

THE WANADA BULLETIN

NEWS AND INFORMATION FOR AND ABOUT FRANCHISED NEW CAR DEALERS IN THE WASHINGTON AREA

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Headlines...

VIP Tours with auto experts to be offered again at Auto Show
“Angry Birds,” NFL stars among celebrities coming to Auto Show
Don Beyer sworn in to the U.S. Congress
MADA/VADA/WANADA Reception at NADA, Friday, Jan. 23
Revenue from new, used auto sales topped \$1.1 trillion in 2014
In 2015, look for truck price war, more recalls
More vehicles are given top safety rating by IIHS
Teen driver deaths more likely in older, smaller cars
U.S. households saved \$115 on gas in 2014, likely \$550 in 2015
Most Americans *do not* want gas tax hike
Generation Z, born into on-demand, tech-driven culture
DC Mayor Muriel Bowser & John O’Donnell
Thought for the Week...

VIP tours with auto experts to be offered again at Auto Show



Journalists John Davis and Les Jackson will give VIP tours at the show.

Back by popular demand The Washington Auto Show will again offer VIP tours of the various new car exhibits at the upcoming 2015 exposition. The Auto Show happens Jan. 23 –Feb. 1 at the Walter E. Washington Convention Center.

Two auto experts and longtime industry observers will be the tour guides: John

Davis, the Emmy-Award winning producer and creator of the PBS show *MotorWeek*, and Les Jackson, auto journalist and new vehicle evaluator who reviews 100s of new vehicles a year. Tours will be given on both weekends of the show. Both men are motor vehicle experts who are fully up to speed on the latest innovations in advanced technology.

As host of *MotorWeek*, now in its 34th season, Davis has the opportunity to put all of the new car models through extensive road tests and to judge their practicality for buyers. He also acts as final editor on all of the new car road test segments and writes many of the test opinions as well as other portions of the program. Davis and *MotorWeek* have worked in recent years with the U.S. Department of Energy to promote public awareness of alternative fuels.

Jackson is intimately familiar with the operation and engineering specifications of the wide array of vehicles available in the U.S. His new vehicle reviews and technical “how-to” articles have appeared in prominent publications for more than 25 years. Jackson is co-host and technical expert on *Cruise Control*, a nationally syndicated radio program devoted to all aspects of the

automotive world. He has personally restored 16 classic cars and has authored hundreds of how-to articles on automobile restoration. He is also past president of the Washington Automotive Press Association and a member of the International Motor Press Association.

Award-winning syndicated automotive writer Warren Brown will host the *Ask the Expert* booth during both weekends of the show from 11 a.m. to noon and 1 to 2 p.m.

For information on tour times and to buy tickets, click [here](#).

“Angry Birds,” NFL stars among celebrities coming to Auto Show

As always, the Washington Auto Show will offer an impressive lineup of celebrities. New this year and sure to be a big hit is a guest appearance by Angry Birds, the ever popular cellphone video game players. The date and time to for the Angry Birds will be announced shortly. Another newcomer to the Auto Show, as announced in a previous [Bulletin](#), is Sadie Robertson, the up and coming celebrity from A&E’s hit show *Duck Dynasty*. She will appear at the from 6:30 to 8:00 p.m. on Friday, January 23.

Classic Redskins star players are always a big draw, and the WAS will offer three this year: NFL legends Dave Butz, Mark Moseley and Charley Taylor. All three will appear at the show on Monday, January 26, from 6:00 to 8:30 p.m.



Angry Birds is sure to draw lots of fans at the Auto Show.

Don Beyer sworn in to the U.S. Congress

After a swearing in earlier this week, longtime Washington area dealer Don Beyer, Jr. of Beyer Automotive was seated with a number of others in the United States Congress. Representing District 8, Congressman Beyer replaces fellow Democrat Jim Moran who held the Northern Virginia seat for 23 years, winning election handily in November.

Prior to Congress, Mr. Beyer was Ambassador Beyer representing the United States in Switzerland where he was honored by American Citizens Abroad and the State Department for “outstanding service to American Citizens overseas.”

Earlier on in his political career, Beyer served two terms as lieutenant governor of Virginia.

In the industry, he chaired the American International Auto Dealers Association in 2006 and was honored with the Time Quality Dealer Award in 1991.

WANADA salutes Don Beyer for his latest high honor representing the Alexandria region in the U.S. Congress.



Congressman Don Beyer, Jr. (D-Va.) sworn in Jan. 6, 2015

MADA/VADA/WANADA Reception at NADA Reputed as the best party at the Convention! Friday, Jan. 23

Year after year, the feedback from those enjoying the NADA Convention Reception that MADA, VADA and WANADA put on for their members is praised as “one of the best parties at NADA.” The 2015 Tri-Association Reception at NADA should be no exception, particularly in light of the always popular San Francisco location. The venue this year is the Terra Gallery, known for its “high brow” and chic art collection. [Click here](#) to download the invitation to the Tri-Association Reception at NADA, Friday night, Jan. 23.

Dealer principals, key managers, business associates and guests of the forgoing are cordially invited to attend. For more information, please contact Kristina Henry, kh@wanada.org, (202) 237-7200.

This year’s MADA/VADA/WANADA Reception at NADA is generously sponsored by SunTrust, TRUECar, JM&A, Chesapeake Petroleum, DealerTrack, Charapp & Weiss, Rifkin, Weiner, Livingston, Levitan & Silver and Dixon Hughes.

Revenue from new, used auto sales topped \$1.1 trillion in 2014

Total revenue from consumer purchases of new and used cars and trucks is looking like it topped \$1.1 *trillion* for 2014, thanks in part to higher transaction prices, reports TrueCar.

Consistent, strong demand for vehicles was cited as lifting total vehicle revenue 8.3 percent over about \$1 trillion in 2013. The increase comes amid sustained economic expansion, an improving job market, falling gas prices and a consumer shift to higher revenue segments, including pickups and luxury vehicles. Total market sales are estimated at 54 million units, an increase of 8 percent, including 16.5 million new and 37 million used vehicles.



“To put this in perspective, new vehicle revenue alone will surpass the value of new single family home sales in the U.S. nearly three times,” said John Krafcik, president of TrueCar. “It’s a remarkable year for the industry as both sides of the market are seeing notable growth and commanding strong pricing power.”

The average new vehicle sold for \$31,831 last year, up 1.9 percent over 2013, and used vehicle transaction prices rose 5.1 percent to an average of \$16,335, said TrueCar.

In 2015, look for truck price war, more recalls

Greg Gardner of the *Detroit Free Press* offers some auto industry predictions for the new year. Some are no-brainers, others may surprise you.

- *Price war in the truck market.* The biggest truck manufacturers will see a price war in that hot market, partly to try to topple Ford’s F-150 from the top of the heap.

- *Merger proposal.* With sales so strong, investment bankers will ramp up their effort for acquisitions. Two European automakers could propose a merger or takeover. For instance, Volkswagen could try to acquire Fiat.
- *Free bicycle with car purchase.* In an effort to reach millennials, some automakers may offer a free bicycle and carrier with the purchase of particular models.
- *Upscale market continues strong.* Luxury cars, crossovers and high-end pickups will continue to sell well as affluent buyers purchase them because they can.

More vehicles are given top safety rating by IIHS

Good news for consumers and the dealers who sell to them: The number of models given top safety ratings by the Insurance Institute for Highway Safety (IIHS) has jumped to 71 from 39 a year ago. The number of winners in the top tier – Top Safety Pick+ – has increased by 11, despite a tougher standard for front crash prevention. Studies have consistently shown that safety is a selling point, and one that dealers might do well to market.

“The quest for Top Safety Pick and Top Safety Pick+ awards is driving improvement in the small overlap front crash test and getting manufacturers to offer automatic braking technology on more and more vehicles,” said IIHS President Adrian Lund.

The other tests are moderate overlap front, side, roof strength and head restraints. For an advanced or superior rating, vehicles must stop or slow down without driver intervention before hitting a target in IIHS tests at 12 mph, 25 mph or both. In all, there are 33 Top Safety Pick+ winners and 38 Top Safety Pick winners.

Teen driver deaths more likely in older, smaller cars

A new study documents bad news: Teen drivers involved in car crashes are more likely to die. This is because their cars are typically older and smaller. The study by researchers from the Insurance Institute for Highway Safety (IIHS) found that almost half of drivers aged 15 to 17 who died in car crashes had cars at least 11 years old, and almost one-third drove small cars.

Teens are more likely to own smaller, older cars because they’re less expensive. And older cars don’t have the same safety features included in most current models, such as electronic stability control and side air bags. The study of crashes from 2008 to 2012 found that 82 percent of teenagers killed in car crashes were driving cars at least six years old.

Electronic stability control cuts the risk of a single-car fatal crash approximately in half. But the IIHS estimates that it takes 30 years from the introduction of a new safety technology to the time when it is in 95 percent of the vehicles on the road.

IIHS says these models are good choices for teenagers: Hyundai Azera (MY 2006 and later), Volkswagen Passat (2006 to 2008), Saab 9-3 (2005 and later), Suzuki Grand Vitara (2006 and later) and Kia Sedona (2006 and later).

U.S. households saved \$115. on gas in 2014, likely \$550. in 2015

U.S. households in 2014 saved an average of \$115. on gasoline compared with 2013, according to the American Automobile Association. And they are on track to save another \$550. this year, says the U.S. Energy Information Administration (EIA). The lower expenditures stem from a combination of lower retail fuel prices and a more fuel-efficient fleet.



Uncertainty about crude oil prices makes this year's gas prices hard to predict.

Most of last year's savings came in the last few months of the year. On December 31, the national average price of gas was \$2.26 per gallon, the lowest since May 2009.

"Cheaper gas prices have helped to improve the economy by boosting both consumer confidence and disposable income," said AAA spokesman Avery Ash.

Both the EIA and AAA note that price forecasts for 2015 are highly uncertain, depending on the cost of crude oil. There is currently a global glut of crude oil, which brings down prices. But lower prices could disrupt U.S. oil production by reducing profits, or they could increase instability in other oil-producing countries, says the AAA.

It's also possible that the global economy could grow more strongly than expected, which would increase petroleum demand.

In the U.S., gas prices typically rise 30 to 50 cents per gallon during the spring refinery maintenance season because of increased production and tighter supplies.

Most Americans *do not* want gas tax hike

One issue the new Congress will have to face is how to fund the nation's crumbling infrastructure. As has been noted many times by politicians from both parties, the Highway Trust Fund is no longer adequate to fund our transportation needs. It is slated to run out of money again this year. The gas tax has not been raised in more than 20 years. Some members of Congress have suggested that now is the time.

A recent report, *Beyond the Beltway: Insights Initiative*, was produced by two communications groups, SKDKnickerbocker and Benenson Strategy Group. The authors surveyed Americans on a range of issues, including the gas tax. They say in the report that if the Highway Trust Fund runs out of money, many infrastructure projects would be stopped, which some economists say would result in the loss of 700,000 jobs.

Still, 67 percent of those surveyed for the report said *Congress should not raise the gas tax*. The remaining 33 percent said Congress should raise the tax by 15 cents a gallon.

Generation Z, born into on-demand, tech-driven culture

Welcome to your next customers, Generation Z. They were born in the 21st Century, after the Millennials, and the oldest are now teenagers. Ford has produced a report, *Looking Further with Ford 2015*, that focuses on these tech-savvy, socially conscious consumers. Some findings particularly relevant to the auto industry:

- New technologies such as wearable gadgets and smartphone apps are transforming how consumers pay for goods and services, how and where marketers reach their customers and who people trust with their most valuable information.
- Because no one wants an outdated or obsolete product, access has become more important than ownership.
- Privacy has become a balancing act, and there is a trade-off between information consumers are willing to share and the benefits they receive in exchange.
- The definition of mobility is changing as the concepts of transportation and communication converge.

**The second woman to be sworn in as mayor of the
District of Columbia**



Mayor Bowser with WANADA President John O'Donnell at the mayor's inaugural reception, January 2, 2015.

Thought for the Week...

These fellows at Charlie Hebdo in Paris became the focus of a murderous rage (for publishing cartoons). If we'd all published them and said, "if you want to kill us, go to hell -- you're going to have to kill all of us!"

--Mark Steyn,
Canadian writer
SteynOnline.com



WASHINGTON AREA NEW AUTOMOBILE DEALERS ASSOCIATION