



## 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:

Thursday, June 30 at 12 p.m. CDT

**“Read Your Customers’ Minds: How to Predict the Market’s Future with Today’s Data”** With nearly 90 percent of all auto shoppers going online to research their next vehicle, the “data exhaust” left behind gives invaluable insight into what these shoppers will be buying;

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## 1 newcomer among 5 dealers elected to CATA board seats

*Results announced at Expo*

An enthusiastic crowd of dealers and their managers showed up June 22 for the 2nd annual CATA Dealer Meeting & Expo, and they liked what they saw: 45 allied members explaining their products and services, and 11 educational seminars presented during the day.

At the Expo, results of this month’s balloting for the

CATA board of directors showed four incumbents and one newcomer won election to three-year terms. **Ed Burke, Dan Marks, Mike McGrath Jr.** and **Colin Wickstrom** all won second terms on the board. **Bill Haggerty** won for the first time.

A director may serve up to three terms.

## Professionalism trumps price: study

Customer treatment often trumps price at car dealerships, according to a new study by CarWoo.com, an automotive marketplace website.

Its study, using transactional and behavioral data, found that dealership behavior matters a lot in determining if a shopper accepts a particular deal. The study shows that 54.6 percent of the time the lowest price offer was not the one the buyer took.

That increases to 57.5 per-

cent when eliminating cases where buyers received only a single offer.

Behavioral data also indicate price is not what drives buyers’ opinions expressed in online reviews of their dealership experience.

In giving five-star reviews, highly satisfied buyers ranked dealer professionalism as the most important factor 47 percent of the time and price only 14 percent.

When dissatisfied buyers gave dealers one-star reviews,

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## Study

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they cited unprofessionalism as the reason 44 percent of the time, and blamed price only 19 percent of the time.

Only when buyers gave middling three-star reviews did price become the driving factor, when it was ranked as primary 52 percent of the time. These reviews, while ostensibly “neutral,” were often negative in tone, much more akin to a grade of a “D” than of a “C,” a CarWoo spokesman said.

An analysis of all available data shows four major elements go into the car-buying decision. In order of importance:

- Professionalism of the dealership staff, including engagement and responsiveness.
- Right vehicle, and how close what’s offered meets the buyer’s wishes and specification.
- Price in the context of its competitiveness in the market.
- Distance to the dealership.

Dale Pollak advocates a modern version of value pricing that precludes negotiating. This means not only convincing

customers that vehicles are properly priced in the first place, but also convincing the sales staff, lest they partake in sticker-dicker tactics that can offend shoppers.

Pollak founded vAuto, an inventory-management software system that tracks regional demand for used vehicles so dealers can stock and price accordingly.

Pollak made his mark on the industry by advocating what he calls “velocity” pricing, which uses inventory-management to price cars right the first time.

That turns used-vehicle inventory quicker. In the long run, dealers doing that will make more accumulated gross profit, Pollak said. The converse is pricing high and holding out for high gross. But that risks cars lingering on the lot, their values depreciating daily.

A dealer needn’t offer the lowest prices in town, but rather ones that are competitive. Consumers using the Internet during their car-shopping usually know values.

Pollak said it can be the kiss of death for a dealer to price a car in such a way that it fails to show up high on search-engine results for customers who are shopping by price.

## FRB might extend compliance date

The Federal Reserve Board has proposed temporarily exempting motor vehicle dealers engaged in indirect (three-party) vehicle financing transactions from a new, comprehensive data collection and reporting requirement that is scheduled to take effect July 21.

Section 1071 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires financial institutions, including dealers, to inquire into whether a credit applicant is a small business or a women-owned or minority-owned business and to maintain a record of responses to the inquiry that is separate from the credit application. If the applicant responds to the inquiry, the financial institution must then:

- compile and itemize eight fields of data related to the credit applicant and the credit requested,
- retain the data for a period of three years,
- submit the data to the federal government on an annual basis, and
- make it available to the public upon request.

Section 1071 imposes additional requirements, such as ensuring that the collected information does not contain any information that may identify a person connected with the business credit applicant.

Because dealers will require much additional direction from the government before they can be expected to carry out these duties, the FRB is considering extending the effective date of final regulations which explain those duties.

The Board will accept public comments on its proposal before issuing a final ruling.

## Webinars

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also, when and where. By collecting, aggregating, normalizing and reporting on this auto shopper data, we now have visibility never before available. With this data, we can see, analyze and react to current and specific market trends in real time.

Thursday, July 7 at 12 p.m. CDT

“Benchmarks from the Best Parts Managers” Review what numbers define superlative performance in parts inventory management and what are the best practices to be the “Best.” More than any other profit center in a dealership, performance is measured by a complex set of data, statistics and calculations. Most of the performance benchmarks employed in evaluating the parts department have been around for decades. But are they the right ones to define who is and is not doing a great job managing the inventory?

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The CATA Bulletin is distributed via blast e-mail every other Friday except during the Chicago Auto Show, when it is not produced.

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](http://www.cata.info).

**David E. Sloan**  
**Erik K. Higgins**

**President, Publisher**  
**Editor, Director of Dealer Affairs**

## 2011 CATA Dealer Meeting & Expo a success

The offices of the Chicago Automobile Trade Association were transformed June 22, when the 2nd annual CATA Dealer Meeting & Expo was held. Forty-five booths located throughout the facility and staffed by CATA allied member companies offered time- and money-saving solutions, and 12 educational seminars touched on a range of topics. Attendees also enjoyed lunch alfresco.



## Thanks, 2011 Expo exhibitors!

### Exhibitor

ADP  
 Aflac  
 AM 560 WIND  
 American Tire Distributors  
 Aspen Marketing Services  
 AutoCheck  
 Automotive Compliance Consultants  
 AutoTrader.com  
 BB&T Bank - Regional Acceptance  
 BGP Enterprises, Inc.  
 Carnica, Inc.  
 Chase Auto Finance  
 Chicago Parts & Sound, LLC  
 Crowe Horwath LLP  
 DealersEdge  
 DealerTrack Inc.  
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 EFG Companies  
 Fifth Third Bank  
 First Payment Solutions  
 FirstMerit Bank N.A.  
 GCG Financial  
 KPA  
 Krex, Inc.  
 Nationwide Cassel, LLC  
 NBC Chicago & Telemundo Chicago  
 ProCredit Express/Promax Unlimited  
 Professional Dealer Services  
 Protective  
 Reynolds and Reynolds  
 Richard T. DeSimone & Co.  
 Omnibus Advertising & Marketing  
 Safety Kleen Systems, Inc  
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 Sun-Times Media  
 The Oak Group  
 Universal Lenders LLC  
 Univision/Telefutura TV Chicago  
 Utility Management Group, Inc.  
 Valvoline  
 VinSolutions  
 Web Lever Consulting Services  
 Wells Fargo Dealer Services  
 Zurich

### Product or service

*Providing technology solutions for automotive dealers*  
*Helps protect employees at no direct cost to your company*  
*Historic signal now is Chicago's "New Choice for Intelligent Talk"*  
*Approved OE supplier for dealers plus sales training and development*  
*Provides prime and subprime mail and other lead generation services*  
*Vehicle history reports to understand, compare, select the right vehicle*  
*Your turn key solution for all compliance concerns facing today's dealer*  
*The ultimate automotive marketplace*  
*Provider of indirect subprime lending services*  
*Financial, operational & process improvement or restructuring & interim management*  
*The leader in automotive paint reconditioning.*  
*A leading provider of prime to subprime retail financing and floorplan products*  
*Auto parts & accessories distributor, A/V repair, vehicle restyling/up-fitting*  
*One of the largest public accounting/consulting firms in the U.S.*  
*A partner with the CATA to provide management education webinars*  
*Offering high-value software solutions for the retail automotive industry*  
*AIM excels at SEO for car dealers and is the Web host of DriveChicago.com*  
*A nationally known provider of innovative profit solutions*  
*Visit Fifth Third Bank to learn about floor plan and other dealer finance solutions*  
*Save \$ every time you swipe with the industries preferred provider!*  
*Full service auto lender including indirect retail and floorplan lending*  
*Exclusively branded association employee benefits/insurance programs*  
*The nation's compliance expert in safety, environment, health and human resources*  
*Provider of value-added services to retain more of your customers*  
*Subprime automobile sales finance company serving dealers since 1954*  
*On-air, on-line, mobile, and out of home solutions for all your marketing needs*  
*Providing credit reports, compliance, deskling, CRM/ILM and much more*  
*F&I product provider offering extended service agreements, GAP & ancillary contracts*  
*VSC provider, income development specialist*  
*Trusted provider of auto dealer software & services to help improve business results*  
*CPAs & consultants serving the auto industry for 44 years*  
*Full-service ad agency with TV, radio and internet production services in-house*  
*The leader in responsible cleaning, environmental & re-refining solutions*  
*Creative social marketing for progressive dealerships*  
*Chicago regionwide network of newspapers & Web sites reaching 4.3 million adults monthly*  
*Provider of Finance & Insurance products, training and consulting*  
*Provider of 0% premium financing for all F&I products*  
*Chicagoland's premier Spanish language television networks*  
*Broker of natural gas and electricity*  
*A marketer and producer of quality branded automotive products and services*  
*Increase revenue and lower cost; replace multiple vendors with one—VinSolutions*  
*Internet lead generation solutions and scoring for automobile dealers*  
*Provider of indirect auto commercial and product financing for IL, IN, and KY*  
*A leader in insurance and F&I employing 58,000 people in 170 countries*

*Special thanks to Notable Event, Inc. for donating the day's meals; and to GES, the Sheraton Chicago Hotel & Towers, and the Westin River North for their generous donations. For a list of drawing prize winners, [click here](#).*

## Informational seminars recap

The 2011 CATA Dealer Meeting & Expo was packed with 12 different educational presentations, including a keynote address that was streamed as a live webinar. We thank the speakers for their time! Here's what you might have missed:

**“Overtime Pay for Service Writers,”** presented by Franczek Radelet P.C.

The U.S. Labor Department has ruled that service writers are eligible for overtime pay. But dealers who classify service writers as overtime-exempt have a few options to minimize their risk of liability in a payroll audit or in a private claim or lawsuit by a service writer.

**“WTF?! or Wasting Time Forever: Doing Things Because They’ve Always Been Done,”** presented by EFG Companies—WALKAWAY USA/SalesEDGE

Innovative, trackable techniques to improve or replace common, inefficient tasks.

**“Proven Methods to Find the Right Vehicles,”** presented by DealerTrack

New ideas for finding, acquiring the right used vehicles at the right time and for the right price.

**“Dynamics of Selling,”** presented by Zurich

Tailoring your selling approach to match the customer's body language and buying style—Thinker, Facilitator, Pragmatist, Persuader.

**“Measuring Average Frequency of Customer Service Visits: Why Track this Metric?”** presented by Drive-Sure

Small improvements in this metric can significantly impact short- and long-term financials.

**“How to Strap a Rocket to Your Used-Car Business”**

In a special live DealersEdge Webinar originating at the CATA, presenter Steve Nickelsen discussed how dealers are reinventing their used-car focus and more than doubling volume and profits.

**“Benefits of 360 Degree Marketing: How Different Platforms and Mediums Work Together,”** presented by NBC Chicago/Telemundo Chicago

Information for this seminar will come from TV Bureau of Advertising and other industry-wide sources.

**“Subprime: Why You Need It,”** presented by ProCredit Express

46% of U.S. consumers have a credit bureau score below 640. Learn tools to turn Special Finance prospects into customers.

**“Benefits of Implementing a Safety Program at Your Dealership,”** presented by KPA

With the costs related to accidents, appreciate the benefits of implementing a safety program. Also, how to conduct a good accident investigation and how to establish a “safety culture” at your dealership.

**“Cell Phones: The Most Useful Car-Buying Tool Since the Internet,”** presented by Reynolds & Reynolds

For every computer that is sold, four mobile phones are sold. Creating a new marketing channel for your dealership.

**“Knowing Your Marketplace,”** presented by Univision

According to the 2010 census, Hispanics now are the largest minority group in Illinois. And sales of new cars and light trucks to Hispanics are expected to increase 5.4 percent a year, more than triple the 1.4 percent annual growth of sales to non-Hispanics. Learn to relate to this important audience.

**“Fraud Solutions: What a Dealer Can Do,”** presented by Chase Auto Finance

A review of information gathered and maintained on paper or online; internal controls; and financial institution solutions.