

THE WANADA BULLETIN

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

WANADA Celebrating 100 Years of Service (1917-2017)

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Staying Ahead...

OEMs commit to exhibit in the 2018 Washington Auto Show

Newseum in DC hosts WAS Space Draw



Bob Yoffe, Auto Show manager (left) with Tim Hansen, George P. Johnson Exhibit Organizers, at the WAS Space Draw

All major new motor vehicle OEMs reserved space in the 2018 Washington Auto Show last week in the landmark DC venue dedicated to journalism everywhere, the *Newseum*. In all, 32 OEMs took space in the 2018 WAS, pretty much selling out the entire Walter E. Washington Convention Center on two levels and in five exhibit halls. The floor plan for Halls D & E on the upper level is very similar to the 2017 Auto Show; while on the first level—Halls A, B & C—the floor plan has been completely redrawn from previous years and offers a whole new look.

The Washington Auto Show will be open to the public for ten days, commencing Friday, January 26, 2018 and will run through Sunday, February 4. *MobilityTalks International*®, an automotive symposium program that has become part of the WAS, will again have preeminent positioning in Industry/Media Days preceding the Show, rolling out world class speakers and panels of notables from the public sector and across the global industry circuit. In this regard, exciting plans are coming together with the U.S. Senate to convene its key Commerce Committee during Industry/Media Days, consistent with Washington's role as the auto industry's Public Policy Auto Show.



Diana Mayhew, president of The Washington Cherry Blossom Festival, presents a prospective co-promotion with The Washington Auto Show in 2019 when both events will occur in April.

New features are in the offing for 2018 as well, with Jaguar Land Rover committing for the first time to an extensive “Drive Experience” *inside the Convention Center*. The WAS will be the first in the country to host this unique event. More information on the “Drive Experience” soon.

An exciting side light presented to OEMs at the Space Draw is the prospect of The Washington Auto Show cross promoting itself in 2019 with the ever popular Washington Cherry Blossom Festival. In that year, the Auto Show will occur in April, which is the same time as the Cherry Blossom Festival.

With the floor plan now substantially in hand, Washington planners on WANADA’s 2018 Auto Show Committee will now focus attention on

programming for Industry/Media Days, to include the industry’s support of *MobilityTalks International*®.

“Our Washington Auto Show continues to make grand strides on the global circuit as the Public Policy Show because no other auto show in the world has the U.S. Congress down the street, which, for better or worse, is partnered with the industry on automotive design,” said John Ourisman, chairman of the 2018 Washington Auto Show. Joining Ourisman on the WANADA Auto Show Committee are Charlie Stringfellow, Malloy Hyundai; Daniel Jobe, Capitol Cadillac; George Doetsch, Apple Ford/Lincoln; Geoff Pohanka, Pohanka Automotive Group; Kevin Reilly, Alexandria Hyundai; and Mark Zetlin, Mercedes-Benz of Arlington.



OEM representatives at 2018 Washington Auto Show Space Draw

For more information on the Washington Auto Show go to www.washingtonautoshow.com, or contact John O’Donnell, producer of the WAS, at (202) 237-7200.

Consumers willing to pay for in-car technology

Consumers are willing to pay for advanced technology in their next new vehicle, with distinct preferences for different types of technology, according to a new study by IHS Markit.

The study, conducted in the U.S., Canada, Germany, China and the U.K., found that U.S. consumers are most likely to pay for a rear-seat entertainment system and will pay an estimated \$640. Telematics is also high among consumer preferences – integration of GPS technology with computers or mobile devices to produce navigation and safety systems. GM’s OnStar was an early example. IHS Markit forecasts that 87 percent of new vehicles sold in the U.S. will be equipped with telematics by 2022.

Across all five countries, 32 percent of respondents said they would be willing to pay for telematics in their next new vehicle, and 29 percent said they would pay for in-car WiFi. U.S. consumers would pay \$484 for telematics and \$472 for in-vehicle WiFi.



Consumers are often willing to pay for OnStar in cars like the Cruze Diesel sedan.

More than half of respondents said they already have a vehicle with an infotainment or navigation system that offers features such as roadside assistance, stolen vehicle assistance, crash notification or turn-by-turn navigation. These features also garnered the most interest for future vehicles in all five countries. The top choices were real-time traffic information, dynamic routing and maps that are updated wirelessly based on current conditions, wireless updates, roadside assistance and stolen vehicle assistance.

DC DMV implements service improvements

Per WANADA’s *Special Bulletin* to all members last week, June 29, DC DMV is implementing steps to improve service to dealers and resident automotive consumers.

Notably, DC DMV’s Online Dealer Interface System (ODIS) will no longer require fingerprinting when dealers register for ODIS. Additionally, expedited service is available to dealers in title processing for a fee of \$20.

[Click here](#) to review DC DMV’s latest issue of *Dealer News* from June 23, 2017.

Study explores economic factors behind light truck sales



People are more likely to buy SUVs, such as the Honda Odyssey, when disposable income is high and gas prices and unemployment are low.

The University of Michigan has done a study of how disposable income, the price of gas, and the unemployment rate affect sales of light trucks versus cars. The results, though not surprising, offer research to back up widespread hunches about sales trends.

When people have more disposable income, light truck sales go up, including SUVs and crossovers. When gas prices and unemployment are higher, more cars are sold.

The lowest percentage of car sales was matched with the highest disposable income, lowest gas price and lowest unemployment rate. The highest percentage of car sales was matched with the lowest disposable income, highest gas price and highest unemployment rate.

Gas prices have dropped and remain low, says AAA

The latest report on gas prices from the American Automobile Association found a national average price of \$2.29 a gallon after dropping for 17 consecutive days. The average price is five cents less expensive than a year ago. The two main factors affecting the price are the drop in demand since Memorial Day and the decision by the Organization of the Petroleum Exporting Countries (OPEC) to increase output.

The three jurisdictions covered by WANADA vary widely in price. Virginia, at \$2.07 per gallon, was one of the top ten markets with the cheapest gas when figures were reported; DC is the most expensive, at \$2.50 per gallon; and Maryland is solidly in the middle at \$2.27 per gallon.

SUVs with big increase in mpg sell better, Consumer Federation finds

SUVs, pickups and crossovers whose miles per gallon increased by more than 10 percent between 2011 and 2016 had a 59 percent increase in sales, according to a new analysis by the Consumer Federation of America (CFA). Vehicles with less than a 10 percent increase in mpg saw only a 41 percent increase in sales, almost 20 percent less.

“Clearly, the more improvement in mpg, the better the sales,” said Jack Gillis, CFA’s director of public affairs.

Of course, fuel economy may not be the only reason for the difference in vehicle sales. CFA noted the 166 percent increase in sales for the Toyota RAV4 (increase of 10 mpg) versus the GMC Terrain, which had a 1 mpg decrease and 6 percent increase in sales. The typical crossover now gets 10 percent better gas mileage than in 2011, CFA said.

The Trump administration has delayed review of the stringent fuel economy rules approved in the waning days of the Obama presidency.

New car quality at all-time high, J.D. Power survey says



The Kia Soul received the highest ranking for compact multi-purpose vehicle.

Customer satisfaction with new-car quality is the highest it has been in the 30 years of the J.D. Power Initial Quality Study, according to the 2017 results. The survey results are based on the number of problems experienced per 100 vehicles in the first 90 days of ownership.

“The industry has improved significantly in each of the past three years,” said Dave Sargent, vice president, global automotive at J.D. Power. “Today’s vehicles have more things that could go wrong, but fewer things that actually do go wrong.”

Audio/communication/entertainment/navigation systems continue to be the biggest problem areas, but they are also the most improved categories since 2016. Features, controls and displays make up other categories with many problems reported. The biggest increases in problems are all for semi-autonomous features: Cruise control (primarily adaptive cruise); the lane departure warning; collision avoidance/alert systems; and blind spot warning.

The Detroit Three outperform imports for the second year in a row, but only for the third time since the study was started in 1987. Kia ranks highest in overall initial quality for the second year running, followed by Genesis, Porsche, and Ford/Ram (tied).

Lincoln, GMC win AutoPacific Vehicle Satisfaction Awards

A less known but broader measure of owners' satisfaction with their vehicles is AutoPacific's Vehicle Satisfaction Awards. Now in its 21st year, the 2017 survey ranked Lincoln as the most satisfying premium brand and GMC as the top popular brand.

The awards are based on survey responses from more than 54,000 owners of new 2016 and 2017 cars and light trucks. The study measures owner satisfaction with 49 different attributes ranging from interior comfort and styling to fuel economy and performance.

"VSAs look at the big picture, which includes owners' experiences with their vehicle's quality and safety, but also goes deeper into the heart of the ownership experience," said AutoPacific president George Peterson.

The Genesis G90 received three awards: the President's Award (highest VSA score to date), the most satisfying vehicle overall, and the top luxury car.

House bill would exempt 100,000 autonomous cars from safety rules



Autonomous Toyota Prius modified by Google.

States would not be able to write their own laws governing autonomous vehicles under a bill proposed by Republicans in the U.S. House of Representatives. If passed, the measure would be a victory for automakers as they seek to avoid a patchwork of state laws, as they did with fuel economy standards. Under the bill, federal regulators could not require approval of autonomous vehicles before they are tested on public roads. That would be very different from the guidelines

developed under the Obama administration, which recommended that automakers voluntarily report on their testing of autonomous vehicles before putting them on the road. The Republican plan would treat data from testing of the cars as "confidential business information."

The bill would also exempt up to 100,000 autonomous vehicles from federal safety standards, such as requirements for steering wheels and pedals. Current law sets the limit at 2,500 vehicles.

In recent testimony before the Senate Commerce Committee, Mitch Bainwol of the Alliance of Automobile Manufacturers urged Congress to work to eliminate laws that would "unduly burden or restrict the use of self-driving vehicles in the future."

Who do consumers trust to build self-driving cars?

U.S. consumers trust technology companies slightly more than automakers to build self-driving cars, with ride-sharing companies, such as Uber, a distant third, according to a recent survey by Inrix. The winner of that market share battle will be important for automakers and their dealers.

“With hundred of millions of connected cars expected to be on the roads within the next 15 years, the market share will be owned by companies that can educate drivers and gain consumer trust,” said Bob Pishue, senior economist at Inrix.

The report found that familiarity with emerging technologies and their benefits will be central to winning customers. Current owners of connected cars are much more receptive to connected features, more trusting of data sharing and more likely to buy an autonomous vehicle.

Baby boomers are more skeptical of autonomous cars than millennials and members of Gen X, the generation between the other two. Baby boomers tend to believe autonomous vehicles will be less safe than cars today, and 53 percent said they are unlikely to buy one – even though 75 percent believe they will likely improve access for the elderly.

The blind spot warning is the most desired new car feature, followed by the stolen vehicle warning/tracking signal; night vision; road incident alerts and rerouting; and rear/front collision alerts.

WANADA Flu shot program registration now open

The winter flu may be the last thing on anyone’s mind right now, but WANADA offers this reminder that it will offer its flu shot program again this year – and registration ends August 31. Dealers who register early are more likely to get their choice of date.

Once again, the flu shot program will be available, on-site at WANADA dealerships, and administered by Norvar Health Services. The on-site service will be available for adults aged 18 years of age and older.

The fee will be \$24 per shot for the trivalent (three-strain) vaccine; \$31 for the quadrivalent (four-strain) vaccine; and \$48 for the high-dose trivalent vaccine for adults 65 and older. A minimum of 20 participants is required at each location. Locations with less than 20 participants will be billed as if 20 doses of the trivalent vaccine were administered.

To have your WANADA dealership or Kindred-line member company participate, register online at www.norvarhealthservices.com, under “Scheduling;” or call Norvar at (202)744-1360. Any request received after August 31 may be subject to vaccine availability.

Norvar Health Services will begin conducting on-site visits starting October 2. All scheduling will be done by Norvar upon submission of WANADA dealership registrations. Norvar will contact the dealer’s designated representative with the scheduled date/time and forward all appropriate forms. Norvar will invoice the dealership directly for all flu shots administered via the program, subject to the above-referenced 20 doses minimum.

In Memoriam:
Mandell J. Ourisman
Ourisman Dealership

It is with sadness that WANADA reports the passing of longtime Washington area dealer Mandell J. Ourisman of the Ourisman dealership group who passed away in the early hours of this morning. He was 90 years old.

WANADA Bulletin readers are asked to look for a *Special Bulletin* WANADA will publish tomorrow, July 6, 2017, with more detailed information about Mandy Ourisman's passing.

Staying Ahead...

The best way to predict your future is to create it.

--Abraham Lincoln

