

THE WANADA BULLETIN

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

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August 21, 2014

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Last call to sign up for ADEI Tech Training term **Classes start next week for line tech refresher courses & tech development**



The fall semester will offer the first three of ADEI's five Technician Training modules, with a third campus added.

Fall classes start next week, August 26, 2014 for the Automobile Dealer Education Institute (ADEI), WANADA's popular Technician Training Program, in suburban Maryland and Northern Virginia. The fall, 2014 term marks the launching of ADEI Technician Training at Hayfield Academy in Springfield, Va, in addition to programs offered at Marshall Academy in Falls Church, Va. and Montgomery College in Rockville, Md.

Technician Development, ADEI's core program, prepares students to become productive line technicians while they work full-time at the dealership. *New this year,*

existing line techs can select from a menu of ADEI Technician Training courses for refresher purposes at any one of the three locations mentioned above. The ADEI curriculum includes five modules, each focused on specific ASE Certifications, plus provision for manufacturer-specific training. The course and curriculum are *NATEF Certified*, the industry's gold standard of technical education.

For more information, call or email Billy Painter, ADEI program manager, at bp@wanada.org or 202-236-2270 (cell) or 202-237-7200 (office).

Wholesale prices fall at fastest rate since October 2013

Wholesale prices saw an unusually steep decline in July for a summer month, as prices of vehicles up to eight years old fell 3.5 percent, say NADA Used Car Guide analysts. The average monthly drop from 2011 to 2013 was just 1 percent. July's decline was the steepest since last October.

From December to February, prices jumped by 4 percent, the highest rate in three years. The July drop can be seen as a belated adjustment to that sharp increase, which NADA says was caused by temporary factors.

Successful new-vehicle sales in the spring and summer could have contributed to July's wholesale price drop. The increase in new sales has brought more trade-ins.

Nonluxury cars depreciated more than trucks and SUVs in July. The mainstream segments that saw the most depreciation were midsize and compact cars and subcompact cars.

Even with the wholesale decline, year-to-date prices are still 2.3 percent higher than a year ago. Leading segments are large pickups (up 11.2 percent from a year ago) and large SUVs (up 6.2 percent).



Large pickups like the Chevrolet Silverado saw an 11 percent jump in wholesale prices from a year ago.

American Arbitration Assn. will soon require registration

Starting September 1, the American Arbitration Association (the other AAA) will require any business that wants the AAA to administer its consumer arbitrations to register. That means registering the business's consumer arbitration clause with the AAA's new Consumer Clause Registry.

AAA developed the Registry to provide public access to information about the AAA's consumer arbitration services. The Registry will provide a list of businesses with arbitration clauses that the AAA has determined comply with its standards.

Interested dealers must submit their arbitration clauses with the consumer review and registration fee (\$650 in the initial year and \$500 in subsequent years).

Under the AAA Consumer Due Process Protocol, agreements to arbitrate require that consumers be given:

- (1) Clear notice of the arbitration provision and its consequences, and information about whether it is voluntary or mandatory.
- (2) Reasonable access to information about the arbitration process, including basic distinctions between arbitration and court proceedings, related costs and advice about where to get more information.
- (3) Notice of the option to use small claims court procedures as an alternative to binding arbitration as appropriate.
- (4) A clear statement of how the consumer may submit disputes to arbitration or to court.

The AAA suggests putting the arbitration notice in a prominent place. For more information, go to www.adr.org.

Thanks to Michael Charapp of Charapp & Weiss LLP for providing this information.

Young buyers enjoy no-pressure dealership browsing

Millennials (aged 16 to 32) are most likely to be introduced to their car of choice through a family member or friend – unlike baby boomers, who are most likely to be introduced to their car on the dealership lot. That's one finding of a new survey of millennials and cars by AutoTrader.com.

Millennials enjoy browsing the dealership lot more than older generations and depend more on the salesperson for information. But “millennials want time and space to make the right decision and will value the salespeople who provide the information they seek in a no-pressure way,” said AutoTrader.com senior research director Isabelle Helms.



Other findings from the survey:

- Millennials say the brands that fit them best mirror the image they have for themselves: stylish, sophisticated and innovative.
- They are most likely to buy mainstream brands – in order, Honda, Chevrolet, Toyota and Ford – even when price is not an object.
- They say the brands that most reflect their personality are Audi, Honda, Mercedes, Toyota, BMW and Chevrolet. “While millennials may not be able to afford many of these brands now, the brand fit metric is a good way to look at where the market is headed,” said Rick Wainschel, vice president of automotive insights, AutoTrader.com.
- More than 70 percent of younger millennials said *infotainment* features are “must-haves.”
- For younger millennials, style and features drive vehicle satisfaction, and for older millennials, safety and performance do.

It costs much more to drive in Maryland than in Virginia

Maryland is the 12th most expensive state to drive in, according to a recent study by Bankrate.com. DC (counted here as a state) comes in 17th and Virginia is 40th.

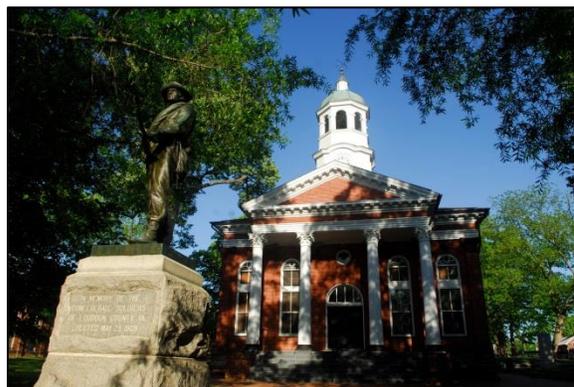
The ranking is based on estimated costs for repairs, insurance and gas. Maryland drivers spend a total of \$2,368 a year. The DC total is a bit less at \$2,283, but the District is the second most expensive for insurance premiums, at \$1,273. Virginia trails, with a total cost of \$2,104.

The most expensive state for car ownership is Wyoming (\$2,705), mainly because drivers there spend a whopping \$1,588 on gas. The least expensive state is Iowa (\$1,942). It has the cheapest car insurance rates in the country, an average of just \$630 a year.

Four of top 10 counties to live in are in Washington area

Real estate website Movoto called Loudoun County, Virginia, the best county to live in nationwide, out of more than 600 it studied. Three other Washington area counties make the top 10: Fairfax County (3rd), Montgomery County (8th) and Frederick County (9th). The rankings are based on unemployment rates, median household incomes, median rents, median home prices, percent of families below the poverty line and high school graduation rate.

Loudoun County was the obvious winner, Movoto writes on its blog, with the highest rents and household income, just 4.85 percent unemployment and only 2.5 percent of families below the poverty line, and an impressive high school graduation rate of 93 percent. Fairfax County had the second highest household income (\$103,010). Montgomery and Frederick counties were near the top on all rankings.



Loudoun County Courthouse in Leesburg.

Gas prices lower, expected to keep falling through year end

Regular gasoline prices fell to an average of \$3.61 per gallon in July, 8 cents below the June average, the U.S. Energy Information Administration (EIA) said in its Short-Term Energy Outlook. Gas prices are projected to fall to an average of \$3.30 per gallon in December.

EIA expects retail gas prices to average \$3.50/gallon in 2014 and \$3.46/gallon in 2015, compared with \$3.51/gallon in 2013.

EIA Administrator Adam Sieminski said in a statement that the United States will produce more oil next year than any year since 1972.

Nearly 70% drive while drowsy, others ignore 'check engine'

Everyone engages in unwise driving behavior occasionally, but a recent CarInsurance.com survey shows the alarming extent of it. Nearly 70 percent of the 2,000 drivers surveyed admitted to driving when they were too sleepy to do so.

Other times that people who drove said they should not have: They were sick enough to be in bed but got up to drive (35 percent) or they were less drunk than a friend (23 percent).

At other times it is the car, not the driver that should not be on the road. People who should not have driven did so despite the following: "check engine" light was on (61 percent), could not see through snow or ice on the windshield (32 percent), or windshield wipers not working (26 percent).

Optional holiday business hours signs for Labor Day, Sept. 1

With Labor Day, 2014 a little more than a week away, Sept. 1, WANADA mailed *optional* holiday business hours signs to all dealer members, offering, for the first time, two varieties: the traditional *holiday closing* signs and signs with an alternative *holiday open* approach.

As has always been the case, the holiday closing signs have space to write in the dealership specifics of what hours the store will be closed, with an extra set to cover the service department along with the show room. The “We Will Be Open Labor Day” approach does the same thing as holiday closing, except it works from the premise that the dealership, at large, is open for the holiday.

The optional holiday business hours signs have been printed by WANADA over the years so dealer members can communicate to customers, via window and/or wall postings, how their hours will work during major holidays, which besides Labor Day, are Thanksgiving, Christmas, New Years and July 4th.

WANADA dealers -- or Kindred-Line members with store fronts -- in need of additional holiday business hour signs can contact Kathy Teich at (202) 237-7200 or kt@wanada.org.

Position Wanted

General Manager. A seasoned, management professional with executive leadership experience is seeking a position in a related capacity. The applicant holds a bachelor’s degree from Virginia Tech and has worked as a general manager in Washington metro area dealerships for over 15 years.

Anyone interested can contact Joe Koch at WANADA (202) 237-7200, or jk@wanada.org.

Notice

Position(s) Wanted is a WANADA member program for dealer and Kindred - line employers, such that WANADA refers persons seeking employment in a variety of capacities. These individuals present to WANADA various workplace experiences and credentials. All employment information from the Position(s) Wanted Program that prospective employers receive on referral from WANADA is subject to verification by prospective employers. WANADA, accordingly, is not responsible to prospective employers for information provided by persons utilizing the Position(s) Wanted Program. WANADA does not refer anyone seeking employment through Position(s) Wanted who it knows to be employed by a new car dealer at the time they are using the Position(s) Wanted Program.

Staying Ahead...

Samsundar Balgobin, reputed linguist, was speaker at an international conference of his peers in London when a colleague asked him to distinguish between the words “complete” and “finished,” to which Balgobin responded:

“When you marry the right woman, you are ‘complete.’ If you marry the wrong woman, you’re ‘finished.’ And if the right one catches you with the wrong one, the odds are you’re ‘completely finished’”