

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

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#### Headlines...

A tale of two parts of the region's transportation plan – more roads in VA, fewer in DC Plan now for WANADA's Sales Training Seminar, September 10-12

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## A tale of two parts of the region's transportation plan More roads in VA, less in DC

The National Capital Region Transportation Planning Board (TPB) last month approved 20 road or bicycle and pedestrian projects to be added to the region's constrained long-range transportation plan. Accordingly, the Virginia Department of Transportation proposed projects to build new roads, widen existing ones or otherwise add roadway capacity. DC went the other way, proposing lane-reduction or reconfiguration projects and changes to bike lane projects already in the plan. Virginia's proposals are designed to accommodate expected growth, and DC's changes are designed to improve bicycle and pedestrian safety.

Virginia's plan calls for widening parts of Leesburg Pike, Jefferson Davis Highway, the 495 Express



VDOT has proposed widening and building roads to add capacity.

Lanes on the Capital Beltway and I-395. The updates also include new on- and off-ramps on the Dulles Toll Road near Tysons Corner and Leesburg and at the Beltway, plus a study of a new bypass in Manassas between Route 234 and I-66. Two of the projects need further study before TPB will approve them: the proposed new highway between Loudoun County and Dulles



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Airport on the airport's western side, and the construction of two new lanes each way along part of the Dulles Toll Road between Spring Hill Road and Wiehle Avenue in Fairfax County.

Most of DC's proposals would remove one travel lane in either direction from roads that have four or six lanes. In most cases, the changes would slow traffic to a safer speed.

#### Plan now for WANADA's Sales Training Seminar, September 10-12

WANADA will again offer its popular three-day Sales Training Seminar, Tuesday, September 10, to Thursday, September 12. Graduates will learn showroom-proven sales techniques perfected through repeated role-play to ensure understanding and long-term retention.

Participants will learn both interpersonal and consultative selling skills, including:

- gaining early control of the sales process
- conducting an effective consultation
- performing a dynamic, value-building six-position product presentation
- giving proper demonstration techniques
- getting a commitment to "write the deal"
- "walking the trade"
- negotiating properly
- the correct way to T/O
- proper delivery techniques and purchases
- proper follow-up



WANADA's popular sales training class is less than a month away.

James Elwell of Koons KIA who took the class earlier has since been promoted to sales manager had this to say. "This class absolutely helped me and gave me a foundation for success. Now I want to send my salespeople to the same class I attended!"

Another former participant, Dan Donahue, a salesman with Manassas Chrysler/Dodge/Jeep/Ram, says of the experience, "I hit the ground running with confidence and took away invaluable pointers that have stuck with me."

The class will be taught by the Academy for Automotive Professionals at WANADA headquarters in Washington, DC. For a registration form, <u>click here</u>. For questions, contact Kristina Henry at 202-237-7200 or <u>kh@wanada.org</u>.

#### 18 million sales by 2019, analyst predicts; other forecasts lower

North American light-vehicle sales will soar to 18 million by 2019, predicts IHS Automotive's Mike Jackson, who directs the North American vehicle production forecasting there, according to WardsAuto. Jackson spoke at the Management Briefing Seminars sponsored by the Center for Automotive Research (CAR) in Traverse City, Mich. last week.

IHS forecasts 16.5 million sales this year and 17 million-plus in 2014. Auto sales should be "98 percent recovered by 2016," Jackson says. Some reasons for the increase in sales are improved consumer confidence, lower unemployment and the higher cost of owning older cars.

CAR, itself has a more cautious forecast. Looking only at U.S. sales, economist Sean McAlinden forecasts sales of 15.4 million this year, 15.7 million next year and 15.9 million in 2015 and 2016. Other economists say the employment picture is too shaky for a stronger forecast.

#### Are millennials less interested in cars, or less able to afford them?



Can young people afford their own car?

Much has been written about how millennials – those born after 1980 – would rather text than drive to see their friends. Is this idea an exaggerated stereotype, or a potential cause for concern?

GM chief economist Mustafa Mohatarem says the problem isn't lack of interest, but lack of money. With the unemployment rate for 16- to 19-year-olds nearly 25 percent, student loan debt at a record high, and estimates for the average new car ranging from more than \$27,000 to \$31,000, young people may simply be priced out of the market. But Mohatarem is convinced that as they get older, their

employment picture will improve, they can pay off their debt, and they'll be ready to buy cars. The likely continuation of low interest rates and inflation should help.

What dealers and automakers should worry about is the generation between millennials and baby boomers, says Citi Investment Research analyst Itay Michaeli, according to the *Detroit News*. The company's surveys show that people aged 35 to 44 don't plan to buy additional vehicles in the next two years, mainly for financial reasons.

#### Improved vehicle quality drives average age to 11.4 years

Even as new-car sales rise to pre-recession levels, Americans are keeping their cars longer. The average age of vehicles on the road has hit a record high of 11.4 years, says research firm R.L. Polk. And the company expects that number to keep rising.

The average age has been increasing steadily since 2002, when it was 9.6. In the most recent analysis, Polk found that the volume of 6- to 11-year-old vehicles is declining, and of those 12 years or older are rising. "Cars are higher quality and are lasting longer," Polk vice president Mark Seng told the *Detroit News*. The scrappage rate has dropped by half since the recession, he said.

The average age of cars on the road won't start to fall until new-vehicle sales have stayed high for several years, Peng said. Polk forecasts that the total number of vehicles on the road will grow 5 percent to more than 260 million by 2018. The number of vehicles 0 to 5 years old should grow by 41 percent while those 6 to 11 years falling by 22 percent, and those 12 years or older rise by 11.6 percent.

## Engineers expect fuel economy standards will get tougher

A midterm review of the 2025 fuel economy standards will likely bring tougher standards, says a WardsAuto survey of more than 1,300 engineers and designers who work to bring vehicles in compliance. The law requires a corporate average fuel economy (CAFÉ) of 54.5 mpg by 2025.

A solid 47 percent of respondents expect the review to result in stronger standards, while 24 percent say they will stay the same. Only 8 percent think the regulations will be rolled back. The engineers say it will be quite possible to meet the standards, mostly because of strong technical improvements and automakers' willingness to spend money to reach the target.

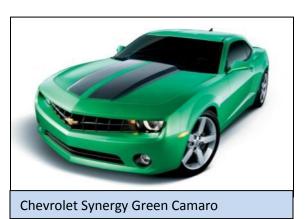
"Technology is proving to deliver what once was thought impossible in terms of power-to-consumption ratios for normal sized vehicles," one engineer said. "Lightweighting" in systems throughout the vehicle is particularly helpful in meeting the standards, respondents said.

#### OSHA targets body shops with new enforcement program

Last month the Occupational Safety and Health Administration (OSHA) announced a new National Emphasis Program (NEP) aimed at helping to protect workers from the health effects (including asthma and sensitization) of occupational exposure to isocyanates, a class of chemicals sometimes found in automotive refinish systems. The NEP specifically targets auto body shops. OSHA will use targeted inspections, employer outreach and compliance assistance.

Dealers with body shops should review NADA's <u>A Dealer Guide to the OSHA Respiratory</u> <u>Protection Rule</u>. Any dealership interested in reviewing its general compliance with federal and state health and safety standards should consider taking advantage of NADA's <u>OSHA On-Site Consultation Program</u>, which offers free, confidential safety compliance reviews for small- and medium-sized businesses. For more information on the isocyanate NEP, click <u>here</u> or email NADA Regulatory Affairs at <u>regulatory@nada.org</u>.

## Green is gaining in car color popularity



When it comes to car colors, it looks as if green may become the new black – or the new white or silver, which have been the top colors for years.

Global chemical company BASF spends a lot of time studying trends in car colors. It's not the simple matter it might appear. "With new technologies, new models and new mobility concepts, a shift in values is on the horizon," says Mark Gutjahr, BASF's head of design Europe. "In this context, green as the color of growth and a new beginning is playing a key role."

Color preferences vary by region. "The design language in Europe is characterized by soberness and quality," says a statement from BASF, and – wouldn't you know it? – "clarity and directness characterize the colors" in North America. Green-yellow is also gaining in popularity on this side of the pond.

#### Traffic app lets frustrated drivers email members of Congress

A new "I'm stuck" cell phone app allows drivers who are stuck in traffic or on public transportation to email their members of Congress to express frustration about their wasted time and to urge Congress to address the nation's infrastructure problem. In the first week, the app was downloaded nearly 10,000 times, and more than 1,000 messages were sent to members of

Congress. The app was created by Building America's Future (BAF), *a bipartisan* coalition advocating for more spending on transportation infrastructure.

The total cost of congestion on America's roads in 2011 was \$818 per commuter, according to the Texas A&M Transportation Institute Mobility Report. The Washington area is one of the worst in the nation for congestion.

"With over 1,000 messages sent to members of Congress in just the last week, Congress cannot ignore our failing transportation system," BAF president Marcia Hale said in a statement. "We need to end the partisan gridlock, pass a proper transportation bill and fix our bridges and roads."

# WANADA's dealer employee flu shot program – Sign up before August 31!

Flu prevention may be the last thing on your mind in the dog days of summer, but the deadline to sign up for WANADA's flu shot program is fast approaching. The program will again be available on-site at WANADA dealerships and administered by Norvar Health Services. The service will be available for adults aged 18 and older. For adults younger than 65, the fee will be \$23 per shot, with a minimum of 20 participants required at each location. Site visits begin after Labor Day.

To have your dealership participate, register online at <a href="www.norvarhealthservices.com">www.norvarhealthservices.com</a>, under "Scheduling." Any request received after August 24 may be subject to an increased fee and subject to vaccine availability to Norvar Health Services.

All scheduling will be done by Norvar upon submission of your registration. 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 through the program.

If you have questions, please contact Joe Koch at WANADA at (202) 237-7200.

#### Thought for the week...

Journalism is the first rough draft of history
--Philip Graham
Publisher of the Washington Post, 1946-1963

WASHINGTON AREA NEW AUTOMOBILE DEALERS ASSOCIATION