoor lighting and constantly monitors the area beneath each pole. If a trespasser enters that space after hours, ChaseLight immediately flashes the pole's

light and sounds an audible alarm.

It is highly unlikely that the trespasser will wait around to see what happens next; they will leave immediately or run to other areas on the property to escape the flashing light and alarm. But if the latter, every pole equipped with ChaseLight will respond similarly, creating a significant deterrence network to help safeguard the property.

Trydon believes it is better to deter undesirables on the property than sift through surveillance video

trying to identify trespassers after the damage has been done.

Even dealerships that have converted to LED lighting should consider the enhanced security benefit of ChaseLight. In addition, Trydon's patented lighting controller can save energy use while ChaseLight stands guard over the property.

Read more about ChaseLight at www.trydontrue.com, or contact Trydon President Donald Jacobs at (314) 956-7848 and don@trydontrue.com.

Automaker creates fragrance for new model that smells like gasoline

A claimed 70 percent of electric car buyers said they would miss the smell of gasoline when switching to a plug-in vehicle. That is according to Ford, which to promote its new Mach-E GT has created a fragrance intended to smell like petroleum.

Yes, that statement is correct and no, to-

day is not the first of April. Ford goes on to say the smell of gasoline ranked as a more popular scent than wine and cheese, and was almost identical to the aroma of used books, according to its own research.

Named Mach-Eau, Ford said the fragrance is "designed to please the nose of

any wearer; a high-end fragrance that fuses smoky accords, aspects of rubber and even an 'animal' element to give a nod to the Mustang heritage."

Ford worked with U.K.-based Olfiction to create the fragrance.

Olfiction said the starting point for the fragrance was "the chemicals that are

emitted from car interiors, engines and petrol."

The company added: "This included benzaldehyde, which is an almond-like scent given off by car interiors, and para-cresol which is key in creating the rubbery scent of tires. These were blended with ingredients like blue ginger,

lavender, geranium and sandalwood that added metallic, smoky and further rubbery accents, as well as an overdose of Timut pepper, utilizing the petrol-like top note."

The point of all this is to promote Ford's new Mustang Mach-E GT, the high-performance flagship of the company's EV range.

Congratulations!

Twelve area dealerships are winners of J.D. Power's 2021 Dealer of Excellence award, for providing exceptional customer service: **Arlington Heights Ford, Audi Westmont, Fair Oaks Ford** (Naperville), **Gerald Subaru of North Aurora, Bill Jacobs BMW** (Naperville), **Bill Jacobs Volkswagen** (Naperville), **Laurel BMW of Westmont, Loeber Motors Mercedes-Benz** (Lincolnwood), **Mercedes-Benz of Naperville, Napleton's Valley Hyundai** (Aurora), **Phillips Chevrolet of Frankfort**, and **Porsche Exchange** (Highland Park).

Survey

CONTINUED FROM PAGE 2
their attendance.

Another notable achievement of the show was the high and increased number of its visitors actively cross-shopping, as measured by adding and subtracting brands from consideration lists: 58% of show attendees added one or more brands to their shopping list (up from 43% in 2020, and 41% subtracted brands from their lists (22% last year).

Other highlights:

- Show visitors continued to be younger, more often automotive influencers, and more ethnically diverse that the Chicago market's overall population.

- Visitors continued to be disproportionately luxury brand-owning households.

- Visitors who are in-market to buy a new car or truck (12-month intenders) were almost double the intention rate of the local population.

In Memoriam



Pamela A. Grace, 69, who had been the CATA's receptionist and meeting rooms coordinator since 2001, died July 11. Illness forced her retirement in early June.

In her role, Mrs. Grace also served as the receptionist in the Exhibitors Office during Chicago Auto Shows.

She and Jeffrey Grace, her husband for 44 years, were avid racquetball players for many years, and they forged many friendships in the sport. She also served on the board of directors of the Illinois State Racquetball Association.

Other survivors include sons Dion, Anzel and Jeffrey II; a daughter, Nichole; and eight grandchildren.

Douglas A. Rockenbach, a lifelong resident of Grayslake and owner of a namesake Chevrolet dealership in that town for more than 50 years, died Aug. 4. He was 96.

Mr. Rockenbach graduated in 1943 from Warren Township High School in Gurnee and was drafted by the Army, seeing World War II action in North Africa, Italy, France, Belgium and Germany.

He was active in community organizations, including as chairman and a board member of the Lake County Easter Seal Society and as commander of Grayslake American Legion Post 659. He owned Rockenbach Chevrolet, founded in 1925.

Industry achievements include a nomination for the Time Magazine Quality Dealer of the Year; four-time General Motors Dealer of the year; chairman of the Illinois Automobile Dealers Association; and president of the Chicago and Northwest Indiana Chevy Dealers Advertising Association. One highlight of Mr. Rockenbach's time as president of the ad association was signing Michael Jordan to his first contract as a spokesman for the Chevy dealers. He was in studio during Jordan's first commercial shoot.

Survivors include a son, Gregg; a daughter, Gail; one granddaughter and three great-grandsons. His wife, Bonnie, and another son, Gary, preceded him in death. Memorial donations appreciated to the [Grayslake Historical Society](#) or to [A Cure in Sight](#), an organization that supports the ocular melanoma community.



\$10,000

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Depreciation, a measure of how quickly a car loses value, makes up 40% of all ownership expenses, the report said. Cars typically decline in value over time, though used-car values have temporarily increased in some cases due to the new-car shortage.

Fuel is the second-highest cost of owning a vehicle at 17% of the total, while main-

tenance represents 15%, insurance 14%, taxes 7% and finance 7%.

"We like to talk often about other aspects like cost of fuel or insurance," said Greg Brannon, AAA's director of automotive engineering and industry relations. "But whenever you look at what the important costs are for all costs, depreciation is really the major factor."

Fuel on average

costs 10.72 cents a mile, while maintenance and repairs cost 9.55 cents.

While maintenance costs vary depending on the vehicle, this year's most expensive are those in the half-ton pickup trucks category.

This year's list includes two new categories that have never been included in the 71 years AAA has done this study: subcompact SUVs and midsize pickups.

With how strained vehicle inventory has been, Brannon said it is important to do research before buying or simply hold off until prices aren't as high. With a little research, consumers can save thousands of dollars per year.

Brannon said that consumers who are ready to pull the trigger on a new car should buy a gently used car instead because new cars lose a tremendous amount of value in the

first year of ownership.

By finding a used vehicle that is 2-3 years old with lower mileage, consumers will pay less, and "that's because somebody else already paid" off part of the depreciation, Brannon said.

"While we all like that new car smell, which is actually plastic leaching into the car, the truth is that new cars depreciate at a quicker rate than used cars," he said.

Tune in ...

... to "Drive Chicago," the CATA's automotive radio show, 8-9 a.m. Saturdays and 6-7 p.m. Sundays on WLS-AM 890.