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Audi leader projects future for electric cars

“I think the best and easiest way to describe what’s happening in the automotive industry today is to describe it as the Wild West. It took a full five years to sell the first million electric vehicles. After that, it took a year and a half. And then 10 months. And then six months.

“Today, there’ve been over 7 million e-vehicles sold across the globe, a truly astronomical number given that, in 2011, no market existed,” said Cody Thacker, head of electrification for Audi of America. “By the end of 2020, we expect we’ll reach the 10 million mark.”

Thacker was the keynote speaker Feb. 6 at the monthly Eco-

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Chicago Auto Show kicks off spring selling season

Enthusiastic crowds greeted the 112th edition of the nation’s largest and longest-running auto show, which ran Feb. 8-17 at McCormick Place. Plentiful media coverage showcased the nearly 1,000 vehicles on display at the Chicago Auto Show. Some of the show highlights:

Best of Show

For the 15th consecutive year, consumer voters selected their favorites in five categories in Best of Show balloting. The Chicago Auto Show is the only major auto show that polls its attendees’ favorite vehicles and exhibit. In voting over the show’s 10 public days, the 2020 winners are:

All-New Production Vehicle: 2020 Chevrolet Corvette

Concept Car: Acura Type S

Green Car: 2021 Ford Mustang Mach E

Best Exhibit: Jeep

Car I would most like to have in my driveway: 2020 Chevrolet Corvette



“We think of our attendees as one enormous focus group that we can leverage to analyze data and assess trends,” said Dave Sloan, the show’s general manager. “Best of Show voting has become a benchmark measure of what the public deems the most exciting, impressive and innovative on the show floor.”

Special-themed days helped keep the pro-

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Charities raise nearly \$3 million at auto show gala

The Chicago Auto Show’s black-tie benefit, held the evening before the show’s public opening, raised \$2.9 million for 18 vital area nonprofits, with results still being counted.

A highlight of First Look for Charity was the drawing for the



The event’s grand prize, a 2020 Ford Explorer ST.

event’s grand prize, this year a 2020 Ford Explorer ST. After the five-minute allowance

for a winner to match the first ticket stub drawn expired, Mychel Watts of Calumet

Park, in south suburban Cook County, screamed that she’d matched the second number even before the countdown clock began ticking.

Watts directed the proceeds of her \$275 ticket purchase to benefit all the event’s charities.

CATA to offer training for managers to detect drug impairment

In the wake of Illinois legalizing the recreational use of marijuana, the CATA is expanding the syllabus of a course that teaches dealership managers how to detect whether employees are under the influence of the drug at work.

The collective bargaining agreement with Mechanics Local 701 stipulates that, for a manager to accuse an employee of being

under the influence of drugs or alcohol, the manager must be trained to do so.

The association offers a 90-minute online training certification course, "Reasonable Suspicion Training for Supervisors," for \$20.

Course topics include:

- The effects of substance abuse in the workplace
- The Supervisor's

role and responsibilities in making and documenting reasonable suspicion determinations

- Confidentiality
- Alcohol: its effects on the human body, stages/levels of intoxication

• Dangers and costs of alcohol misuse in the workplace

- Alcohol testing (such as types of testing and best practices),

• Detailed Signs and Symptoms of alcohol use

- Binge drinking, alcohol abuse, alcohol poisoning, and hangover

• The costs and dangers of drug abuse in the workplace

• How drug use affects a person's life, health, and safety

- An in-depth breakdown of the most common drugs of abuses

• The Signs and Symptoms of the most common drugs of abuse

- Signals indicating possible substance abuse on the job

According to the 701 contract: "Current employees shall not be tested for drugs or alcohol unless the Employer has reasonable suspicion to believe that the employee is under the influence ..."

More than half of shoppers rely on word-of-mouth for new-car sale

Despite a decline in new-car sales during the past few years, plenty of Americans are still on the hunt for their latest ride. For automakers, the question is, 'How do I get them to pick something from my lineup?'

Easy. Make sure their friends and family like their cars, according to a new study by Autolist.com, which interviewed more than 1,100 current new-vehicle shoppers for the study.

The website polled new-car shoppers to find out more about their buying processes — more precisely, what impacts their decision the most. Word-of-mouth endorsements from friends and family were most often the influence cited (52%) to impact them the most when it came to making a new-vehicle selection.

"When someone in your immediate circle has a good or bad experience with anything, it makes you feel bet-

ter about making the same decision," said Chase Disher, an analyst at Autolist. "Because cars are such a huge purchase in our lives, word-of-mouth means that much more here."

Everyone likes a winner, and if a vehicle has captured an award — voted on by automotive journalists, or something similar from a publication or consumer site such as Motor Trend, Car & Driver, KBB.com and Edmunds.com — that makes a difference. It was the third-ranked factor, with 26% of shoppers citing their influence. KBB, Edmunds and AutoTrader were the top three choices.

YouTube reviews, such as those posted by Doug DeMuro, who has 3.36 million subscribers, offer detailed insights which were cited by 22% of respondents as influencing their decisions.

Since the average age of a new-vehicle buyer puts them

between Baby Boomer and Gen Xer, the impact of social media influencers isn't as pronounced, with just 11% of respondents across all age groups citing them as influential. However, that changes significantly if the focus is solely on younger buyers. Then the script gets flipped.

Younger shoppers ages 18-23 had different influences than all other age groups; the cohort relied more on social media influencers and YouTube than any of the other age groups, and less on data-backed organizations, the website noted.

This age group cited YouTube as the second-most influential source (behind friends/family/coworkers), with 36% of respondents choosing it. That compares with the aforementioned 22% of respondents of all ages citing YouTube as influential.

The younger age group also placed the least importance on the grouping of data-backed organizations; just 15% of people 18 to 23 years old said these were influential, compared to the survey average of 33% across all age groups.

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

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In farewell address, outgoing NADA chairman lauds dealer contributions

The 2020 NADA Show's opening general session celebrated the contributions of local dealership leaders and the power of many voices speaking as one.

"This past year, there were many challenges in the auto industry, but your NADA Chairman Charlie Gilchrist never backed down from a single one," said Michael Joe Cannon, chairman of the industry convention.

Gilchrist expanded on his "We Are NADA" theme from last year during his presentation at the Opening Gen-

eral Session. "A year ago, I challenged you not to just be part of the NADA, not to be just a member" but to be an active part of the team, Gilchrist said.

"Because one dealer can accomplish some things, but many dealers together can accomplish anything. Over the course of this year, I saw it."

Later in the program, representatives from Time magazine and Ally named Susan Moffitt, from Shreveport, Louisiana, as the 2020 Time Dealer of the Year winner. The award, which is held in

partnership with Ally and the NADA to celebrate the many ways in which auto dealers excel not only in the industry but also in the ways they give back to their communities.

The CATA's nominee for the award was Terry D'Arcy, principal of D'Arcy Buick-GMC and D'Arcy Hyundai, both in Joliet. Dan Roesch, president of the Roesch Automotive Group in Elmhurst, was nominated by the Illinois Automobile Dealers Association.

Auto Show

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ceedings lively. For the first time, Chicago Auto Show organizers partnered with the Chicago Area Runners Association to host **Honda Miles Per Hour**, a unique indoor run that guided participants on a 2.4-mile loop through the nation's largest auto show. The event's moniker accurately describes the premise of the run: Participants cover as much distance as possible in one hour.

Other themed days:

- As part of its **Women's Day**, all women on Feb. 11 were admitted for \$8. Various manufacturers presented special women-oriented programs on the purchase and lease of cars and on vehicle maintenance.

- Since 2007, the Chicago Auto Show has partnered with Telemundo Chicago to present **Hispanic Heritage Day**. Special themed programs on Feb. 14 showcased the vibrancy of the Hispanic culture.

- **Chicago Friday Night Flights** is a beer-tasting

event that showcases Chicago's dynamic craft brewing scene. Back for another round at the Chicago Auto Show, a tasting pass provided access to the show floor and samplings of 10 three-ounce pours of craft beer.

- Attendees showed their sports team pride when visiting the Chicago Auto Show on Feb. 10. Those who wore an Illinois team jersey, shirt, or jacket got a discounted admission. **Sports Team Pride Day** was presented by the Marquee Sports Network.

- The Chicago Auto Show partnered with the Daily Herald to present **Family Day** at the Chicago Auto Show. Held annually on Presidents Day, Family Day plays host to special themed programs designed to engage and entertain children of all ages.

- Show patrons who donated three cans of food received a coupon for reduced adult admission. All food collected by the **Chicago Auto Show Food Drive** was donated to A Safe Haven Foundation. Organizers said more than 24,000 pounds of canned food was collected.

Consumer demand for SUVs, trucks leads to vehicle debt piling up

U.S. auto loan originations rose by the most in four years in the final quarter of 2019, driven by demand for light trucks and SUVs.

Loan originations for new and used vehicles rose by 7.5 million accounts — a 4.3% quarterly jump — bringing the total to 83.8 million. A majority of the increase came from the purchase of new trucks and SUVs — a category which now accounts for 71% of the new financed vehicle market compared with 68% a year earlier, according to data released Feb. 11 by TransUnion, a consumer report provider.

Borrowers have been increasing the time needed to repay. The average pay-back period for new vehicles grew to 69 months in the third quarter compared with 68 months the same period a year earlier. Additionally, consumers taking out car loans increasingly purchased used vehicles. Used-vehicle financing accounted for 53.3% of the loan-origina-

tion market, up from 52% four years earlier.

Meanwhile, 60-day delinquency rates for vehicle loans have been rising, reaching 1.5% at the end of 2019 from 1.44% a year earlier, though the level remains "well managed," TransUnion said.

"Used vehicles can be an attractive alternative for consumers, especially those who are in the market for pricier vehicles such as a truck or SUV," said Satyan Merchant, senior vice president of TransUnion. "On average, they can save approximately \$13,000 by opting for a used vehicle over a new one."

Car buyers are paying more for high-tech features such as voice-activated entertainment systems and semi-autonomous driver-assist technology that steers wandering cars back into their lane and automatically brakes to avoid read-end collisions.

Overall, U.S. consumers added \$18 billion in auto debt in the third quarter.

Dealerships can thrive in a tight labor market: convention speaker

By **MATT AUKOFR**
NADA COMMUNICATIONS

Auto dealerships have many tools at their disposal to recruit and retain quality employees, and small tweaks to their hiring processes can pay dividends, according to Tina Amelchenko of Indeed.com, who spoke this month on the topic at the 2020 NADA Show.

In the current “candidate-centric” market, there are more jobs available than job-seekers, and the competition for talent is fierce. Potential employees hold the upper hand and are performing a lot of detailed research before deciding where they want to work.

Their No. 1 motivating factor is salary, but they also care about other things, such as the work environment and culture, work-life balance, opportunities for advancement, and more, Amelchenko said in the session presented by Indeed.com.

If dealerships can't offer

higher salaries, they need to focus on other benefits, which Amelchenko defined as their “employer value proposition.” Potential employees are researching dealerships, looking at their online profiles, reviews by current and past employees, and more, so a dealership's online reputation is paramount. Amelchenko stressed that dealerships need to be “transparent and authentic” in building their employer brands online.

Dealers also can streamline their hiring and application processes because most potential employees won't spend more than 15 minutes applying for a job, she said. These processes should be extremely mobile-friendly, as most job-seekers these days are applying for jobs on their mobile devices.

In the current tight job market, Amelchenko said it is imperative that dealers sell themselves to candidates rather than expect applicants to sell themselves to dealers.

2020 Drivers' Choice Awards

“MotorWeek,” television's longest-running automotive magazine series, returned to the Chicago Auto Show to announce the winners of its 2020 Drivers' Choice Awards:

- Best Small Car: **Mazda3**
- Best Family Sedan: **Hyundai Sonata**
- Best Convertible: **BMW Z4**
- Best Luxury Sedan: **Audi A6**
- Best Sport Sedan: **BMW 3 Series**
- Best Sport Coupe: **Toyota GR Supra**
- Best Performance Car: **Chevrolet Corvette Stingray**
- Best Small Utility: **Toyota RAV4**
- Best Midsize Utility: **Honda Passport**
- Best Large Utility: **Hyundai Palisade, Kia Telluride (tie)**

Q4 '19 jobless claims stopped

One hundred thirty-five CATA dealer members reported a combined 416 unemployment claims during the fourth quarter of 2019 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 \$1.2 million in benefit charges by contesting the claims.

Sedgwick monitors any unemployment claims against its clients and contests all unwarranted claims and charges. The company counts about 237 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 0.475 percent and 6.4 percent of each employee's first \$12,960 in earnings.

The 2019 average unemployment tax rate & new employer rate for Illinois employers is 3.175 percent, or about \$411.50 annually per employee (\$418 in 2018). The rate has inched down each year from 2007, as the Illinois economy continues to improve.

“The unemployment tax is really the only controllable tax in business, in that it's experience-driven,” said Bruce Kijewski of Sedgwick. An ex-employee's claim affects the employer's tax rate for three years.

For new enrollees, Sedgwick client fees amount to \$2.85 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.

For more information and information on how to retain Sedgwick's unemployment services, contact Kijewski at (773) 824-4322 or Bruce.Kijewski@Sedgwick.com.

E-Vs

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conomic Club of Chicago luncheon, which for the past 10 Februarys has convened at McCormick Place during the Chicago Auto Show's media preview.

“Now,” Thacker continued, “we're to the point where a million electric vehicles will be sold across the globe every four months.”

He predicted that electric

vehicles will hold a 60 percent market share in the U.S. by 2040, meaning that 4 in 10 vehicles sold then will have internal combustion engines.

He identified four barriers to greater acceptance of electric vehicles: cost, range, charging availability, and apathy. “We want to think people are driven by environmental concerns when making a vehicle purchase,” Thacker said. “But the fact of the matter is, they're simply not.”