

THE WANADA BULLETIN

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

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Headlines...

WANADA invites service managers to ADEI lunch August 17

Dealerships with a code of ethics attract customers

Fleetwide fuel economy up slightly in July

Car-sharing will have minimal effect on vehicle sales

GM: Autonomous cars could be for sale in 10 years

How autonomous vehicles could affect sales: 3 scenarios

Washington area drivers waste \$1,834 per year on commuting

Vehicle breakdowns at record high, says AAA

Virginians, Marylanders hate their job more than most

Staying Ahead...

WANADA invites service managers to ADEI lunch August 17



ADEI has great candidates for any dealers who need more entry-level technicians.

Following the success of the previous information session and lunch, the Automobile Dealer Education Institute (ADEI) is again sponsoring a lunch at Montgomery College for anyone interested in learning more about the Technician Development Program.

The luncheon will be Wednesday, August 17, from 11:30 a.m. to 1:00 p.m. It will take place in the shop area of the Homer S. Gudelsky Career Center on the Rockville campus of the college -- North Campus Dr. and Hungerford Dr. (MD 355). The event is open to dealership service managers, mentors and students.

The first day of school for the Fall semester at MC for the introductory course on Brakes & Suspension will be Tuesday, August 30. ADEI students in their second semester of Technician Development will start classes at MC on Aug. 31, with the remaining upper classmen resuming classes on Sept. 1. If any dealers need additional entry-level techs, ADEI still has a great pool of candidates. For more information, contact WANADA Member Services Representative Billy Painter (below).

Interested individuals should RSVP as soon as possible to Billy Painter at bp@wanada.org.

Dealerships with a code of ethics attract customers

Half of automotive consumers say they are more likely to shop at a dealership if it has a code of ethics that is publicly displayed, according to a recent survey by Total Dealership Compliance, an auditing firm.

“A code of ethics is designed to reinforce a dealer’s personal commitment to quality service and high ethical standards,” said Max Zanan, president of TDC.

The survey also found that a majority of consumers polled said they believe that dealerships generally are not ethical in their business practices.

Fleetwide fuel economy up slightly in July

The average fuel economy of new vehicles sold in the U.S. in July was 25.4 mpg, up 0.1 mpg from June. Fuel economy is down 0.4 mpg from the peak reached in August 2014, but up 5.3 mpg since October 2007, when the University of Michigan first started tracking the figures.

The University of Michigan Eco-Driving Index, which estimates the average monthly emissions of greenhouse gases generated by an individual driver, dropped slightly from April to May (the lower the value the better). The average new-vehicle driver produced 18 percent lower emissions in May 2016 than in October 2007, but 4 percent higher emissions than the record low reached in August 2014 and August 2015.



Car buyers have long tied their vehicle choice to gas prices. Photo by Anthony Inswasty.

Gas prices remain low and on August 1 reached their lowest level in 100 days, according to the American Automobile Association. The price of gas has long driven consumer preference in car buying.

Americans are anxious for automakers and state transportation agencies to do their part to reduce carbon pollution, according to a recent poll by the Natural Resources Defense Council. A full 95 percent of Americans want automakers to keep improving fuel economy for cars and trucks, with 79 percent saying the government should keep increasing fuel efficiency standards.

And 78 percent of those surveyed agree that “state transportation agencies should take vehicle-related carbon pollution and climate change into account when developing transportation plans, and also seek ways to reduce that pollution.”

Car-sharing will have minimal effect on vehicle sales

Car-sharing services such as Zipcar will have a minimal effect on new-vehicle sales, according to a recent study by the Center for Automotive Research (CAR).

Most households that use car-sharing services do not own a vehicle, the report says. In North America, on average, 41 percent of car-sharing users chose to postpone or forego a vehicle

purchase because of car-sharing. Another 20 percent got rid of one or more vehicles after becoming car-sharing users.

CAR estimates that in 2021, one shared car will replace 7.75 private vehicles in the U.S. But the effect on sales will be partially offset by sales to car-sharing fleets, where vehicles will likely be replaced every three years.

“Between 2010 and 2021, more than 137,500 sales will be lost in the United States because car-sharing members no longer need to buy their own vehicle,” says the CAR report. “By comparison, 55 million new and used vehicles were sold annually in the United States on average in the 2010-2015 period.” Hence, the effect of car-sharing will be minimal on vehicle sales.

GM: Autonomous cars could be for sale in 10 years



The Cadillac CT6 is scheduled to introduce the hands-free, pedals-free Super Cruise system in 2017. ©General Motors.

GM could be selling fully autonomous cars to consumers in 10 years, Mark Reuss, GM’s head of global product development, said at a cybersecurity conference recently. They could be sold to ride-sharing services in some cities in five years.

At the same conference, GM CEO Mary Barra, mindful of the recent Tesla crashes, said the cars first should be tested with human drivers who could take over if necessary, according to the *Detroit News*. GM plans to debut its hands-free,

pedals-free highway driving feature, the Super Cruise, on the Cadillac CT6 next year.

NHTSA Administrator Mark Rosekind, who also spoke at the conference, has often expressed optimism about the potential of autonomous driving to save lives.

“Of course we have to do everything we can to make sure new technology does not introduce new safety risks, but we also can’t stand idly by while we wait for the perfect,” Rosekind said, after noting that 35,000 Americans were killed on the road last year.

He said that NHTSA estimates 613,501 lives were saved by auto safety technologies in the past 50 years.

How autonomous vehicles could affect sales: 3 scenarios

ALG, a subsidiary of TrueCar, has come up with three scenarios for the way autonomous vehicles (AVs) could affect sales by 2030: no effect, an 8.6 percent decrease in vehicle sales or a 41 percent drop in sales.

The analysts looked at three instigators of vehicle demand: ownership mix (fleets vs. privately owned vehicles), occupancy of each vehicle type, and the lifespan of each vehicle type. The first scenario assumes that privately owned AVs would perform like their conventional counterparts, with vehicle occupancy and lifespan unchanged. Overall sales would not change.

In the second scenario, vehicle-to-infrastructure technology has been accepted by NHTSA and taxpayers, and most Americans are happy not to drive themselves. Single-occupancy commuting in privately owned vehicles disappears. One-quarter of household driving needs are met by AV fleets. Nearly one-quarter of passenger miles shift to higher-occupancy, longer-lasting vehicles. As a result, vehicle sales would drop by 8.6 percent.

Scenario 3 is the most drastic. Three-quarters of passenger miles are served by AV fleets rather than private vehicles. Fleet vehicles would have 25 percent higher occupancy and 25 percent longer lifespan. Vehicle sales would decline by 41 percent. As for dealers, the report says, “They’re well positioned to maintain AV fleets and their real estate may be valuable to fleet operators for downtime storage.”

There is another possibility: If AVs create less congestion and people can make productive use of their commuting time because they don’t have to do the driving, they may be willing to accept longer commutes. If they still want single-occupancy trips, there could then be an *increase* in vehicle production.

Washington area drivers waste \$1,834 per year on commuting

The Washington area has the most costly commute in the country in wasted time and fuel costs, according to a recent study by the Auto Insurance Center. The annual cost per commuter is \$1,834, higher than New York, Los Angeles or San Francisco. The lowest annual cost is in Turlock, CA, where drivers spend just \$31.00.

The cost is based on the value of travel time delay (estimated at \$17.67 per hour of person travel and \$94.04 of truck time) and excess fuel consumption (estimated using state average cost per gallon for gasoline and diesel).

Drivers in the Washington area waste 82 hours a year sitting in traffic, the most of any metropolitan area in the country. Area drivers won another distinction in the commuting misery sweepstakes – over a 40-year career, Washingtonians will spend 6.8 months of their lives in traffic jams.



Area drivers waste 82 hours a year sitting in traffic.
Photo by Steven Damron.

Vehicle breakdowns at record high, says AAA

Despite advances in vehicle technology, including maintenance reminders and other dashboard alerts, the American Automobile Association rescued a record-breaking 32 million drivers in 2015, with more battery, flat tire and key problems than ever before, a new study shows.

Vehicles less than five years old had a higher proportion of tire and key-related problems, suggesting that the trend toward eliminating the spare tire and moving to electronic keyless ignitions may have unintended consequences.

“Vehicles today are more advanced than ever, yet are still vulnerable to breakdowns,” said Cliff Ruud, AAA’s managing director of Automotive Solutions. “Sleek, low profile tires are highly susceptible to damage, electronic keyless ignitions can zap battery life, and despite advanced warning systems, more than half a million drivers ran out of gas last year.”

Vehicles between 6 and 10 years old have the most battery problems, as most batteries have a three- to five-year life, AAA reports.

Virginians, Marylanders hate their job more than most

Maybe it’s the commute. But Virginia is second and Maryland sixth on the list of the top 10 states where people took to Twitter to discuss how much they hate their job. The finding is from the second annual Monster and Brandwatch Job Report, a social media study of job sentiment.

The top jobs of workers in Maryland and Virginia who hate their jobs were network engineer, civil servant, HR assistant (Maryland) and IT specialist (Virginia).

Staying Ahead...

Choose a job you love, and you will never have to work a day in your life.

--Confucius

