



CATA Bulletin



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Dolan seeks NADA at-large directorship



Dolan

Nominating ballots were mailed July 27 to women dealers who are NADA members in Illinois and other states east of the Mississippi River, for those dealers

to elect an at-large NADA Director to represent them.

Mary Ford Dolan, president of Free-way Ford and Sterling Truck Sales in Lyons, has indicated a desire to be nominated, and the CATA board of directors supports her candidacy. The vacancy exists because Marcy Maguire, the current at-large NADA Director representing women members east of the Mississippi River, has been

elected NADA Director of New Jersey.

Nominating ballots must be returned not later than Aug. 17 in the pre-addressed, postage-paid envelope that accompanies the ballots. Ballots post-marked after Aug. 17 will not be counted.

If there are two or more nominees for the at-large position, election ballots would be mailed in September to the same audience.

If only one candidate receives at least 10 percent of the votes on the nomination ballots, that nominee shall be declared elected without further balloting.

Whoever is elected would serve the remaining two years of Maguire's term, beginning in February 2008.

Dolan has served on the CATA board of directors since 2002.

Last chance to register!

NADA's 'Lifeline to Profit\$' course offered free by CATA, Aug. 1-3

Limited openings remain to register for a free 20-hour NADA workshop to learn actionable ways to remain competitive by enhancing a dealership's operations and performance. Two NADA trainers with extensive retail automotive industry experience will instruct the workshop.

Participation is limited to 35 attendees—Dealer/General Manager—and one per store. Call the CATA at 630-495-2282 for the workshop schedule and agenda, and to register.

The workshop meets 8 a.m. to 5 p.m. Aug. 1 and 2, and 8 a.m. to 12 p.m. Aug. 3. Workshop catering is sponsored by Safety-Kleen.

Softer CAFE bill gains House support; debate delayed till September

At least 117 House members by July 26 had signed on to an alternative fuel economy increase backed by automakers, the NADA and other industry groups.

Supporters of House Resolution 2927, the so-called Hill-Terry CAFE alternative, won more time to build support for their version of fuel economy legislation days earlier, when

House Speaker Nancy Pelosi (D-Calif.) agreed to put off the fuel economy debate until after Labor Day.

The bill introduced by Baron Hill (D-Ind.) and Lee Terry (R-Neb.) would raise car-truck standards to average between 32 and 35 mpg by 2022. The Senate passed another bill that would raise the combined standard to 35 mpg by 2020.

Automakers and their allies are backing the milder House alternative. Terry said his bill "pushes the industry" without destroying jobs or eliminating vehicles consumers need and want.

The NADA this month organized a "fly-in" that brought more than 100 dealers from across the country to Washington in support of H.R. 2927, and the associa-

tion continues to urge dealers to contact their representatives to support the Hill-Terry CAFE alternative.

A rival, more aggressive bill sponsored by Rep. Ed Markey (D-Mass.), head of the House select global warming committee, would require automakers to hit 35 miles per gallon by 2018. That bill has 149 House co-

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Light truck radial tires made in China face recall over belts that separate in absence of gum strips

Westlake, Compass, YKS brands

Some light truck radial tires made in China are susceptible to belt and tread separations, the NHTSA has determined. Dealers who accept a trade-in with tires from certain manufacturers should replace the tires before selling the light truck, an Illinois advisory board recommended.

The Illinois Attorney General Advisory Board, which includes representatives from the CATA, met July 25 and discussed tires made in China without a gum strip or with an insufficient gum strip between the belts or other construction to keep the belts from separating.

Several U.S. companies imported the light truck radial tires manufactured by Hangzhou Zhongce Rubber Co., and the number of tires imported is unknown. The tires were sold between early 2004 and mid 2006 under the brand names Westlake, Compass and YKS, and a recall has been initiated.

The AG committee agreed that dealers should replace those tire brands with other tires before selling a vehicle, to avoid any potential lawsuits from defective tires.

For more recall information, see the Web site, www.foreigntire.com. An attorney for one of the importers, Foreign Tire Sales, Inc., in New Jersey, indicated the company was not alerted when the Chinese manufacturer changed production to omit belt edge or gum strips between the belts.

The attorney, Lawrence Lavigne, said up to 450,000 tires could be involved in the potential recall.

CAFE

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sponsors. It takes 218 votes to win a majority in the House.

The Senate bill passed in late June hikes Corporate Average Fuel Economy by 40 percent to a combined 35 miles per gallon by 2020 for light trucks and passenger cars. Pelosi has said she supports the Senate bill.

Dale Willey, NADA chairman, said: "Just because Congress sets a very aggressive CAFE number doesn't mean consumers will respond accordingly. If they can't get the vehicle that meets their needs, they'll keep the ones they have, and that would defeat the goal of increasing fuel economy."

The Senate bill also would lead to a "smart electricity grid" and has incentives to produce advance batteries and plug-in hybrids, along with renewable fuels like ethanol.

Northwood accepting names for 2007 Dealer Education Award

Dealer principals who have made noteworthy contributions to education—public or private, on any level, inside or outside the industry—could be candidates for a Northwood University Dealer Education Award.

The award has been presented annually since 1972 at the National Automobile Dealer Association convention. Next year's winner will be named Feb. 10 in San Francisco.

The nominee must be a dealer principal and should be present to accept the award.

Northwood University President Keith Pretty said award winners "are people of stature. The award is recognition of substantial dedication over a number of years to the educational process and the field of automotive marketing."

Nominations must be returned to Northwood's Midland, Mich., campus, postmarked by Sept. 1. For a nomination form, see the Northwood Web site at www.northwood.edu, then click "News and Events" to locate the form. Or, call the CATA's Erik Higgins at 630-495-2282.

Registration underway to attend '08 NADA convention in San Francisco

Advance registration is open through Dec. 21 for the 2008 NADA Convention and Exposition in San Francisco, Feb. 9-12.

To register online or to download a registration form, go to www.nada.org/convention. For those paying by credit card, completed forms can be faxed to 703-883-9480. Or, call the Convention Department at 703-821-7188.

Earlier registrants enjoy a greater chance of securing a room in their favored hotel.

Look for more information on the convention in the coming weeks, including speakers and programs.

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Review past editions dating to 1998 or search by subject at <http://cata.drivechicago.com/>

Jerry H. Cizek III President, Publisher
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NADA offers tips to marketing used vehicles on a dealership Web site

The Internet stands as one of the greatest modern marketing tools. More and more, customers are going online to research the pricing, features and availability of vehicles that interest them.

It stands to reason, then, that dealers should devote more time, attention, and money to marketing their vehicles online. Here are key points to help make the most of this resource:

- **Your dealership Web page should be current.** It's frustrating for a customer to select a vehicle online only to be told that it's no longer available. Think seriously about having an outside vendor or a dedicated Internet salesperson keep the Web site up-to-date.

- **Your Web page should be user-friendly.** Design your Web site with customers in mind, and don't let technology can get in the way of your primary goal: selling vehicles. The fancy font and advanced animation won't please customers whose systems aren't equipped to handle them.

Be sure the site has clear instructions and easy-to-follow links to features like monthly specials, help for credit-challenged customers, and directions to the dealership. Also, be sure the site allows customers to see vehicles they're interested in within one to two clicks.

- **There should be multiple photographs of each vehicle.** Customers savvy enough to shop online won't be satisfied with just one view of a vehicle. Your walk-in traffic will likely increase if you post at least 10 to 12 good photo-

graphs, taken from consistent angles. Also, don't be afraid to show dents, scratches or other unrepaired physical flaws in your photos.

Showing—and describing—any blemishes helps build trust with your customers and reduces unpleasant surprises when they come in-person to see the vehicle.

- **Your Web address should be featured prominently in all your marketing.** Use your print and broadcast advertising to promote your Web site, whose address, if possible, should be short and memorable. The Web site can contain a lot more detail than the other advertising.

- **Your Web site should have current contact information, including your dealership phone number.** Although the Internet is a valuable tool for reaching out to potential buyers, the ultimate goal is to get them into your dealership. Including your phone number increases your chances of establishing direct contact and setting up an appointment with the customer.

Also, be sure to log all customer calls for research and callback purposes. And remember: It is vital to respond professionally and quickly—ideally, within 30 minutes—to any phone calls or emails your publicity may generate.

This article is adapted from an NADA guide, "A Dealer Guide to Used-Vehicle Strategies and Solutions." The guide can be ordered by calling 800-252-6232 ext. 2, or online at www.nada.org/mecatalog.

New ART Web site helps match workers with dealership vacancies

More than 13,000 positions are vacant at Midwest new-vehicle dealerships, with employers unable to identify qualified applicants, according to Automotive Retailing Today, a coalition of all major automobile manufacturers and dealer organizations.

Research by ART shows that dealership jobs aren't "top of mind" with most job-seekers. To overcome that, ART launched a Web site, www.autocareerstoday.org, that showcases more than 40 dealership positions; identifies career path opportunities; and answers questions and concerns of students, parents, military veterans and career-changers.

The site directs candidates to training and other resources they would need to pursue an automotive career. Important, the site also displays pictures to debunk stereotypes—today's dealerships boast immaculate service shops and sparkling showrooms. The site also offers statistics and resources for dealers to use in speeches, articles and media interviews.

According to ART, there are vacancies nationwide and throughout dealerships:

- Sales: 45,698
- Service: 36,456
- Collision Repair: 7,695
- Parts: 6,491
- Administration: 5,159
- Other (porters, car washers, detailers, etc): 7,315

In the Midwest, identified by ART as Illinois, Indiana, Michigan, Ohio and Wisconsin, 13,156 vacancies exist.

The ART coalition works to promote a better understanding of the retail side of the automotive industry and to build stronger customer relationships through shared research and development programs. Another goal of ART is to dispel outdated perceptions of franchise auto dealerships and automotive careers.

In 2006, NADA data indicated the average dealership employed 53 persons and had an annual payroll of more than \$2.5 million. This represents almost 14 percent of the nation's total retail trade payroll at a total of \$52.9 billion for all dealerships.

Cambridge deflects unemployment claims

One hundred fourteen CATA dealer members reported a combined 380 unemployment claims during the second quarter of 2007 to Cambridge Integrated Services Group, Inc., which formerly operated as Martin Boyer Co. The company's efforts saved those dealers a total of \$1.19 million in benefits by contesting the claims.

Cambridge monitors any unemployment claims against its clients. The company counts about 230 CATA dealers among its clients.

Claims that can be protested and subsequently denied help minimize an employer's unemployment tax rate. The rate can vary between 1.0 percent and 8.2 percent of each employee's first \$11,500 in earnings. The 2006 average unemployment tax rate among Illinois employers was 3.9 percent, or about \$448.50 annually. That is nearly double the 2003 rate.

"The unemployment tax is really the only controllable tax, in that it's experience-driven," said Paul Schardt, senior vice president of Cambridge. An ex-employee's claim affects the employer's tax rate for three years.

Client fees amount to \$2.20 per employee, per fiscal quarter. For the fee, Cambridge monitors all unemployment claims, files any appeals, represents the client at any hearings, verifies the benefit charge statements and confirms the client's unemployment tax rate.

The former Martin Boyer Co. has represented CATA members since 1979. To discuss retaining the company, call Schardt at 312-381-8241.

Minority new-vehicle buys up 11% since '03: Polk

New-vehicle registrations among ethnic groups increased nearly 11 percent from 2003 to 2006, according to data released July 24 by R. L. Polk & Co. Hispanics, Asians and African Americans are represented in the category.

Polk also reports non-ethnic new-vehicle registrations are down 7 percent for the same timeframe.

"Auto manufacturers can no longer afford to ignore ethnic markets or assume that they will respond to mainstream marketing," said Polk's Mark Pauzé. "Manufacturers that focus on these markets and measure their progress are making important inroads with them."

Polk's enhanced data on ethnic markets shows who owns and buys vehicles based on the actual registered owner, not just the characteristics of the neighborhood in which they live. The data also utilize two independent sources to provide detailed segmenta-

tion of Asian, Hispanic, African American and many other ethnic groups.

"By targeting minority customers with messages that resonate with their own unique heritage and culture," Pauzé said, "automakers and dealers can strengthen relationships, create deeper bonds with customers and sell more vehicles. Polk's new methods for tracking minority customers will allow automotive marketers to analyze the ethnicity of eight major ethnic groups and up to 287 individual ethnic backgrounds. Polk's new ethnic coding system has increased our coverage and accuracy in identifying ethnic households across the board" added Pauzé.

In its ethnic automotive analysis, Polk studies ethnic vehicle choices by segment, make and model; ethnic vehicle-buying populations mapped on a national and regional level; brand loyalty; and demographic analysis comparing different ethnicities to the general market.

Springfield

State budget debate reaches record overtime

As the state neared a second month without a fiscal budget, an Illinois Senate panel on July 25 debated a revised version of the governor's expanded health care proposal. To fund it, businesses with 10 or more employees that don't spend at least 4 percent of their payroll on health insurance for their

employees would be assessed 3 percent of their payroll. The \$1.2 billion those assessments raise would be placed into a trust fund to pay for medical services.

Opponents say small businesses would simply split into separate companies or lay off workers to fall under the 10-employee limit.

DOC fee bill still waiting for Gov's action

Illinois Gov. Rod Blagojevich has until about Aug. 20 to act on legislation to increase to \$150 the state's maximum permissible documentary service fee.

House Bill 1657, which cleared

the General Assembly last spring, was delivered to the governor June 20, when the 60-day clock began ticking for him to sign or veto the bill. The current maximum DOC fee that dealers can charge is \$58.48.