

WANADA Bulletin #20-06

May 17, 2006

## COMMUNITY OUTREACH

### WANADA Honored by Big Brothers Big Sisters

For its support of Big Brothers, Big Sisters of the National Capital Area (BBBS), WANADA was named the "2006 Corporate Honoree at BBBS's 16th Annual Service to Youth Awards Dinner last week at the Marriott Wardman Park Hotel.

BBBS was one of five area charitable organizations chosen as beneficiaries of The 2006 Washington Auto Show Congressional Gala and Charity Preview.

Accepting the honor with a pledge of future support were Washington Auto Show Chairman George Doetsch of Apple Ford and WANADA CEO Gerard Murphy.

Celebrating 100 years of service mentoring single parent youth, the "Mistress of Ceremonies" for the event was WJLA-TV newscaster Alison Starling, who is a Big Sister. Former Redskin star Brian Mitchell was the keynote speaker. Also honored were four Big Brothers Big Sisters of the Year, selected from over 2,000 individuals who volunteer for the program throughout the Washington, DC area.



From left, Big Brothers Big Sisters Vice President of Programs Denise Williams, Auto Show Chairman George Doetsch, WANADA CEO Gerard Murphy and WJLA-TV newscaster Alison Starling.

## PUBLIC POLICY

### Kaine Signs Off on Dealer-Backed Bills

*But VA Budget Battle Over Transportation Tax Hike Drags On*

Despite the ongoing tussle in the Virginia General Assembly over a transportation tax hike, Virginia's franchised dealers can already claim success for the following bills which were passed unanimously by both the House and Senate and signed into law by Gov. Timothy Kaine.

**VA Consumer Protection Act - Choice of Damages (HB 1103)** addressed the cure offer that was added to the Virginia Consumer Protection Act (VCPA) by the General Assembly in 2004 for a rapid solution to consumer problems. The cure offer was designed to solve problems and reduce litigation. This bill provides that if a plaintiff accepts a cure offer under the VCPA, then the plain-

tiff may not initiate any other cause of action based on the same facts.

**Disclosure of Damage to New Vehicles (HB 1034)** requires that disclosure of corrected damage to a new vehicle must be made to a customer only if the retail cost of repair exceeds 3% of the manufacturer's suggested retail price for the

*(Continued on page 2)*

#### Inside...

VA MVDB Report.....	p.2
Dealers Hold Reception for Rep. Ben Cardin.....	p.2
Creating a Used-Vehicle Marketing Plan.....	p.3
WANADA Open Sponsorship Opportunities.....	p.4
Montgomery College Receives ASE Certification.....	p.4

## STATE LEGISLATIVE UPDATE

## VA Dealers Claim Success

*(Continued from page 1)*

vehicle. There was a clear understanding of the meaning of this statute for almost 20 years until a recent court decision limited this statute to damage occurring when the vehicle is in transit from the manufacturer to the dealer and not other damage that may occur to a new vehicle before delivery, such as dealer lot damage. This legislation clarifies that the statute was written specifically to cover transit *and* all other damage that may occur to a new vehicle before delivery to the customer.

**Temporary Registration and License Plates (HB 250, SB 194)** makes changes to the Virginia

Code that permits delivery of a vehicle with a temporary registration and license plates subject to the approval of assignment of the financing or leasing to a financial source. This legislation clarifies that, until the transaction is completed, the customer only has a right to possess and insure a vehicle that is subject to cancellation.

Following the conclusion of the extended 2006 Virginia General Assembly session, now underway, the WANADA Bulletin will offer a wrap-up of legislative hits and misses.

### VA MVDB REPORT

## Dealer Licensing Dominates VA Dealer Board Meeting

In what is becoming a staple at the bi-monthly Motor Vehicle Dealer Board (MVDB) meetings, the board again voted this month to impose civil penalties on dealers involving sales by unlicensed sales people. Dealers are reminded that the most certain way to receive a civil penalty from the MVDB is to have sales by unlicensed representatives. Regular reviews by dealers to ensure that all salespeople are licensed by Virginia dealers are important.

In addition, **all Virginia dealers are reminded that effective July 1, 2006, F&I personnel and sales managers must have sales licenses.** Dealers are urged to move as quickly as possible to license any employees who may not yet hold these licenses to avoid the expected processing back up at the end of June.

In other notable actions, the MVDB's Dealer Practices Committee considered several cases involving activities by dealers challenged by the board staff. The Advertising Committee reviewed questionable ads, and the Transaction Recovery Fund Committee voted to award compensation to customers who had been the victims of fraudulent acts by dealers who are no longer in business.



From left at last week's reception are Jack Fitzgerald, Alan Rifkin, Fred Frederick, Betty Ann Mendelson and Myrna Cardin and Congressman Cardin.

## Dealers Host Meet and Greet for Ben Cardin

It was off to the political races last week for Maryland dealers Jack Fitzgerald of Fitzgerald Auto Malls, Fred Frederick of Fred Frederick Chrysler and Conrad Aschenbach of King Automotive, who held a successful meet and greet at Congressional Country Club for Rep. Ben Cardin (D-MD), the front-running candidate to take retiring Sen. Paul Sarbanes' (D-MD) seat in this fall's elections.

The reception gave Rep. Cardin a chance to hear concerns and speak on many issues of importance to dealers, particularly the repeal of the estate tax (a.k.a. the "death tax"). Cardin praised family dealer businesses that he acknowledged as an "important engine driving Maryland's economy."

*(Continued on page 3)*

## NADA MONTHLY DEALER OPERATIONS COMMENTARY

## Creating a Used-Vehicle Marketing Plan

A used-vehicle operation can't reach its potential without an effective marketing plan. Dorothy Miller Shore suggests the following as a planning checklist:

1. **SET YOUR BUDGET.** Whether you plan your advertising budget month by month (based on a percentage of your previous month's sales) or work on a fixed yearly budget, you need to have a plan for using your marketing resources wisely. Stay within your budget, and be sure to track your results. Knowing which media brought more customers to your showroom—and which ones didn't—will help you refine your advertising approach in the future.
2. **SET YOUR MEDIA PLAN.** Which group or groups are you trying to reach? Which medium or combination of media will you use to reach them? Whatever your approach, be creative, and make sure you spend your dollars on advertising that reaches your target audience as efficiently as possible. If that direct mail flyer didn't bring in as many 18-34-year-olds as you hoped, try something else.
3. **ESTABLISH A CREATIVE OUTLINE.** What promotions do you want to run during the next year? As part of your creative outline, you should try to include at least four major events each year. Spread them out—perhaps one per quarter—so that each event can be fresh in your customers' minds.
4. **CREATE A TRADITION OF ANNUAL EVENTS.** As your dealership grows, you'll want to keep several of your promotions as annual events. Customers in your selling area will come to recognize and expect your regular events, helping you establish a stronger identity in your selling area.
5. **SET YOUR CALENDAR USING HIGH AND LOW SALES TRENDS.** Keep records of how well your events do so that you'll know whether to repeat them in the future. Also, note any other factors—weather, remodeling, other local events, and so forth—that affected your event, for good or for ill. A notation such as "We've had more customers at our sales events since we remodeled our showroom" will help jog your memory when you're planning for future events.
6. **PREPARE YOUR SALES MATERIALS AHEAD OF TIME.** Whatever media you plan to use, it's always a good idea to have themes, layouts, and other details thought out in advance.
7. **PLAN YOUR INVENTORY TO MATCH YOUR CALENDAR.** If you're going to have a major sales event, you'd better make sure you have vehicles people will want to come and see. Trade-ins will account for perhaps 30-60% of your event inventory. Auctions help you find the rest of what you'll need, and they'll also help you stock the best-selling, most popular vehicles in your selling area.

This article is adapted from the NADA 2006 Convention workshop *Extreme Makeover: Revitalizing Your Used-Car Advertising*, presented by Dorothy Miller Shore. Order this and other convention workshop recordings online at [www.iplaybackNADA.com](http://www.iplaybackNADA.com).

## Meet and Greet *(Continued from page 2)*

Cardin was educated on the issue from the attendees including Jack Fitzgerald, who was featured in a May 15 Washington Post article, "In Estate-Tax Battle, One Man Does What He Can."

"Fitzgerald does more than tug at the heartstrings, said columnist Jeffery H. Birnbaum. "He also makes a compelling case against the estate tax on policy grounds. He notes that privately owned businesses like his are the nation's most effective engines for economic growth and job creation. Yet the estate tax has for years forced owners to sell to corporate giants, which often stifles innovation, expansion and good feelings between workers and their bosses.

"Fitzgerald is so worried that he's been wearing down his shoe leather meeting with people in positions to help -- while supporting their campaigns," said the Post.

**ATTENTION KINDRED MEMBERS**

***Sponsorship Opportunities Still Available***  
**2006 WANADA Open, Monday, June 5**  
***Don't Miss Out. Sign Up Today!***



The annual WANADA Open is one of the dealer group's top events of the year — a chance for unparalleled fellowship for Washington area dealers. This year's Open has been moved to a later spring timeframe, Monday June 5, to hedge the bet on optimal golf weather, and will be held at the recently expanded Golf Club at Lansdowne Resort in Lansdowne, VA, which now offers two championship courses — the Robert Trent Jones and Greg Norman courses — and convenient parking adjacent to the Clubhouse.

The Open also is a golden opportunity for our kindred-line members to mix with and honor their many dealer friends and customers. WANADA salutes the Open sponsors at right for their support and reminds others *that sponsorship opportunities are still available!*

This is an exceptional opportunity to get some fresh air, engage in friendly competition, and have plenty of time to change before the 5:00 p.m. Cocktail Reception in the Club House Foyer. The banquet follows, hosted again by popular sportscaster Johnny Holliday, with lots of fabulous giveaways!

So if you haven't done so already, sign up *today* to be a sponsor and/or participant! A WANADA Open RSVP and sponsorship form are enclosed with this WANADA Bulletin and available on our website, [wanada.org](http://wanada.org). For more information, call Ruby Gerald at (202) 237-7200 or email [rg@wanada.org](mailto:rg@wanada.org).

**Current Open Sponsors**

- Autotrader.com
- Beers & Cutler
- BG Products
- Cars.com
- Charapp & Weiss, LLP
- Chase Custom Finance
- Chesapeake Petroleum & Supply Co.
- Collette Management
- Comcast Spotlight
- Councilor, Buchanan & Mitchell, PC
- CVR – Computerized Vehicle Registration
- DentaQuest
- E&G Classics Inc.
- Enterprise Rent-a-Car
- Flagship Credit
- Ft. Dearborn Life
- Hamilton and Hamilton, LLP
- JM&A Group
- Kaiser Permanente
- M&T Bank
- Pennzoil-Quaker State
- PNC Bank
- SunTrust Bank
- The Washington Post
- Universal Underwriters
- Wachovia Bank, N.A.
- Washington Times

**Montgomery College Receives ASE Master Certification**

Congratulations to the automotive training program at Montgomery College in Rockville, MD, which was recently notified that it meets the strict standards in all eight areas required for ASE (National Institute for Automotive Service Excellence) Master certification. This is the highest level of achievement recognized by ASE.

This latest achievement is an outgrowth of the goals set by the Automobile Dealer Education Institute (ADEI), a newly-formed partnership between WANADA, dealers and the college, which, together with Marshall Academy in Falls Church, VA, are the primary sites of WANADA's automotive technician training program.

**Staying Ahead...**

*Don't knock the weather: If it didn't change once in a while nine out of ten people couldn't start a conversation.*

—Kin Hubbard

**Enclosures:**

- WANADA Open RSVP and Sponsorship Form