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## 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, May 30 at 12 p.m. CDT

**“Evolving BDC Management Strategies: How to Keep Pace With the Changes & Make the New Pieces Fit”** Exploding advances in related technology have driven rapid advancement of traditional BDC strategies. Learn the new benchmarks often driven by

SEE **WEBINARS**, PAGE 2

## Leased-vehicle taxation bill nears passage; prepare to call state reps

SPRINGFIELD — A measure to change tax calculations on leased vehicles inched closer to Illinois Gov. Pat Quinn’s desk at this newsletter’s deadline, with senators poised to approve the bill. Under the change, sales tax owed would be based on the monthly payment instead of the vehicle’s selling price.

The House bill would have to return to that cham-

ber for further consideration because the leased vehicle language was inserted as a Senate amendment to an otherwise innocuous move to allow Illinois homeowners to receive property tax bills via email.

Members of the CATA should prepare to contact their House representatives and petition for passage of

SEE **LEASES**, PAGE 2

## Operation Troop Train gives vets a vehicle for dealership success

On a mission to provide military veterans with a vehicle for success, the Chicago Automobile Trade Association hosted an automotive sales training and job fair May 13-14 for retired military personnel.

The CATA partnered with the Illinois Department of Employment Security to identify veteran candidates who were interested in undergoing the two-day training and meeting with local CATA

dealerships. The CATA created Operation Troop Train this spring as a pilot program to lay the groundwork for what organizers hope becomes a quarterly initiative.

The training was led by Lee Eddy, founder of Leed Performance Inc., who provided the candidates with a solid foundation of the dealership business and prepared the former servicemen for the one-on-one interviews

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## Leases

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House Bill 2317 before the General Assembly's spring session adjournment, scheduled for May 31.

The Chicago Automobile Trade Association and the Illinois Automobile Dealers Association have made several runs at the taxation change on long-term leases (more than one year), but revenue officials always focused on near-term shortfalls in tax collection over long-term gains. Immediate gains would be seen in the current structure, under which dealers could not offer advance trade-in credits to their lease customers.

Nevertheless, consumers would enjoy lower monthly payments on leased vehicles which, in turn, would lead to increased leasing activity.

Officials of the Illinois Revenue Department agree that Illinois should compute the sales tax in the same manner as 47 other states. State lawmakers said they would not advance legislation to make the change without the department's blessing; earlier this month, the department indicated its position to be neutral.

Lawmakers said they would not support a bill that reduces tax collection. But if the change is made, revenues are projected to increase \$14 to \$28 million, based on forecasts of increased leasing activity. Lease transactions in Illinois currently are about half the number in nearby states.

If the legislation clears the General Assembly and Quinn signs it, the taxation change would take effect July 1, 2014.

*Save the date!*

## Host a July 20 BBQ

The CATA encourages all dealers

to take part in a USO event by hosting a barbecue on July 20, to raise funds for USO programs



and services that support deployed troops and their families. The CATA will enlist its media partners to help promote the events.

There are lots of ways to raise funds, such as car washes and food concessions. More details coming!

## Webinars

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new technologies, and learn why so many BDC operations continue to fail.

Twenty years ago, dealership Business Development Centers were nothing more than phone rooms where low-performing salespeople were sent as a sort of punishment. The Internet changed that and BDC operations became more formalized and technology-driven. Today's BDC is a critical part of the car dealer's customer handling strategy. But it takes many forms. Has your BDC evolved? Have you advanced along with the new capabilities?

Thursday, June 6, 2013 at 12 p.m. CDT

**“How to Prepare Now for the Inevitable 50% Drop in R.O.s”** Longer scheduled service intervals and significant improvements in vehicle quality have resulted in fewer vehicles in your service drive. How can you counter this documented trend?

Consider the trends: The real maintenance driver — the oil-change interval — is stretching out, and most can expect recommended service intervals of up to 10,000 miles. The math says that the number of service visits will drop from an annual average of 2.6 to somewhere near 1.3 visits a year. So what is your service business going to look like with 50 percent fewer R.O.s?

Attend this webinar with speaker Steve Kwiatkowski and learn some possible survival strategies!

## CATA golf June 10 at Cog Hill

Be part of the CATA's annual golf outing, which returns with a noon shotgun start Monday, June 10 at Cog Hill Golf & Country Club in Lemont. Or just register for dinner at 6 p.m.

All registrants receive a nice gift, and many golfers will win prizes that range up to \$10,000 for a successful putt. Golfers also get a cart, advance access to the driving range, lunch, and beverages at sponsored locations.

Association members can secure two golf tickets for \$95 each and additional tickets for \$125 each. Dinner-only tickets are \$75.

For full details and to register, call the CATA at (630) 495-2282.

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

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## When cleanliness leads to hazards

By **PHILIP J. TROY**, PRESIDENT  
COMPLYNET CORPORATION

When someone says “internal combustion,” we generally don’t envision an explosion inside a dealership. Too often, we should.

A recent fireball in a dealership tool room injured two employees before causing further physical damage to the building. It seems two employees wanted to give the tool room a thorough cleaning and used spray containers of a flammable brake cleaner to get rid of the grease and grime.

The employees sprayed and scrubbed, creating an atmosphere thick with the solvent vapor. A spark was all that separated the vapor from a fireball.

It happens that a compressor was

located in the tool room, elevated so that it didn’t take up any floor space. When the demand for pressure was sensed by the compressor, it turned itself on, creating the critical spark.

Every employer is required to determine what chemicals are used in his business, who is allowed to use them and where their use is appropriate. That’s been the law for more than 50 years.

In this case, it appears that flammable sprays were not prohibited in a room with a compressor that could trigger a spark at any moment. These kinds of things usually happen in dealerships because employees are conscientious but untrained. Employees who are exposed to hazardous chemicals, such as brake clean, are required to receive Hazard Communication (Right to Know) training on the chemicals

they use. The training explains things like flammable vapors and ignition points.

The quick lesson is that you should check your tool room for the presence of a compressor. If it has a compressor, post a sign prohibiting the use of flammable sprays in the room. Also note that gasoline cans or cylinders of flammable gas should not be stored in a room containing a compressor.

Finally, make sure that Hazard Communication training is delivered to all employees in the Parts, Service, Detail and Body shop departments. These matters can be confusing. If you have questions on any dealer responsibilities, training or regulations, contact me at (800) 653-1869.

*ComplyNet is a member of the CATA.*

## Younger consumers forcing car design changes

More than ever, designing cars people want is a tricky business. Rapidly developing technology, changing demographics, emerging global markets and stricter fuel efficiency standards have forced automakers to rethink how they design cars and conduct consumer research, top automotive executives said this month at the SAE 2013 World Congress in Detroit.

“You can’t use traditional research methods to ask a customer ‘do you like this or do you like that,’ ” said Mike O’Brien, Hyundai vice president of corporate planning and product strategy.

Instead, O’Brien said automakers must ask consumers about the forces changing their lives.

For instance, O’Brien said Hyundai had to do research a few years ago to decide if it really was going to drop traditional V-6 engines for its midsize sedans in favor of only four-cylinder engines. The question was hard to research since it had never been tried before.

“It was a big risk, but the sales speak

for themselves,” O’Brien said.

Ralph Gilles, senior vice president of design for Chrysler, also said the changing demographics are changing how automakers design cars.

Millennials, generally those born between 1980 and 2000, have been hard for automakers to reach, partially because they have vastly different expectations for cars and transportation than their parents.

But Gilles said he thinks Millennials are often misunderstood.

“Everyone says they don’t like cars,” Gilles said. “Maybe. But I don’t buy that. They just don’t need cars right now.”

Another assumption that Gilles challenged is that Americans prefer large cars.

In 2012, sales of small and compact cars increased 27 percent in the U.S. compared with 13 percent for the overall industry.

“I think small is the next big thing. I think small cars are finally here,” Gilles said.

## Congratulations!

Dan Wolf and Pat O’Brien, proprietors of **Toyota of Naperville**, were named to the Toyota Board of Governors, for top sales volume.

**Team Audi**, in Merrillville, Ind., is one of 23 dealers nationwide to win Audi of America’s 2012 To Service Recognition Program award.

Ford Credit named **Highland Park Ford-Lincoln** and **Van Drunen Ford Co.** (Homewood) as 2012 Masters Award winners; Smith Ford of Lowell (Ind.) is a 2012 Award winner.

The Walter P. Chrysler Award was bestowed to **Jack Phelan Dodge** of Countryside and 40 other Chrysler Group dealers nationwide.

**Evanston Subaru** (Skokie), **Gerald Subaru** (Naperville), **Grand Subaru** (Bensenville), and **Liberty Auto City** (Libertyville) won the 2013 Stellar Care Award, Subaru’s highest honor.

## Do social media have the most vital role in dealership selection?

Dealership reviews on social media networks may be “playing the most important role in the dealership selection process,” according to the results of the Spring 2013 Automotive Social Media and Reputation Trend Study.

The report from Digital Air Strike showed that there is a 43 percent probability that a consumer will search for a local dealer on Facebook using Facebook’s new Graph Search, which can help the site’s users find information about people, places and things from within a their network of friends.

The study — an analysis of how 650 U.S. dealers use social media and an online survey of 2,000 consumers who purchased a vehicle in the last six months — also found that there is a 59 percent probability that a consumer will trust a review from a Facebook friend more than reviews on other sites.

Ever wonder if your dealership mobile Facebook ads reach consumers? The study found 27 percent of car buyers click on mobile ads on Facebook.

Also, these ads could be leading consumers to your Facebook page, as well, as clicks on automotive dealership Facebook ads more than doubled from October 2012 to April 2013 – from 16 percent up to 39 percent, according to



the study.

Mobile use for Facebook seems to be ramping up, as well, as the study revealed 67 percent of car buyers search for local business using mobile devices, with 41 percent having “checked-in” to a local business using their mobile device, company officials shared.

Dealerships should also pay close attention to review sites, as well, as the study found that 24 percent of consumers consider online review sites to be the “most helpful” factor, “exceeding all other factors including the 15 percent of car buyers who consider dealership websites ‘most helpful’,” officials

shared.

Also, during organic searches, the 81 percent of car buyers who use review sites said they look at review scores in search results.

Which review sites show up the most in search results?

The study showed that, on average, five review sites show up in search results: The most popular review sites are Cars.com (61 percent, previously 55 percent), Edmunds.com (54 percent, previously 50 percent), Google+ Local (37 percent, previously 44 percent), Yelp (14 percent, no change) and Yahoo (11 percent, no change).

## Troops

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with dealership representatives.

Eddy opened the training with a message that seemed to resonate with the candidates. “People can buy a red or blue piece of metal within five to 10 miles in any direction,” Eddy said, “but it’s the dealership personnel that are the differentiating factor.” Eddy also discussed the importance of communication and working in teams to produce the best possible outcome — skills the veterans understand instinctively from military experience.

Too many employers don’t recognize the value of military training or that veteran skills easily transfer to other fields of work. CATA Chairman Kurt Schiele contested that misunderstanding, saying: “Some of the best employees at my dealerships are veterans. Servicemen and women are willing to put their life on the line for their job; if that doesn’t show commitment and dedication, I don’t know what does.”

## CATA office closed May 27



The Chicago Automobile Trade Association office will be closed May 27 to commemorate the Memorial Day holiday. Regular hours resume May 28.