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Another consumer myth about car business confirmed

Service "upselling" proves rare

Despite the perception by the general public that auto dealerships routinely pressure customers to accept unnecessary maintenance or repair services, the experience is actually quite rare, according to the latest J.D. Power and Associates 2011 U.S. Customer Service Index (CSI) Study released last week.

Overall, only 7 percent of service customers in 2011 indicate that their dealer attempted to sell them service work that they perceived as unnecessary, the survey found. Indeed, among owners of one-year-old vehicles, only 4 percent indicated that the dealer tried to sell them unnecessary work.

Customer perceptions of "upsell" pressure have a notable impact on overall satisfaction with dealer service, Powers says, noting that among service customers who say they were not upsold, overall satisfaction averages 780 on a 1,000-point scale, or 78%. In contrast, among customers who say they experienced upselling from the dealer, satisfaction averages 642, or 64% — a difference of nearly 140 points, or 14 percent.

"Suggesting additional service work can actually benefit both customers and dealerships—customers may prolong the life of their vehicle, while service facilities gain additional revenue," said Jon Osborn, research director at J.D. Power and Associates. "However, it is key for dealerships to properly train their staff in the subtleties involved in adequately explaining the necessity and value of additional services without placing undue sales pressure on the customer."

Save the dates!

May 16

The WANADA Open
Lakewood Country Club
Rockville, MD

**WANADA Automobile Business
Seminar Series:**

April 21

Surviving a Factory Warranty Audit

May 21

F&I Certification

The Powers' study examines satisfaction among vehicle owners who visit a service department for maintenance or repair work. The CSI rankings are based on dealer performance during the first three years of ownership, which typically represents the majority of the vehicle warranty period. Five measures are examined to determine overall customer satisfaction with dealer service: service quality; service initiation; service advisor; service facility; and vehicle pick-up.

In the latest survey, Lexus ranked highest in customer satisfaction with dealer service among luxury brands for a second consecutive year with an overall CSI score of 846. Rounding out the top four nameplates in the premium segment were Jaguar (837); Cadillac (830); and Acura (828). Among luxury brands, Volvo and Porsche achieved the greatest improvements from 2010.

Among mass market brands, MINI ranked highest with a score of 805. Also among the top 10 brands in the mass market segment were GMC (803); Buick (799); Chevrolet (792); Kia (784); Hyundai and Smart, in a tie (783 each); Volkswagen (779); Ford (773); and Honda (765). Of mass market brands, Mazda and Suzuki achieved the greatest improvements from 2010.

The study also found that dealer service facilities have gradually increased their share of service visits and spending, particularly among customers whose vehicles are under warranty. Between 2007 and 2011, the share increased from 67 percent to 74 percent. During the same time frame, overall share of spending for dealer service visits increased from 70 percent to 73 percent.

"By becoming more competitive in terms of cost and convenience, dealer service facilities are making progress in capturing share from non-dealer service facilities," said Osborn. "Due to low sales levels during the past three years, service volumes for new in-warranty vehicles are expected to steadily decline through 2013. As a result, maintaining service customer share and loyalty will be vital to dealers in the coming years."

WANADA is front & center for SoberRide on St. Patrick's Day



Left to right: Kurt Erickson, president of WRAP; Kevin Reilly, Alexandria Hyundai; and George Pakidis, Red Top Cab.

As it has since the inception of the program some 15 years ago, WANADA stepped up at the Washington Regional Alcohol Program (WRAP) SoberRide rollout last week for the feast of St. Patrick's Day. WANADA Board member and resident Irishman, Kevin Reilly of Alexandria Hyundai, was present at the press conference announcement of St. Patrick's SoberRide, with a check from the dealer organization for \$5,000 to help underwrite the cost of the program.

Reilly presented WANADA's check to WRAP president Kurt Erickson at *Murphy's Grand Irish Pub* in Alexandria, VA, where they were joined by police representatives from area jurisdictions to inform the public of

the dangers of drunk driving and the availability of the free taxi rides offered via SoberRide to anyone who may have overdone their St. Patrick's Day celebrating. Those free taxi rides were

available from 4 pm to 4 am on St. Patrick' Day, March 17, as they are on other major holidays that WRAP observes with SoberRide.

SoberRide typically provides an average 550 free taxi rides each holiday and police estimate that as many as eighty lives are saved each year in the region because of WRAP's SoberRide efforts.

WANADA weighs in on Rockville Pike Plan

For the second time in a year, WANADA leaders went before Rockville City officials to present their input on zoning proposals affecting their businesses. Whereas the first dealer interaction was with the City Council and mayor on general zoning proposals, last week's hearing was before the city Planning Commission, which was putting forth their first draft of the plan for Rockville Pike that significantly affects existing and prospective commercial and residential property uses along the portion of the Route 355 corridor that goes through the city limits.

A big problem for dealers is that the planners didn't include dealerships as a "conforming use" in the plan, which is inconsistent with the general zoning changes recently approved by the City Council. Additional issues addressed by other businesses had to do with things like customer parking and the extent of tree plantings, all in the context of ultimate issues of "mixed use" zoning as between residential and commercial property holders.

As was the case with the previous zoning amendment process in Rockville, WANADA went on the record with city officials, as did several Rockville City dealers and their attorneys who have a working knowledge of what is being proposed and the far reaching implications of what will finally be approved.

This round of hearings by the planners begins the process of reordering the zoning for the Rockville Pike, which will continue forward in the months ahead. It is likely, too, that whatever Rockville City concludes in their planning for Rockville Pike will significantly impact what Montgomery County, at large, takes up for the entire Route 355 corridor.

WANADA members with questions on the Rockville Pike planning can contact Gerry Murphy at gm@wanada.org or (202) 236-4646.

Tamara Darvish honored with MD International Business Leadership Award

WANADA's NADA director Tamara Darvish of DARCARS, was presented the Maryland International Business Leadership Award last week by Maryland Governor Martin O'Malley at a ceremony in Baltimore to honor business leaders statewide who have made significant outreach efforts to the international community.

Ms. Darvish was one of seven business leaders so recognized at this year's event where Steven Phillips, of Phillips Seafood fame, was honored with the Governor's International Leadership Award, the highest award given in Maryland for sustained leadership in the international sector.

The leadership awards program is conducted by the World Trade Center Institute, the international business network in the mid-Atlantic region, which represents more than 2,500 Maryland firms joined together to build global connections for their businesses.



Gov. O'Malley with Tammy Darvish

DC Lottery Second Chance/Auto Show winner receives her 2011 Ford Fusion Hybrid

Andrewnette Martin of Oxon Hill, MD, drove home a happy person last week. She was the winner of the Washington Area Ford Dealers/DC Lottery Second Chance car giveaway promotion, which gives Powerball or Mega Millions contestants a "Second Chance" to try their luck at winning a car.

The promotion is an integral part of The Washington Auto Show, where lottery players pick up entry vouchers for the drawing. Ms. Martin received the keys to her 2011 Ford Fusion Hybrid from Ron Bortnick of Bortnick Ford in Upper Marlboro, MD, where she was joined by Buddy Roogow, executive director of the D.C. Lottery and John O'Donnell, executive vice president of WANADA.



Left to right: Buddy Roogow, DC Lottery; "Second Chance" winner, Andrewnette Martin; Ron Bortnick, Bortnick Ford; and John O'Donnell, WANADA

WANADA Automobile Business Seminar, Apr.21

Surviving a Factory Warranty Audit

Every dealership would like to think its warranty records can withstand the close scrutiny of a factory warranty auditor. But the fact is, a dealer's ability to produce clean, auditable records likely has been diminished over the years. If this describes your dealership, take notice and take action!



WANADA is offering a workshop with warranty audit guru, Rob Campbell, who will provide a checklist of issues and actual problems that every dealership needs to hear about, regardless of when they last had a warranty audit. "It's really not that hard to prepare for an audit, when you know what to look for," says Campbell, who has an extensive track record working with dealers.

Join fellow dealers on April 21, 2011 at WANADA headquarters to learn the in-and-outs of preparing for and passing a factory warranty audit.

Presenter: Rob Campbell, dealership analyst, Mironov, Sloan & Parziale, LLC
Date: Thursday, April 21, 2011
Time: 9:30 am
Location: WANADA Headquarters
Tickets: \$99/PP

To register please fax in the *form included*, below, or click on this link:

<http://www.wanada.org/2011-events/20110421SurvivingAFactoryWarrantyAudit.pdf>

Dealers can now print a fuel economy sticker for used vehicles

Dealers have a new and free tool to enhance their used vehicle marketing efforts. The Department of Energy and the Environmental Protection Agency, working together, have launched a website where dealers can now go to create and print mileage stickers for used vehicle inventory.

The sticker is in full color and features a stock photo of the vehicle in addition to city and highway mileage ratings as measured in federal testing. It also contains a QR code that can be read by Smartphones, which provides more detailed information on the vehicle.

Click on the link, below, to take advantage of the new technology. Note that the site has "crashed" several times since it was launched earlier this month because of heavy usage.

<http://www.fueleconomy.gov/feg/sticker.jsp>

Insurance with a personal touch

Employee benefits through WANADA

In this day and age of “push this button, push that button,” customer service can seem remote, if available at all. That’s why it’s good to know there are still vendors who believe in the *personal touch* and WANADA Employee Benefits is one. A hallmark of WANADA’s approach to dealership employee benefits is a face-to-face customer service and professional assistance every step of the way.

“We believe in *being there* for our member dealers and their people with the *best* employee benefits coverage and pricing that the market has to offer,” says John O’Donnell of WANADA. “Regular workplace visits and interceding on behalf of dealer members to the insurance carrier when it’s required is very much part of our job.”

WANADA’s Employee Benefits Program has been offering employee benefits since 1947 and specializes in the insurance needs of dealer employees. WANADA is appointed with all major insurance carriers in the market and staffed by a team of skilled, licensed professionals, offering the full gamut of insurance products needed by association members exclusively.

For more information on WANADA Employee Benefits, please contact Martha Kowalski, director of insurance programs at (202) 237-7200, ext. 24, or mk@wananda.org.

Key employee umbrella coverage now available from WANADA

Protect your assets! You and many of your key employees are probably not adequately insured against the pervasive threat of personal liability lawsuits which can run into the multi-million dollar range. Group personal excess insurance coverage provides a *low-cost, high-value executive benefit* protects you and your most important employees from such a devastating loss.

WANADA has an arrangement through CHUBB Insurance to provide umbrella coverage, with limits as high as \$25 million, at an extremely low rate. CHUBB Personal Insurance is one of the world’s premiere insurance companies, recognized internationally for its broad coverage, financial strength and reliable claims service. Act now to cover yourself and your key personnel.

Please contact WANADA’s John O’Donnell at (202) 237-7200 or jod@wanada.org for more information and to arrange a personal presentation.

Say what you mean, and mean what you say...

To say someone is “upper crust” connotes that they are upper class.

Here is why: Back in medieval times when bread was baked in large ovens, the lord of the manor and his peers got the first slice off the top; hence they became known as “upper crust.”

**The 2011 WANADA
Dealer Operations Seminar Series!**
Surviving a Factory Warranty Audit

**With: Rob Campbell
Mironov, Sloan & Parziale, LLC**

Thursday, April 21, 2011

WANADA Headquarters
5301 Wisconsin Ave., N.W., Suite 210
Washington, DC 20015

Session: 9:30 a.m. until 12:00 Noon

Cost: \$99 per person.

TO REGISTER, PLEASE RETURN THIS FORM AND PAYMENT TO:

**WANADA, 5301 Wisconsin Avenue, NW Suite 210 Washington, DC 20015,
or Fax to: (202) 237-9090**

Contact Kristina Henry at (202) 237-7200 or kh@wanada.org for more information

Please reserve _____ (# of) tickets for a total cost of \$ _____ for the following attendees:

Attendee(s) _____

Dealership _____ Submitted by _____

Address _____ City _____ State _____ Zip _____

Phone _____ Fax _____ E-mail _____

for registration confirmation

Method of Payment:

Check Enclosed \$ _____ Make checks payable to: Washington Area New Automobile Dealers Association

Credit Card (Visa, AMEX, MC, Discover) (Circle one) Credit Card# _____

Exp Date _____ Security Code _____

Name as it appears on card (please print) _____

Billing Address _____

City _____ State _____ Zip _____

Signature _____ Amount to be Charged _____

Cancellations accepted through April 19, 2011. No refunds after this date.