



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. On the tan bar across the top of the screen, click on Education/Careers and follow the dropdown menu to CATA-DealersEdge webinars.

Premiering Thursday, April 30 at 12 p.m. CDT

“Service Managers: 5 Top Sure-Fire Bottom Line Builders” Learn the Top 5 improvements that most service managers can employ today to grow the bottom line right now. The low-hanging fruit is just begging to be picked!

Just about every fixed ops expert and consultant has

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New NLRB “ambush” rule cuts time for unionization process

A new election rule of the National Labor Relations Board that took effect April 14 speeds up the process by which employees can unionize.

Under the new NLRB rule, employees could potentially organize a union in less than two weeks, compared to the previous average of 38 days between the time a petition is filed and the election is held. Business groups who say the rule does not give them enough time to prepare for union elections refer to it

as the “ambush” or “quickie” election rule.

“Shortening the time frame before an election robs employees of the ability to gather the facts they need to make important and informed decisions like whether or not to join a union and denies employers adequate time to prepare,” Jay Timmons, president and CEO of the National Association of Manufacturers, said when the rule was finalized in December.

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State’s Sunday closing blue law safe after 3 Illinois bills falter

Three bills attempting to undo Illinois’s 31-year-old ban on Sunday vehicle sales all stalled in committee April 21, effectively stopping the legislation during the state legislature’s spring session.

According to the General Assembly’s schedule, the bills would have had to win three successive votes in the Sen-

ate and pass to the House by April 24. No vote was taken on any of the measures. The General Assembly is scheduled to adjourn May 31.

Senate Bill 1780, the most far-reaching of the three proposals, would lift Illinois’s blue law that prohibits new and used-vehicle sales on

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Webinars

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a list of “go-to” items to employ to immediately bring additional profit to the department’s bottom line. In this series of workshops, our experts will outline for you the 5 Top Fixes that are almost always easy to employ, providing immediate positive results.

In this session, specifically for service managers, Rob Campbell reveals his Top 5 Fixes for service department managers. Get the secrets of how to:

- increase your effective labor rate
- reduce unapplied time for hourly technicians
- sell more profitable maintenance and repair work
- get more production from existing staff and resources
- inspire professionalism on the service drive

Premiering Thursday, May 7 at 12 p.m. CDT

“Expense Control: How to Benefit with a “Sourcing Plan” Learn how to reduce routine costs of doing business by \$1 million, or more, over 36 months.

Expense control is not a high priority in many, if not most, of today’s dealerships. But it should be. Your routine areas of expense are indeed controllable and ripe for a systematic review that can result in huge savings over a short period of time.

Visit with Doug Austin as he shows how to develop and execute a “Sourcing Plan” that will save you a fortune! In Doug’s step-by-step guide, learn how to:

- get started, with a development of “The Plan”
- set the strategies that will lead to huge expense reductions
- align the resources and tools needed for expense control success
- execute “The Plan” and keep everyone on track for success
- measure, audit and report expense reduction success

Dealers improve recall service

U.S. auto dealers did a better job of satisfying people who brought in cars and trucks because of recalls, which soared to a record in 2014, according to a J.D. Power study.

The customer service index for recall-related work rose to 789 points out of 1,000 from 777 a year earlier. That was higher than the 781 score for repair visits.

“Even though recalls can

create a large influx of customers into the service department and really strain capacity, automakers are better prepared to handle recalls than they were a few years ago,” Power’s Chris Sutton said.

Automakers recalled about 64 million vehicles in the U.S. last year, more than double the previous record set in 2004, according to federal regulators.

Unions

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Labor officials say the new rule will prevent management from unnecessarily delaying union elections.

“[This] means corporate bosses will have fewer opportunities to cheat you out of your right to join together,” said Mary Kay Henry, president of the Service Employees International Union.

But David French, senior vice president of government relations at the National Retail Federation and a detractor of the new rule, said: “These rules are similar to the ‘hurry-up offense,’ where one side hopes to catch the other off-guard with misdirection and a hurried pace. In this case, employers will be put on constant defense and always placed at a disadvantage.”

Christopher Jolie, an attorney with the CATA’s labor counsel, Franczek Radelet P.C., said employers can enhance their ability to deal with the new rule and the expected increase in union organizing by studying the NLRB’s recently issued guidance memorandum and FAQs on the new rule.

Employers, Jolie said,

should also consider the following steps to prepare:

- Designate a team that is responsible for dealing with the new rule once a petition is filed. For example, this team would be responsible for reviewing all NLRB correspondence; communicating with the NLRB; preparing documents (employee lists, statements of position, etc.) to be submitted to the NLRB; and preparing for a hearing.

- Designate another team (tightly coordinated with the team described above) that is responsible for campaign issues if a petition is filed. For example, this team would be responsible for gathering information on the petitioning union; developing a plan for communicating the employer’s position on third party representation; assessing vulnerabilities and on-going evaluation of campaign strategy.

Once a petition is filed, both teams would be busy at the same time. Given the compressed time frame under the new NLRB rule, Jolie said employers should begin preparing now in order to successfully respond to a simultaneous NLRB petition and campaign.

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

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

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President, Publisher
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Consumers want changes to car-buying process, study says

Just 17 of 4,002 people in a new study said they prefer the current car-buying process. The rest said they want significant changes, particularly in the test drive, deal structuring, financing paperwork and service phases.

The “Car Buyer of the Future” study, released March 31 by AutoTrader.com, identifies which changes consumers desire, the underlying reasons behind those desired changes, and the benefit to dealers and manufacturers in adopting to tomorrow’s car buyers. In addition to identifying the changes that consumers do want, the study also dispels some commonly held beliefs about the future of car buying.

“While there is good work going on right now to adapt decades-old sales processes, consumers are telling us that we as an industry are not moving fast enough,” said Jared Rowe, president of Autotrader. “By recognizing — and embracing — the need for change, we have a tremendous opportunity to surprise and delight our consumers.”

Dispelling Myths about the Future

Some commonly held beliefs about the future of car buying are that salespeople will be less important in the future; that consumers don’t want to negotiate; and that lowest price will always win. In fact, the latest study shows the opposite.

• **Myth #1: Salespeople will be less important in the future.** In fact, the dealership and its salespeople

will continue to play a very important role in the car-buying process. Eighty-four percent of consumers in the study indicate that they want to buy a car in person.

Further, 43 percent see the dealership as a place to learn. At the dealership, consumers want to validate information they found online and learn about the following: specials, offers, warranty and service.

• **Myth #2: Consumers don’t want to negotiate.** More than half, 56 percent, of consumers prefer to negotiate, according to the study, and two of the most influential groups in car buying — millennials and females — also prefer negotiating over flat rate pricing. This is because consumers do not yet trust flat rate pricing, and they feel that they have to negotiate to get a fair price.

• **Myth #3: Lowest price will always win.** While price is important to consumers, the dealership experience can trump lowest price; 54 percent say that they would buy from a dealership that offered their preferred experience over lowest price. Also, 73 percent report that they are willing to drive farther for a great salesperson, versus 65 percent who are willing to drive to get the lowest price.

According to the study, the biggest changes need to come in four main areas:

1. **Test Drives:** While 88 percent of consumers say they will not buy a car without test driving it first, the majority report that they do not prefer the way test drives

currently are conducted (an accompanied test drive with a salesperson). Instead, they want more convenience and less pressure while test driving, such as having the ability to test drive multiple vehicles across brands in a single place and taking a test drive with a product specialist instead of a salesperson.

2. **Deal Structuring:** Negotiating will be a part of the car-buying process for the foreseeable future, but surveyed consumers indicate that they would like to see a big change in the way they go about negotiating the deal structure.

Of those who liked the idea of online deal building, more than half, 56 percent, want the ability to start the negotiation on their own terms — preferably online — and 45 percent would like to remain anonymous until they lock in the deal structure.

3. **Financing Paperwork:** Nearly three-fourths of consumers, 72 percent, want to complete the credit application and financing paperwork online. The key factors driving this desire are to save time at the dealership (reported by 72 percent of those who favor online paperwork), and to have less pressure while filling out paperwork (reported by 71 percent of those who favor online paperwork).

A separate study conducted in 2014 by Cox Automotive showed that the time buyers spend in the F&I office averages 61 minutes, more than two-thirds the to-

tal amount of time they want to spend at the dealership (90 minutes). Moving paperwork online and enabling consumers to complete it on their own time would greatly enhance the in-dealership experience and cut down on the time they spend in the dealership on the day of purchase.

4. **Service:** When it comes to servicing their vehicles, 83 percent of consumers indicate that they would like to have the ability to access a network of local service centers that honor service agreements. The key factor driving this desire is convenience.

Of those who prefer local service networks, 76 percent want to go to a service center nearby, and 63 percent want to be able to service the vehicle anywhere.

The benefits for dealers and manufacturers who adapt, the study found, are clear:

Dealers and manufacturers who focus on creating — and ultimately deliver — a better shopping and buying experience can reap significant benefits, according to the study:

• Nearly three-fourths (72 percent) of consumers say they would visit dealerships more often if the buying process were improved.

• Two-thirds (66 percent) of consumers say that they would be much more likely to buy from a dealership that offers their preferred experience.

• More than half (53 percent) of consumers would

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Offering too much can befuddle shoppers

Offering the proverbial “largest selection of vehicles” can backfire on dealerships if customers feel overwhelmed by it all, said Neil Hoyne, head of customer analytics for Google.

According to conventional wisdom, dealers displaying acres of inventory provide more to pick from and consequently increases sales. But it can work the opposite.

“By giving people more choices, they can get confused and end up buying less,” Hoyne told dealers attending Cox Automotive’s 2015 Digital Summit at the so-called “Googleplex,” the search-engine giant’s sprawling California headquarters. The more-is-worse phenomenon applies elsewhere in automotive sales and marketing.

For instance, online car-configurator tools are designed to let consumers pick from assorted offerings — including trim levels, paint colors and after-market add-ons — to “build” a car to their specifications. That gives them a digital representation of their potential purchase.

But some configurators ask too much, Hoyne said, pointing to one, “Build a Corolla,” which asks users up to 60 questions as they customize their cyber vehicle.

“You’d think they’d love it, but by the time they’re through with the process, they’re fatigued,” he said, citing Google analytics.

That’s assuming they make it to the end. Some quit before the 60th question. In contrast, shoppers seem to like configurators offering default categories based on popular choices. It pares the selection process.

“People end up spending almost \$2,000 more on a vehicle when choices were opted in for them,” Hoyne said. “Defaulting is easier for them than having to make too many choices.”

Sundays

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Sundays. SB 1835 would allow for the sale of motor vehicles by licensed dealers for not more than two hours on Sundays. And SB 1706 would permit Sunday sales of motor vehicles if the licensed dealer is a person who observes religious worship on a day other than Sunday.

Illinois Sen. Jim Oberweis (R-Sugar Grove), who introduced all three of the current proposals, also introduced legislation last year to open dealerships on Sundays, but that effort similarly faltered.

CATA Chairman Colin Wickstrom, who spoke at the April 21 committee hearing, said the dealer industry advocated for the Sunday blue law in the

1980s in order to attract quality salespeople who wanted to spend Sundays with their families. Consumers, Wickstrom added, never complain about the Sunday closing.

“Consumers actually enjoy looking around our lots on Sundays, at their leisure and without any pressure,” he said.

Wickstrom added that because more than 84 percent of new-car purchases now involve financing from banks that are closed Sundays, the law is more important today than when it was enacted.

Desmond Roberts, president of Advantage Chevrolet Hodgkins and Bolingbrook and a director of the National Automobile Dealers Association, also spoke at the hearing in support of the state’s Sunday closing law.

Congratulations!

Ernest Semersky, proprietor of **The Porsche Exchange**, in Highland Park, is one of just 28 dealers nationwide to be named a 2015 Porsche Premier Dealer.

Land Rover Lake Bluff is one of 16 dealerships named to the 2014/15 Land Rover Pinnacle Club, for reaching the highest levels of business excellence, sales and customer service.

Winners of Honda Financial Services’ 2014 Council of Excellence Award include **AutoNation Honda O’Hare** (Des Plaines), **Bill Kay Honda** (Bourbonnais), and **Valley Honda** (Aurora).

McGrath Acura of Westmont and **Muller’s Woodfield Acura** (Hoffman Estates) are winners of the 2014 Council of Excellence Award, presented by Acura Financial Services, for providing premier financial solutions to their clients.

Arlington Heights Ford, **Bull Valley Ford** (Woodstock), **Buss Ford-Lincoln** (McHenry), **Haggerty Ford** (West Chicago), **Wickstrom Ford-Lincoln** (Barrington), and **Willowbrook Ford** are winners of Ford Motor Co.’s latest President’s Award.

The Autobarn Mazda Evanston and **CJ Wilson Mazda**, in Countryside, are among the recipients of the 2014 Mazda President’s Club Award.

Process

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buy a vehicle more often if the buying process were improved.

“The sales environment is expected to remain strong across new, used and CPO cars over the next few years, and it is exciting to see that we have several ways to enhance the consumer experience for the benefit of all involved — buyers, manufacturers and retailers,” said Autotrader’s Rowe.