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## Wickstrom elected CATA chairman

Colin Wickstrom's fellow directors of the Chicago Automobile Trade Association voted him chairman of the board for the next 12 months, when the directors met June 10 for their monthly meeting.

The new board chairman succeeds John Webb, who becomes chairman of the 2015 Chicago Auto Show. Wickstrom will act as the show's co-chairman.

Wickstrom, principal of Wickstrom Ford-Lincoln and Chrysler-Dodge-Jeep, both in Barrington, leads a board of 15 directors. Other board of-

ficers include Vice Chairman Mike McGrath Jr. (McGrath Acura in Chicago and Westmont, McGrath Lexus in Chicago and Westmont, and McGrath Honda and Hyundai, both in Chicago); Treasurer John Hennessy (River View Ford, Oswego); and Secretary Ray Scarpelli Jr. (Ray Chevrolet in Fox Lake, and Raymond Chevrolet-Kia in Antioch). Dave Sloan is association president.

In board of directors elections in early June, five incumbents won three-year terms that began this month.



Colin Wickstrom



John Webb

Ed Burke (Naperville Chrysler-Jeep), Dan Marks (Libertyville Lincoln), McGrath Jr. and Wickstrom begin their

third and final terms. Bill Haggerty (Haggerty Buick-GMC, Villa Park) embarks on his second term.

## Fighting Tesla inroads, NADA punches back in defense of franchises

As multiple states debate the merits of motor vehicle franchise laws — the New Jersey Assembly on June 16 approved a bill to allow consumers to buy electric cars directly from a manufacturer — the National Automobile Dealers Association on the same day rolled out a campaign to defend franchised dealers.

The NADA still won't comment on state debates or confront Tesla, but it plans to rapidly spin out talking points and comments to influential journalists and policy experts, many of whom are

questioning why franchise laws exist.

"It's going to take several forms, and it's going to go on forever as long as I'm president of (the) NADA," Peter Welch said of the campaign. "We've got a great story to tell, and I don't think it's been told as articulately as it should have been in the past."

The NADA's new "Get The Facts" initiative seeks to inform the media, opinion leaders and consumers about the numerous benefits of America's franchised new-car dealer network through a website and variety of multi-

media resources. The centerpiece of the project is a 150-second animated video detailing the benefits of the franchised dealer system, viewable at [www.nada.org/GetTheFacts](http://www.nada.org/GetTheFacts).

Other resources include a 30-second video, a fact sheet on the consumer benefits of dealers, a longer informative FAQ, a document explaining the reasons for state franchise laws, an infographic and other materials. The NADA has no plans to buy advertising, but said state and metropolitan dealer groups can use

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## Getting the most from social media

Dealers must make the most of all social-media options without necessarily being on every social-media website, ad agency executive Amy Fulford said.

“We’ve evolved from thinking social media is used only by the Millennial generation to realizing it’s where adults 25 to 54 are, and it’s very important for dealers to reach those eyeballs,” said the vice president and director-social media at Agency 720, a Detroit agency that serves Chevrolet’s local marketing associations.

Fulford recommends bypassing hundreds of social media sites and instead focus on Facebook and Twitter.

“Do those two, and do them very well,” Fulford said. “Some people try to be everything to everyone across all sites, but if you don’t do it right, it’s better to not do it at all.”

For a Facebook page to be effective, she said, dealers must be authentic and personally involved in its content. Fulford recommends assigning one staffer to oversee it or manage the vendor providing content services.

People typically visit a dealer’s Facebook page to get a sense of the

store’s personality and whether the dealership is relevant to their needs, communicates in the way customers prefer, includes customer reviews and provides staff biographies, she said.

Facebook also is the place where the dealer can connect with the community by showing support for local sports teams or charities.

Once the dealership begins to collect “likes,” it can build relationships by offering things of value such as free date-night car washes every Friday, shopping classes, service clinics and vehicle news.

“You have to have something to say, and usually a sweepstakes, contest or ticket giveaway is a fun way to engage current or new customers,” Fulford said. “This is a great way to launch a program. You should have a strategy to do this every couple of months.”

Through its relationships with industry data sources, Facebook also offers several paid products.

“A dealership can place an ad on Facebook that targets customers in its own database and invites them to like its Facebook page,” Fulford said. “Facebook also offers a custom audience option where dealers buy ads that target in-market prospects that are

within a certain radius of their store. It’s hyper-local, hyper-targeted.”

Fulford said many dealers underuse Twitter, but it’s still a good way to locate prospects. “There are lots of free services (such as HootSuite, TweetReach, and Social Mention) that monitor tweets around a certain radius of a dealership. You can search for key words like ‘new car’ or ‘Chevrolet’ and talk to people who are in the market for a new vehicle,” she said.

Traditional marketing, Fulford said, is “push” messaging that often shouts, “Sale! New vehicle! Come on in!”

With social media, dealers can join an ongoing conversation with people who are already in the market for a vehicle. If a monitor picks up a tweet from someone who is complaining about a vehicle or a bad dealer experience, a store can respond and offer assistance. It’s more of a conversation than a hard sell.

Engaging customers on social media “takes a lot of planning, diligence, and content and it’s not necessarily cheap,” Fulford said, “But it’s a good way to build your dealership’s reputation.”

## Study: Auto shoppers increasingly influenced by digital advertising

Of the millions of American consumers planning to soon buy an automobile, 21 percent say that digital advertising will affect their purchase decision, according to a joint report from the Interactive Advertising Bureau and stats company Prosper Insights.

That’s 71 percent more than the average population, per the study, which surveyed 6,200 car shoppers and 19,774 regular consumers over the course of several months last year.

Other key findings from the IAB/Prosper Insights report, while comparing auto shoppers to regular consumers:

- Auto shoppers are more likely to own smartphones (75 percent versus 54 percent), as well as tablets (42 percent versus 33 percent).

- They are more prone to be digital video streamers, both online (69 percent versus 56 percent) and on mobile devices

(52 percent versus 35 percent).

- More likely to regularly watch digital video commercials before streaming video programming (66 percent versus 53 percent).

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Review past editions dating to 1998 or search by subject at [www.cata.info](http://www.cata.info).

David E. Sloan  
Erik K. Higgins

President, Publisher  
Editor, Director of Dealer Affairs

## Not just money: Most car shoppers value time, too

Although cost is important to car shoppers, it seems that their time also is a big priority, and most aren't willing to spend extraordinary amounts of it just to haggle away at a car's price tag.

In a new report, "2014 Car Shopping Trends," Edmunds.com reported that while most shoppers at least try to get a good price — 96 percent, according to a company survey — only about one-fifth are willing to take that to the limit and use as much time as possible to get the lowest price.

Meanwhile, nearly two-thirds find it important to save time and money when car shopping.

"These findings dispel

the myth that car shoppers will do whatever it takes to pay a rock-bottom price," said Edmunds President Seth Berkowitz. "The feedback we've received from shoppers is clear: they're more than willing to limit their efforts to haggle if they can get a fair deal without the difficulty and stress of long negotiations."

They're also particularly keen on getting upfront pricing. According to the survey, two-thirds of respondents said they were likely to ask for guaranteed upfront pricing on a new ride.

And it's not just the price they want to be clear-cut: 82 percent said they would rather have a price guarantee on a VIN-specific new car versus a vehicle configuration



that might not even be in the dealer's inventory, Edmunds reported.

Going back to the time element, it appears most shoppers aren't willing to go from dealership to dealership. Edmunds shared what it called "The Rule of 2s."

That is, the average shopper will go to only two stores and take two test drives. So, here's the takeaway, as listed by Edmunds in the report: "Find out what other vehicles and brands the shoppers are considering and be prepared to express what sepa-

rates your business and products from the competitors.

"Create brief and specific

messages that highlight the positive attributes of your OEM, models and dealership. This is also where strong online reviews can really help your dealership shine. It also helps to keep a list of vehicle accolades from independent sites like Edmunds.com on hand."

Edmunds based its report on a survey done by Added Value on behalf of the company last fall. Edmunds said 500 in-market shoppers or recent purchases were surveyed.

## Time's a-wastin' to get dealerships registered for USO fundraiser

For dealerships considering whether to participate in the upcoming USO fundraiser, consider this: It is vital to register right away in order to be included in the various promotions planned by the Chicago Automobile Trade Association.

The CATA has arranged for radio advertising and is working with many radio, print, television and social media partners to develop an aggressive promotional campaign leading up to July 19. All CATA messaging will direct individuals to [www.DriveChicago.com](http://www.DriveChicago.com) to find participating dealers nearby. Host dealers will be highlighted on DriveChicago, with links to information on specific events.

After the ads are developed, it might not be possible to add registration late-comers.

The registration process can be completed in two simple steps: First,

visit [www.BBQForTheTroops.org](http://www.BBQForTheTroops.org), and click on the "Register Here" button.

Second, email your dealership name and contact information to Tim McBride, the CATA's marketing director, at [tmcbride@drivechicago.com](mailto:tmcbride@drivechicago.com). McBride also can be reached at (630) 424-6085.

Advance planning for the event included a June 18 meeting at the CATA to help dealerships think of ways to enhance their barbecues and potentially raise more money. All proceeds collected 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.

Some of the planned fundraising activities include:

- **Car Wash**, with dealers asking for donations
- **Lunch special** for employees and their families and friends. They can leave the brown bag at home and eat in, to support the troops
- **Cornhole/Bags Games**. No American barbecue is complete without a cornhole/bags tourney!
- **On Demand DJ**, with donations made for song requests

• **Social Media Donations**. Enlist employees to promote the dealership's USO Barbecue for the Troops through their Facebook, Twitter, LinkedIn and similar accounts, to collect additional donations through an event page.



## 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](http://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:

Premiering Thursday, June 26 at 12 p.m. CDT

**“The Habits & Practices of Highly Effective Parts**

**Managers”** Learn what the best parts managers do every day to be recognized as exceptional and a high-value asset to the dealership.

Parts managers control a lot of the dealership’s money, and they are a key player in how smoothly all of fixed operations can run and will run. But often they operate below the radar with their contributions barely recognized.

The very best parts managers are highly effective and, through their efforts and achievements, can be—and often are—recognized for the important part they play in dealership profitability. Visit with Mark Payne as he profiles the best of the best - the Highly Effective Parts Manager.

Premiering Thursday, July 10 at 12 p.m. CDT

**“Update on the Latest Version of Obamacare/ACA: Actions Car Dealers Need to Take Soon”** Get an action plan for organizing your dealership’s key compliance activities; many of them need attention between now and 2015. For U.S. dealerships only!

Most would agree that the provisions of the Affordable Care Act so far have presented a moving target. To avoid putting your dealership or group in compliance jeopardy, you need to understand the “final/current” version and how that impacts auto dealerships, especially over the next six months.

Kelli Personette, a health care reform consultant for American Fidelity, presents a summary of what car dealers need to know about the ACA and its impact on their dealership organizations.

## New law eliminates red tape from car sales

Auto dealers no longer have to fill out a form certifying that a new vehicle complies with the Clean Air Act prior to the sale.

House Resolution 724, which President Obama signed into law on June 9, eliminates an obsolete federal mandate.

Since 1981, franchised automobile dealers who sell a new vehicle have been required to provide purchasers with a government form that states the vehicle conforms to the Clean Air Act, even though all new cars and trucks must comply with the Clean Air Act before leaving the factory.

“All new vehicles delivered to dealerships from the factory are already compliant with federal emissions regulations,” said Forrest McConnell, III, chairman of the National Automobile

Dealers Association. “The form was unnecessary, and we’re glad it’s gone.”

McConnell, a dealer in Montgomery, Ala., added that the certification information is printed on a sticker under the vehicle’s hood and provided in the owner’s manual and automaker websites, making the additional dealer form redundant.

Passage of the new law is part of a larger NADA effort to reduce outdated and unnecessary federal regulations on auto retailers.

In 2013, at the NADA’s urging, Congress eliminated the requirement that dealers to provide their customers with a booklet on the estimated insurance costs for new vehicles. Consumers can find more accurate insurance information online or by telephone.

## Franchises

CONTINUED FROM PAGE 1

the materials it produced.

Among the findings of an NADA study:

- Manufacturers benefit from the high return on capital invested in manufacturing vehicles, as opposed to the low margin of retailing them.

- Dealers bear the cost and risks of these investments — at virtually no cost to the manufacturers — and provide a vast distribution channel that benefits the consumer.

- The average dealership today requires an investment of \$11.3 million, including physical facilities, land, inventory and working capital.

- Annual operating costs totaled \$81.5 billion in 2013, an average of \$4.6 million per dealership.

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