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## Webb elected CATA chairman for 2013-2014 board of directors term

John Webb'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 13 for their monthly meeting.

The new board chairman succeeds Kurt Schiele, who becomes chairman of the 2014 Chicago Auto Show, Feb. 8-17 at McCormick Place. Webb will act as the show's co-chairman.

Webb, of Packey Webb

Ford in Downers Grove, leads a board of 15 dealers.

Other board officers include Vice Chairman Colin Wickstrom (Wickstrom Ford-Lincoln and Wickstrom Chrysler-Dodge-Jeep-Ram in Barrington); Treasurer Mike McGrath Jr. (McGrath Lexus of Chicago and Westmont); and Secretary John Hennessy (River View Ford, Oswego). Dave Sloan is association president.

One director, Michael



John Webb



Kurt Schiele

Ettleson, retired from the board this month after service since 2004. Ettleson was

the 2011-2012 CATA board chairman.

## Piano joins 4 incumbents elected in CATA board balloting

An enthusiastic crowd of more than 300 CATA members gathered June 10 at Cog Hill Golf & Country Club for the association's annual meeting.

Threatening clouds kept the rain to themselves, allowing golfers and a record number of allied-member sponsors to enjoy the day. See Page 5 for a list of the sponsors.

At dinner, results of this month's balloting for the CATA board of directors showed four incumbents and one

newcomer won election to three-year terms.

**Dennis Bauer** (Arnie Bauer Cadillac-Buick-GMC, Matteson) was elected to a third and final term on the board. **Tony Guido** (Arlington Heights Ford), **John Hennessy** (River View Ford in Oswego), and **Ray Scarpelli Jr.** (Ray Chevrolet in Fox Lake) won second terms.

**Chuck Piano** (Orland Park Nissan, Infiniti of Orland Park) embarks on

CATA board service.

"It's always good to see so many of our members in one place, and what a wonderful day to enjoy old friends and make new ones," said Kurt Schiele, whose term as board chairman concluded after the meeting.

The association's annual meeting is tentatively scheduled to return to Cog Hill June 9, 2014. Duffers who start practicing now probably will be at about the same skill level one year from now.

## FTC revises business guide on Red Flags identity theft rule

The Federal Trade Commission this month issued revised guidance designed to help businesses such as dealerships comply with the requirements of the Red Flags Rule, which protects consumers by requiring businesses to watch for and respond to warning signs or “red flags” of identity theft.

Regulators said the guidance outlines which businesses — financial institutions and some creditors — are covered by the rule and what is required of businesses to protect consumers from identity theft.

The FTC revised the rule late last year to more narrowly define the types of creditors subject to the rule’s requirements.

Under the revised rule, officials said a Red Flag program implemented by a dealer or finance company must have four parts.

First, the program must include reasonable policies and procedures to identify signs, or red flags, of identity theft in the day-to-day operations of the business. Second, the program must be designed to detect the red flags of identity theft

identified by the business. Third, the program must set out the actions the business will take upon detecting red flags.

Finally, because the FTC contends identity theft is an ever-changing threat, a business must re-evaluate its program periodically to reflect new risks from this crime.

Congress directed the FTC, along with several banking agencies to promulgate the Red Flags Rule in 2007. In December 2010, Congress enacted legislation narrowing the definition of “creditors” covered by the rule.

Regulators said the amended Red Flags Rule now provides that a creditor is covered only if, in the ordinary course of business, it regularly conducts one of these activities, including:

- Obtains or uses consumer reports in connection with a credit transaction.
- Furnishes information to consumer reporting agencies in connection with a credit transaction.
- Advances funds to or on behalf of a person, in certain cases.

## Weekend work ‘significant’ cause of staff turnover: NADA study

The more a dealership asks sales consultants to work on the weekends, the more likely those individuals are to pursue other opportunities and leave stores with significant staff turnover.

That’s one of the conclusions from the 2012 NADA Dealership Workforce Study, launched last year by NADA University, the education and training arm of the National Automobile Dealers Association in partnership with DeltaTrends.

The study showed that the dealership sales consultant turnover rate came in at 72 percent when the individual had to work four weekends a month. The salesperson earned an average compensation of \$58,922, according to the study.

The turnover rate dropped (62 percent) and the average compensation earned rose (\$59,100) when dealerships asked salespeople to work three weekends a month. And when dealerships asked sales consultants to work only two weekends monthly, the turnover rate decreased to 50 percent while average compensation moved up to \$60,400.

NADA officials highlighted these results in hopes of drumming up more dealership interest for this year’s NADA Dealership Workforce Study. The deadline is June 30 to provide input at [www.nadaworkforcestudy.com](http://www.nadaworkforcestudy.com).

Participating dealerships will receive an individualized report comparing their compensation, benefits, retention and turnover to aggregated data from their peers, the NADA said in a statement.

## OSHA targeting dealerships

The Occupational Safety and Health Administration is targeting automotive repair and maintenance businesses, including new-car dealerships in six Western U.S. states, the National Automobile Dealers Association reported this month.

The agency’s Local Emphasis Program is operated by OSHA’s Region 8, based in Denver, Colo. This focused inspection activity, scheduled from April 16 and at least September 30, 2013, stems from five complaints OSHA Region 8 received in fiscal year 2010, all of which resulted in citations.

The NADA urges dealerships nationwide to review the inspection directive and their health and safety compliance. Dealerships with specific questions regarding their compliance can contact Lauren Bailey, with NADA Regulatory Affairs, at (703) 821-7040 or [regulatoryaffairs@nada.org](mailto:regulatoryaffairs@nada.org) or 703.821.7040 or their state or local dealer associations.

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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  
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## Nothing idle about dealer chat services

Some people who use the chat function of a dealership website aren't necessarily bashful types, but they aren't yet at the point of wanting to talk to a car salesperson.

So says Ted Rubin, who along with Todd Smith cofounded ActivEngage, a chat service for dealers. Rubin bills chat as providing a non-threatening way for prospects to begin the search for a new vehicle.

Chat customers are different from those who contact a dealer by telephone, he said. "A lot of people are going to click on chat to be anonymous, thinking that if they call a dealer they're going to ask for their name or number.

"They like having a conversation, gathering information, and not being pressured into a sale," Rubin said. "Some customers prefer chat because they dislike navigating through a website.

"The dealer generally has a different agenda with the conversation than we do; dealers are trying to sell the car. "Our focus is to answer customers' questions: Do you have the car? How much is it? What are the specs?"

Rubin and partner Smith both started out as dealership porters and have more than 25 years of experience in auto retailing and marketing.

"We allow customers to interact with a virtual sales associate directly from a dealership's website," Rubin said. "We answer their questions, which builds the customer's relationship with the dealer and moves them further through the sales pipe."

Eighty percent of chat conversations eventually result in a lead with a name, phone number and email address, he said. Twenty percent of captured sales leads will include an appointment to visit a dealership.

ActivEngage met some resistance



The ActivEngage chat headquarters in Florida.

in the beginning. "Frankly, there were a lot of dealers who thought: 'Why would I let someone else handle conversations on my behalf? These are my customers and I should be talking to them,'" said Rubin, whose company serves 2,500 dealer websites in the U.S.

Employees at the company's headquarters near Orlando, Fla., have access to data and specifications for all brands, as well as subscribing dealers' websites.

ActivEngage charges from \$299 a month plus a set-up fee for the software that dealers can operate themselves to \$1,600 a month for managed chat, in which trained associates talk to prospects on the dealers' behalf. Nearly 70 percent of the websites monitored by the company use the managed service.

With a response time of six seconds once a shopper lands on the dealer website, Rubin said the associate can begin building a relationship.

Planet Honda in Union, N.J., contracted with ActivEngage in 2012 to handle its web chats.

"We found that while the number of e-leads from our website has gone down, when I add the number of chat leads to the e-leads, it's increased by

about 30 percent," said dealership principal Bill Feinstein.

Thirty percent of auto shoppers who engage in chat on a dealership's website will make a purchase within 60 days, according to R.L. Polk.

Chat also aids people who aren't shopping in the showroom between 9 a.m. and 5 p.m. Consumers want personal interaction beyond showroom hours, says FordDirect, which just rolled out LiveConnect, a product enhancement.

"With its high conversion rates, chat presents an ideal platform through which dealers can capture valuable sales leads," said FordDirect Chief Operating Officer Valerie Fuller. "Because consumers today are demanding instant access to information, chat services enable dealers to connect with customers on their own terms, while building loyalty and improving overall satisfaction," she said.

Through a pilot program, FordDirect discovered chat increases online customer engagement, provides dealerships with more opportunities to foster customer loyalty and that chat customers are more likely to buy than many other lead sources.

## 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:

Tuesday, June 25 at 12 p.m. CDT

**“How to Fine-Tune the Used-Vehicle Department to Spot Weaknesses and Supercharge Results”** Dealers, GMs, would-be GMs and Controllers — as well as Sales Managers themselves — can understand how to measure performance in the used-vehicle departments to

highlight areas needing improvement and to formulate corrective action plans.

Steve Nickelsen joins us for this encore presentation, an exploration of just how dealership top managers, as well as used-vehicle department managers, can perform a self-examination and evaluation with an eye toward spotting areas in which the dealership can do better.

Once problem areas are highlighted, Steve will also lay out a plan for addressing and correcting the weaknesses found. You will learn:

- What are the “new” measurements in used car departments?
- How to structure your used-vehicle inventory for maximum net profit
- How to find cars to sell in this economy
- The 3 keys to inventory “pricing” and “re-pricing”
- How to increase turns to drive dealership net profits
- How to take control of reconditioning costs and time

Thursday, June 27 at 12 p.m. CDT

**“Tips for Turning Your Quick Service Lane from a Loss Leader into a Profit Driver”** Fixed operations expert Greg Criss offers his prescriptions for solving the dilemma. Hint: It’s mostly about installing the right processes. Registrants will learn:

- proper staffing templates for Quick Lube profitability
- how to improve your Multipoint Inspection Process
- tips for creating special Quick Service Menus that support the factory recommendations
- a simple “Sales” process that really works
- why restructuring technician processes is inevitable and how you can accomplish this goal
- key performance indicators and price structuring

## Mark Scarpelli re-elected NADA director

Mark Scarpelli this month won a second term representing dealers in Cook, Lake and DuPage counties to the National Automobile Dealers Association. The three-year tour begins at February’s NADA Convention.

Scarpelli is a 29-year dealer who is president of Raymond Chevrolet and Kia in Antioch. He previously served nine years on the CATA board of directors, ascending to chairman in 2007-2008.

Scarpelli received GM’s Mark of Ex-

cellence Award in 2010 and 2011, the Make A Difference Award from Antioch Community High School in 2008, a recognition award from the Boys and Girls Club of Chicago in 2006 and the Forefronts Award from Lakeland Media in 2005.

The NADA director representing dealers in Illinois’ 99 other counties is James Auffenberg Jr., president of St. Clair Auto Mall in O’Fallon, a suburb of St. Louis. Balloting for his seat will take place next June.

## New Chicago Auto Outlook edition looks at May sales

The latest issue of Chicago Auto Outlook tracks May new-vehicle sales in the eight-county CATA area.

Read it online at [www.cata.info](http://www.cata.info). On the blue bar across the top of the screen, click on Publications, then follow the drop-down menu to Chicago Auto Outlook.

## *Thanks, sponsors!*

Many allied members of the CATA participated as sponsors of the association's annual golf outing on June 10, to help offset the event's costs. Please express your thanks to the sponsors and give them your consideration when doing business throughout the year.

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