



CATA Bulletin

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8 candidates on ballot for 6 CATA board seats

Eight candidates, including five incumbents, have been nominated to fill six openings on the board of directors of the Chicago Automobile Trade Association. Each term lasts three years beginning next month.

A summary of the candidates' qualifications was mailed May 19 to dealer members, and election ballots will be sent May 27 to dealer members whose association dues are up-to-date.

Completed ballots must be received by 12 p.m. June 10 by the CATA's auditing firm, Crowe Chizek & Co., which will tally the submissions. Results will be announced at the June 14 golf outing at Cog Hill Golf & Country Club in Lemont.

One of the incumbents on the ballot, **Bill Hawkinson** of Hawkinson Ford in Oak Lawn, is seeking his third and final term on the board. The four other incumbents—**Kevin Mize**, of O'Hare Pontiac-Hyundai and O'Hare Honda; **John Phelan** of Jack Phelan Chevrolet in Lyons; **Mark Scarpelli** of Raymond Chevrolet in Antioch; and

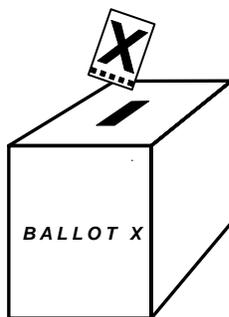
Dave Taylor of Taylor Chrysler-Dodge in Kankakee—were first elected to the board in 2001.

Other nominees include **Jack Cronan**, proprietor of Oakfield Ford in Villa Park; **Mike Ettleson**, president of Ettleson Buick-Cadillac in Hodgkins; and **Kurt Schiele**, president of the Elmhurst Auto Group (BMW, Jaguar, Scion and Toyota).

A committee comprised of former CATA board chairmen met in April to identify candidates for nomination.

The CATA board totals 18 directors. One-third of the terms expire each year. A director may serve a maximum of three, three-year terms.

One director, **Mike McGrath**, completes nine years of board service in June. McGrath ascended to board chairman in 2002-2003.



At 16.6 million units, '03 is 5th best sales year; growth expected in 2004

The nation's franchised new-car and -truck dealers recorded their fifth strongest year on record in 2003, selling 16.6 million vehicles at a total sales volume of nearly \$700 billion, according to NADA Data, a comprehensive annual analysis compiled by the National Automobile Dealers Association.

The complete report appears in the May issue of NADA's AutoExec magazine. It also can be accessed or downloaded on-line at www.nada.org/nadadata/

Major incentive programs, enhanced dealership services, increased product quality and a recovering economy contributed to the industry's relatively strong performance. Sales were highest during the third quarter, when the nation's GDP grew a healthy 8 percent.

According to the NADA Data report, the light truck category continues to grow, accounting for a record 54 percent (9 million) of total light vehicle sales in 2003, up from 52 percent in 2002. Sales of Crossover Utility Vehicles, based on car platforms, soared 35 percent in 2003, earning the lion's share of growth in the light truck segment. Rising van and pickup sales also helped to boost light-truck sales for the 11th consecutive year, as business spending returned to the market.



Space is limited to play in the CATA's annual golf outing, June 14 at Cog Hill Golf & Country Club in Lemont.

Register now to guarantee your participation! See forms in this newsletter for details.

SEE SALES, PAGE 2

Youth increasingly buckle up, Transportation Department finds

A week before the annual Memorial Day crackdown on highway safety violations, seat belt advocates are claiming progress in a multimillion-dollar campaign directed at the group that is hardest to reach, young drivers.

Deaths in vehicles among people ages 16 to 20 fell by 5.2 percent last year, to 5,332 from 5,625. And on May 17, the Transportation Department announced that seat belt use was up by 7 percent among people ages 16 to 24 and 4 percent among all age groups, after a highly visible push around Memorial Day weekend last year.

Motor vehicle deaths rose last year by 405, to a total of 43,220. But of that increase, 348 were people killed on motorcycles, which have no seat belts. Speaking about last year's death toll, the highest in more than a decade, Chuck Hurley, a spokesman for the National Safety Council, a private group, said, "It would have been about 1,000 lives more, if not for the 4 percent gain in belt use."

The federal government is spending \$30 million this year on a television advertising campaign to reach high-risk groups, including teenagers, members of minorities and racing enthusiasts. The advertisements appear during the programs "Fear Factor" on NBC, "Smackdown" from World Wrestling Entertainment, major league baseball games, the National Basketball Association conference finals, the Indianapolis 500 and NASCAR events.

Transportation Secretary Norman Y. Mineta attended a NASCAR race at Richmond (Va.) International Raceway on May 15, where he urged fans to follow the example of the professional drivers by wearing seat belts.

The actual level of seat belt use is uncertain because the Transportation Department data is based on daytime use, when surveyors can observe people in vehicles, and does not always capture information about back-seat occupants.

The percentage of people who died in crashes while wearing seat belts is known more precisely. Belt use for teenagers who died in crashes is about 34 percent; for vehicle occupants of all ages, it is close to 50 percent, Hurley said.

The National Safety Council, the National Highway Traffic Safety Administration and several other private and government agencies jointly promote a "Click It or Ticket" campaign at Memorial Day and again at Thanksgiving.

Moving the rate of seat belt use to 90 percent or higher would cut highway deaths by 3,000 to 5,000 per year, the advocates say. The Transportation Department and others have been urging state legislatures to strengthen their laws. Illinois is one of 21 states that allow officers to issue tickets for seat belt violations—even if they have not first pulled over a vehicle for some other reason.

Sales

CONTINUED FROM PAGE 1

Paul Taylor, the NADA's chief economist, projects that 2004 light vehicle sales will climb to 16.8 million units.

"With the economy gaining momentum and incentives continuing, conditions are favorable for modest growth over last year's sales total," said Taylor. "Interest rates and gas prices are variables to watch. Indications are that interest rates will edge up through the course of the year, though not spike dramatically.

"Gas prices are in the consciousness of many Americans, but unlikely to reach levels nationally that will significantly impact buying decisions on a broad scale. However, subtle changes could occur if consumers start to believe that the high prices at the pump are a permanent reality, rather than just a short-term spike."

The NADA forecasts that gas prices will recede in the late fall.

On the used-car front, sales by franchised new vehicle dealers in 2003 were 19.5 million, up slightly from 19.4 million in 2002. Of these, 11.7 million were retailed and 7.8 million wholesaled.

Other highlights from the 2004 NADA Data:

- The average retail selling price of a new vehicle increased 5.4 percent in 2003 to \$27,550; the average used vehicle price fell 2.5 percent to \$13,500;
- The average dealership annual payroll was \$2.31 billion, a \$67,000 increase over 2002; the total industry payroll was \$50 billion, up \$1 billion, representing nearly 11 percent of the nation's total retail trade payroll;
- Moderate consolidation in the number of franchised new vehicle dealers continued in 2003, with the net dealership count dropping by 75 to 21,650;
- Auctions continue to make inroads as source of used cars, from less than 10 percent in the early 1980s to 34 percent in 2003.

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Listings of items for sale are subject to the approval of the CATA. Candidates for employment must submit a full résumé to the Editor.

Review past editions or search by topic at www.cata.info/

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More than Spring has sprung

By RAY SCARPELLI

METRO CHICAGO NADA DIRECTOR

Spring sales, and even a few new mid-year model introductions, have arrived just ahead of the summer driving season, and people are making vacation plans now. Sales of luxury brands, hybrid cars and imports are all doing well, and we are on track for 2004 sales to reach 16.8 million units by the end of the year, according to NADA chief economist Paul Taylor.

Here's what's bloomed since last month's column:

- Information is posted at the Web sites of the NADA, www.nada.org, and the Federal Trade Commission, www.ftc.gov/os/w2004/03/trs31dayfrn.pdf concerning the FTC's new requirement that sellers and telemarketers use a version of the National Do-Not-Call Registry that is no more than 31 days old when placing telemarketing calls.

- At last month's Industry Relations Symposium, the NADA facilitated positive, open discussions with top-level manufacturer reps from GM, Ford (including its premier automotive group), DaimlerChrysler, Kia, Honda and Acura. Topics included the business outlook for the second half of this year, emerging vehicle technology, and long-term industry projections. The program was moderated by newsman Bill Press and featured remarks by keynote speaker Jim Padilla, new chief operating officer of Ford Motor Co.; and guest speakers Michael Bruynesteyn, senior vice president of Prudential Financial; and Gary Stern, president of the Federal Reserve Bank of Minneapolis.

- The NADA armed dealers with information and talking points in advance of a negative "60 Minutes" broadcast on vehicle financing, and the association continues to educate the media and the public on the fairness to be found at the majority of dealerships. The NADA also has educational materials available for dealers and consumers on the subject of financing, and has created a finance task force to initiate and implement additional vehicle financing awareness programs.

- The National Automobile Dealers Charitable Foundation received the largest single donation from a dealership group. DCH Auto Group, South Amboy, N.J., donated \$270,000 to make each of its 27 dealerships a Foundation Ambassador, pushing the total number of Ambassadors past the 300 mark.

Here's what else is springing up at the NADA :

- Don't forget to vote! It's election season for NADA directors in many states and metro areas. Ballots must be returned to the NADA and post-marked by May 21 for Metro Chicago (Cook, Lake and DuPage Counties).

- For e-Valuator for Dealer subscribers, the N.A.D.A. Guide Co. is introducing the e-Valuator X/I in May, which provides portable access via PDA to Guide values for 19 model years of used cars and light trucks, plus many other features. Call 800/544-6232 or visit www.nada.com/b2b/ Order this month and qualify for two months' of X/I service free.

- There are reports of a new scam. Someone named Edward Lee Raifsnider is said to purchase cars with counterfeit cashiers checks on Fridays and Saturdays, quickly

reselling them elsewhere before the new owners can ascertain they're stolen. It is said Raifsnider, sometimes using an alias and/or a disguise, has bilked dealers out of more than \$2 million in a little over two years. For info contact lapplebaum@ci.crestwood.mo.us or call the U.S. Secret Service Task Force at (502) 582-5171.

- Now in Spanish: (1) The consumer brochure, "Understanding Vehicle Financing," produced by the NADA and the American Financial Services Association Educational Foundation. Download copies from: www.nada.org/content/NavigationMenu/FindaCar1/Finance/Understanding_Vehicle_Financing/Understanding_Vehicle_Financing1.htm; and (2) NADA's Code of Ethics poster. Order from www.nada.org/mecatalog

- The NADA will host a conference call for dealers on implementation challenges under the FTC's Safeguards Rule, 12-2 p.m. CDT May 25. Ask FTC attorneys about how the rule applies to dealership operations. Register on-line at www.nada.org/safeguarding by May 21 or call NADA fax-on-demand at 800/778-7209 and request document 27. Cost is \$99 for NADA members, \$169 non-members.

- Upcoming NADA seminar at the Hyatt Regency O'Hare in Rosemont: "Parts Management and Profitability," June 3-4, \$695. Call 800-252-6232 ext. 2 to register.

- New NADA 20 Group created for used-car managers. Call 800-248-6232 ext. 5889 for details.

As always, let me know your ideas and concerns, so that I can meet your needs as your NADA director.

Survey: Collegians matriculating as a major force in auto market

College students are projected to spend \$14.8 billion on 1.5 million vehicles this year, or an average \$9,860 on each unit, an annual study indicates.

The study found that 72 percent of college students ages 18-30 own a vehicle or have access to one for personal use. The 360 Youth College Explorer Study appears on the Web site, www.autoremarketing.com/

Forty-nine percent of students questioned said they bought or leased vehicles by themselves, and one-quarter said they had a car purchased or leased by a family member for their use.

In ranking key influencers in their vehicle-buying decision, more than four out of five collegians said overall quality, dependability and price were "very important." Qualities such as color (23 percent), style (41 percent) and impressiveness (11 percent) ranked lower.

Study officials said students tended to stress functional attributes over brand or model as "very important" criteria when it comes to buying a vehicle.

Almost half of the students surveyed said they researched their vehicle purchase on-line. Seniors indicated the most readiness to buy, at 19 percent. Freshman (11 percent), sophomores (9 percent) and juniors (12 percent) were all closely ranked.

"College students have emerged as a powerful force

in the car-purchasing market," said Derek White, Alloy executive vice president and general manager of Media & Marketing Business. "Importantly, they are smart, cautious buyers, and their loyalty to nameplates is in the process of being established."

"Companies marketing to college students," White added, "including car manufacturers, but also on-line retailers, used-car dealers and aftermarket auto services, need to be sure they have adequate resources dedicated to this influential consumer group."

The 360 Youth College Explorer Study, which polled 4,608 full- and part-time college students during the 2003 fall semester, indicates that college students bought 32 percent of the units sold over the past two years by used-car dealers, or 1 million vehicles total.

Congratulations!

All eight area Lexus dealers—**Arlington Lexus in Palatine, Bredemann Lexus in Glenview, Lexus of Highland Park, Lexus of Orland, McGrath Lexus of Chicago, McGrath Lexus of Westmont, Dan Wolf's Lexus of Naperville, and Woodfield Lexus**—are among 171 dealerships to earn this year's "Elite of Lexus" award for dedication to customer satisfaction, service and sales.

Dan Roesch, president of **Larry Roesch Volkswagen**, was named to the Wolfsburg Crest Club for being among the automaker's best dealers in terms of sales, service, customer service and observance of brand standards.

The following area Mitsubishi dealers earned the automaker's 2004 Diamond Chapter of Excellence Award, for attaining the highest level of sales satisfaction and customer sales and service satisfaction: **Biggers Mitsubishi**, Elgin; **Bosak Mitsubishi**, Chicago; **Circle Mitsubishi**, Schererville, Ind.; **Bill Jacobs Mitsubishi**, Joliet; **Max Madsen Mitsubishi**, Downers Grove; **Max Madsen's Aurora Mitsubishi**; **Max Madsen's Countryside Mitsubishi**; **Larry Roesch Mitsubishi**, Bensenville; **Schaumburg Mitsubishi**; **Shaffer Mitsubishi**, Merrillville, Ind.; **Cub Shaver Mitsubishi**, Matteson; and **Sycamore Mitsubishi**.

Local winners of the 2003 Buick Select Dealer Award are **Schepel Buick-GMC** in Merrillville, Ind.; and **Woody Buick** in Bensenville.

Lou Sobh, proprietor of **Saturn of Schaumburg**, was honored with the automaker's Summit Award, for outstanding customer service and facility performance.

Area dealers **Dan Marks** and **John Moroni** have been named to the Lincoln-Mercury Retailer Council. Marks is a committee chairman.

Mike Haggerty Pontiac-GMC in Oak Lawn, **Gary Lang Pontiac** in McHenry, **Marquardt of Barrington**, and **Schepel GMC** in Merrillville, Ind. have been named Pontiac-GMC Leaders of Distinction, for excellence in service, customer satisfaction and sales.

Ford Motor Co. bestowed its most prestigious award, the 2003 President's Award, to the following area Ford, Lincoln and Mercury dealerships: **Arlington Heights Ford**; **Rod Baker Ford Sales** in Plainfield; **Bredemann Ford in Glenview**; **Buss Ford Sales** in McHenry; **Capital Lincoln-Mercury** in Matteson; **Court Street Ford** in Bourbonnais; **DeLong Ford-Mercury** in Dwight; **Highland Park Lincoln-Mercury**; **Art Hill, Inc.** and **Art Hill Lincoln-Mercury**, both in Merrillville, Ind.; **Dick James Ford**, South Holland; **Landmark Ford in Nilis**; **Oakfield Ford** in Villa Park; and **Wickstrom Ford** in Barrington.