



### 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 dropdown menu to CATA-DealersEdge webinars.

**Premiering Thursday, Sept. 17 at 12 p.m. CDT**

**“Labor Law Basics for Car Dealers: 4 Things You Need to Know”** Hiring and firing at most dealerships is an “all-the-time” activity. Every manager involved needs to be aware of these four areas of the law and how to comply.

A long list could be drawn of dealerships that found

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### 70 dealerships raise \$121,000 for USO of Illinois programs

Officials of the Chicago Automobile Trade Association on Aug. 20 presented to the USO of Illinois a check for \$121,000, the amount raised in July by 70 new-car dealerships that hosted Barbecue for the Troops events.

In three Julys, the CATA dealerships have generated about \$250,000 for USO programs that support deployed troops, military families, wounded, ill and injured troops and their caregivers, and families of the fallen.

In each of the past three summers, dealers throughout Chicagoland hosted barbecue fundraisers on the same day in July. In its first year, the dealers generated \$37,500. Last year’s fundraiser more than doubled the initial effort, raising \$90,000. The goal this year was to top \$100,000.

“I feel very proud and honored to lead this association of dealers,” said Mike McGrath Jr., CATA chairman. “As a dealer myself, I



have a huge sense of pride as I know firsthand the hard work that goes into coordinating these events. We had 70 dealers leading the charge and rallying their individual communities to raise funds and awareness for Illinois troops.

“It does not at all surprise me that CATA dealers far surpassed the fundraising goal from last year. What some might not recognize is that dealers are already deeply rooted within their communities and constantly strive to make a difference. The CATA’s partnership with the

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## Webinars

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themselves on the wrong side of labor law requirements.



Most ended up paying huge penalties, and not because they willfully broke the rules. They just did not know better.

Labor law is a wide and complex subject, but attorney Charlie Feuss makes it a bit easier to understand and apply to dealership operations via this workshop. You cannot afford to be ignorant or out of date on this.

Learn what U.S. labor laws say about dealerships and:

- Discrimination: who is in a “protected class,” dos & don’ts
- Wage & Hour Regs: always changing, expanding, often confusing
- Family and Medical Leave: FMLA- dealership responsibilities
- Employment Contracts: “At Will” myths & other contract issues

Premiering Thursday, Sept. 24 at 12 p.m. CDT

**“5 Things to Consider Before Changing Your DMS Provider”** Speaker Sandi Jerome suggests that dealers have many more choices these days and, contrary to what worked in the past, price is not at the head of the list.

The whole experience can be a mind-bender. But Sandi promises a “self-quiz” that will help you narrow down the issues and whether to bite the bullet with a new DMS provider, or maybe even to stick with your legacy DMS. The checklist alone is worth your time and effort to attend.

After spending 60 Minutes with Sandi, you will be able to:

- determine if you need an “integrated” or “interfaced” CRM
- sort out multi-company features and which are actually needed
- know just how much you use a Report Writer and which systems have them
- weigh which productivity features you need/not need
- balance the Pros and Cons of a Microsoft-based DMS

## CATA closed Sept. 7

**LABOR DAY**



The CATA office in Oakbrook Terrace will be closed Monday, Sept. 7 to commemorate the Labor Day holiday. Business hours resume Sept. 8.

## Dealer plates on Uber car?

To discourage customers from using their rented or loaner cars for ride-hailing services such as Uber, Lyft and Sidecar, dealerships should add language to their contracts that forbids such action, the CATA’s general counsel advises.

The suggestion came after a dealer who summoned an Uber ride was greeted by a driver in a car sporting a dealer’s license plates.

The language can be as simple as “Rented or loaned automobile is not to be used for commercial purposes,” said the association’s counsel, Dennis O’Keefe.

As ridesharing companies have aggressively pushed their services into cities around the world, often not waiting for permission from local regulators, they have faced hostility from local taxi drivers who fear it is undercutting their business, as well as increasing skepticism regarding the trustworthiness of some of the rideshare drivers.

The drivers typically need little more than a commercial driver’s license to qualify to work. For more than a year, regulators in various cities have questioned whether Uber vets its drivers for criminal backgrounds as carefully as traditional taxi companies.

Uber, which recently celebrated its fifth anniversary, is already valued at about \$50 billion by investors. The company has raised a multibillion-dollar war chest to finance a global expansion and move into areas such as food delivery.

## Used-car prices hit record high

Used-car prices hit a record high in the second quarter of 2015, climbing 7.6 percent year-over-year to an average of \$18,800, according to a new study by car shopping site Edmunds.com.

The price growth mirrors the average transaction price for new light-duty vehicles, which hit a near-record \$33,340 in the second quarter this year. The new vehicles are coming better equipped, and more expensive new vehicles means more expensive used vehicles.

The same factors boosting new-car sales — better economic outlook, low unemployment, low interest rates, low gas prices — are fueling used-car sales as well.

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

David E. Sloan  
Erik K. Higgins

President, Publisher  
Editor, Director of Dealer Affairs

## *Built-in connectivity among least used*

# Automakers spending big on technologies consumers rarely use

Automakers are investing billions of dollars to put technologies in their cars and light trucks that are not being used by many of the owners of those vehicles, according to the J.D. Power 2015 Driver Interactive Vehicle Experience (DrIVE) Report.

The 2015 DrIVE Report measures driver experiences with in-vehicle technology features during the first 90 days of ownership.

The report finds that at least 20 percent of new-vehicle owners have never used 16 of the 33 technology features measured. The five features owners most commonly report that they “never use” are in-vehicle concierge (43 percent); mobile routers (38 percent); automatic parking systems (35 percent); head-up display (33 percent); and built-in apps (32 percent).

And there are 14 technology features that 20 percent or more of surveyed owners do not want in their next vehicle, including Apple CarPlay and Google Android Auto, in-vehicle concierge services and in-vehicle voice texting. Among millennials, the number of features unwanted by at least 20 percent of owners increases to 23, specifically technologies related to entertainment and connectivity systems.

“In many cases, owners simply prefer to use their smartphone or tablet because it meets their needs, they’re familiar with the device and it’s accurate,” said Kristin Kolodge, executive director of driver interaction at J.D. Power. “In-vehicle connectivity technology that’s not used results in millions of dollars of lost value for both consumers and the manufacturers.”

Among all owners, the most fre-

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### **Owners who say their dealer did not explain the feature have a higher likelihood of never using the technology.**

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quently cited reasons for not wanting a specific technology feature in their next vehicle are “did not find it useful” in their current vehicle and the technology “came as part of a package on my current vehicle and I did not want it.”

In addition, owners who say their dealer did not explain the feature have a higher likelihood of never using the technology. Furthermore, features that are not activated when the vehicle is delivered often result in the owner not even knowing they have the technology in their new vehicle.

Kolodge noted that the technologies owners most often want are those that enhance the driving experience and safety, which are only available as a built-in feature rather than via an external device. In-vehicle technologies that most owners do want include vehicle health diagnostics, blind-spot warning and detection, and adaptive cruise control.

“The first 30 days are critical. That first-time experience with the technology is the make-it-or-break-it stage,” said Kolodge. “Automakers need to get it right the first time, or owners will simply use their own mobile device instead of the in-vehicle technology.”

Because the first few weeks of ownership are so critical, dealerships play the most important role in helping owners get off to a good start with the technology in their vehicle, Kolodge said.

She noted: “While dealers are ex-

pected to play a key role in explaining the technology to consumers, the onus should be on automakers to design the technology to be intuitive for consumers.

“Automakers also need to explain the technology to dealership staff and train them on how to demonstrate it to owners.”

### **Safety and Repair Costs**

Use of in-vehicle technologies has implications beyond the auto industry. For example, the insurance industry is closely tracking automotive technology for safety and financial purposes. Insurers are concerned that difficult-to-use technology may distract drivers and cause an accident.

Using smartphones instead of in-vehicle technology also creates safety issues. Additionally, in-vehicle technology can significantly increase claims costs for vehicles damaged in an accident.

“While some technologies, such as lane-departure warning, are making vehicles safer, the insurance industry is very concerned about the driver-distraction hazards caused by some of the other technologies,” said Chip Lackey, senior director of the insurance practice at J.D. Power.

“In addition,” said Lackey, “technology drives up the repair and replacement costs. A slight bumper scrape that would normally cost a few hundred dollars to repair can catapult a claim into thousands of dollars when a park assist camera or other sensors are damaged.”

The 2015 DrIVE Report is based on responses from more than 4,200 vehicle owners and lessees after 90 days of ownership. The report was fielded in April through June 2015.

## **Cizek scores a hole-in-one**

Former CATA President Jerry Cizek, who retired to Door County, Wisconsin, in 2010, carded his first hole-in-one Aug. 4 at Maxwelton Braes Golf Course in Baileys

Harbor, Wis. Cizek, 69, used a 7-iron on the course’s 140-yard Hole 8 for the ace.

Cizek worked at the CATA for 37 years, 21 of them as president.



## Governments chasing use taxes on private sales

The revenue departments of Chicago and Cook County this summer increased enforcement in collecting an assessment that has long been on the books: use tax owed on a vehicle sale between private parties.

The moves come as governmental bodies increasingly bemoan low levels of operational funding, although the use taxes are flat amounts that are far less than the sales

tax that is owed when vehicles are purchased from retailers.

The use tax is filed with the Illinois Revenue Department using Form RUT-50. Chicago's use tax for private sales, which took effect July 1, also is collected by the state department by using Chicago Form 8405.

Use tax on the RUT-50 is calculated two ways: (1) If the vehicle sold for \$15,000

or more, several purchase price brackets can lead to a payment of up to \$1,500, on a sale of \$30,000 or more; or (2) if the vehicle sold for under \$15,000, tax is owed based on the vehicle's age, and can be as little as \$25 for a 2004 model.

The Chicago use tax similarly is based on the vehicle's age, from \$80 on a car 1 year old or less to \$10 on an 8-year-old car.

## USO

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USO of Illinois is a natural fit and a cause that dealers can appreciate and, demonstrably, fully support."

Alison Ruble, the president and chief executive of USO of Illinois, said the money raised by the dealerships will deliver care and comfort to the more than 330,000 military and military families that the agency serves annually.

To help raise awareness of the dealership fundraisers, the CATA coordinated a social media contest using the hashtag #BBQ4Troops. The contest grand prize was the Ultimate Backyard BBQ, which includes cooking demonstrations and barbecue fare from Real Urban Barbecue's head chef; a special visit from a Chicago Blackhawks ambassador; and a grill from Big Green Egg Chicago.

More than 100 people submitted contest entries and Kathy C., from Oswego, won with 67 percent of the votes. In September, the CATA will thank her nephew, an active military member, by throwing him the Ultimate Backyard BBQ. The day will mark the first time in a while that he will be reunited with family and friends before being deployed next month.

Plans for next year's Barbecue for the Troops, on July 16, 2016, are underway.

## Be ready to explain why dealership repair is better than independent shops

A customer's relationship with the dealership service department often starts out strong, but as time goes on and warranties expire, customer loyalty dwindles.

One industry study showed that within the first two years of vehicle ownership, 45 percent of customers remained loyal to the dealership service department. After three years of ownership, the number decreases to 31 percent; and after seven years, just 13 percent continue to return.

But there are ways for dealers to entice customers to bypass the service lanes of independent repair facilities and return to the dealership for repairs. It's all about demonstrating to customers what advantages there are to using the dealership service lane, said Mark Pierret, the director of sales and marketing at Budco Financial, a Detroit company that assists dealers looking to enhance revenue outside of vehicle sales.

A dealer's service department has a lot going for it, Pierret said. Car dealers should demonstrate to customers that they can't get the same quality of service anywhere else. That includes:

- High-quality OEM parts. Customers can be sure that they're getting parts that

are made for their specific vehicle.

- Factory-certified technicians. Dealership mechanics have strong expertise in servicing specific vehicle makes and models. Customers can't get this caliber of specialized talent at a local service facility.

- Unbeatable customer service. The dealership represents a vehicle manufacturer, so the dealer have to meet its high customer-service standards. Most independent shops aren't held to this high standard.

- Top-notch facilities. Similarly, because dealerships are part of a larger network, the resources and facilities are far above smaller shops. Dealers have the latest and greatest tools, the most service bays and the cleanest facilities that are more inviting for customers.

- Ties to the local community. Customers can have confidence their vehicles are in the best of hands, because the people who are servicing them may very well be their neighbors.

"Your customers may not want the hard sell, but rather a little reassurance they're being heard and that you and your team can step in to assist when they need it," Pierret said.