

THE WANADA BULLETIN

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

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September 18, 2013

Headlines...

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WANADA's experts can help your employees navigate the health care exchanges and compare plans. Photo by hang_in_there.

With employers required to notify employees about ACA state exchanges by Oct. 1, WANADA can explain health coverage options to dealer staff

As is well known, the Affordable Care Act (ACA) requires all employers to notify their staff about the existence of the new state health care exchanges by October 1.

As has been well publicized here and elsewhere, the U.S. Department of Labor has published an ACA state exchange employee notification form that

employers *must use*. For everyone's convenience, the DOL state exchange notification form is



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available by [clicking here](#). With this notification form in hand, an employee may next want to know: “How do I contact my state exchange?” (i.e. the state exchange where the employee lives.) WANADA dealer staff simply can go on to WANADA’s website which has links directly to the DC, Maryland and Virginia exchanges: www.wanada.org

WANADA members should make a note of this as well: WANADA’s licensed health coverage professionals can help assist your employees in understanding what state exchanges do and do not do as well as what their health coverage options are.

Here are some things in this connection to keep in mind. The exchanges – run by the state of Maryland, the District of Columbia and the federal government for Virginia – will have “navigators” to answer questions about the exchange. These navigators, however, can’t sell insurance and very well may not be up to speed on insurance plan options, let alone the various internal aspects of healthcare networks. WANADA’s health coverage professionals will take care that your people know what they need to know about their benefits so they are on board with the dealership.

Whether insured through WANADA or not, all dealer members are encouraged to direct their employees who want information on the state exchanges to talk to WANADA’s licensed health coverage professionals.

For more information, contact Ed Mullaney or John O’Donnell in the WANADA office at 202.237.7200.

At Frankfurt Motor Show, automakers push EVs, hybrids

Automakers at the Frankfurt Motor Show last week were pushing their electric vehicle and hybrid credentials. Volkswagen, which in the past had pooh-poohed electrics and pushed diesels, now says it plans to be the global EV leader by 2018.

Manufacturers say they want to be prepared for more stringent government regulation – not just the rules already on the books in the United States but those expected in Europe and China.

“Short-term, nobody will get a return on these investments,” Daimler AG chief executive Dieter Zetsche told the Associated Press. “But definitely, long term, the development will go in this direction, and if you don’t learn this lesson today, you will not be in the game tomorrow.”

Although the Toyota Prius is now in the top 10 selling cars in the United States and EV sales numbers are slowly growing, battery cost and range anxiety – concern about how far the car can drive on a battery charge – are obstacles to continued growth. And ALG has just cut residuals for EVs, hybrids and plug-in hybrids, a move that will likely raise lease payments and reduce consumer demand.



VW plans to be the global EV leader by 2018 with vehicles such as the e-Golf.



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In Frankfurt, Volkswagen showed an electric version of the Golf, which will go on sale in the United States in early 2015. It also has a plug-in hybrid Audi A3 Sportback and battery-assisted Porsche 918. The company plans to have 40 hybrids, plug-ins and battery-electrics by 2018.

Nissan also plans to be the EV leader. Andy Palmer, Nissan Motor Co. executive vice president, notes that Nissan has 75,000 EVs on the road now, while VW has none. “Electric and cars are as inevitable as taxes and death,” Palmer told the *Detroit News*.

WANADA Reps visit Frankfurt to promote Washington Auto Show



GM design chief, Ed Welburn flanked by David Catania, DC City Council (left) and Kevin Reilly, WAS chairman

WANADA Auto Show Chairman Kevin Reilly led a team of representatives that included the Hon. David Catania from the DC City Council to last week’s Frankfurt Motor Show to call on automakers relative to their plans and commitments to exhibit in Washington’s 2014 Auto Show, Jan 21 through Feb 2. While there, WANADA also interacted with a variety of allied industry partners, which included OICA (International Organization of Motor Vehicle Manufacturers), which earlier this year certified Washington as one of several tier one U.S. auto shows, in addition to Detroit. Besides Messrs. Reilly and Catania, Washington reps in Frankfurt included Gerard Murphy, WANADA CEO and WAS producer; John O’Donnell, assistant CEO; Barbara Pomerance, WAS promotions director; and Bob

Yoffe, show manager.

NoVa Rotary Clubs to buy tools for ADEI Tech Development students

Classes for students with the Automobile Dealer Education Institute (ADEI) Auto Technician Development Program are back in session in Northern Virginia. And the Falls Church Rotary Club, like sister clubs in Suburban Maryland, is on board from the outset with support for ADEI training by committing to purchase Snap-on tools for the students.



Bilal and Tin Tin Raschid Northern Va Rotary leaders with Billy Painter of WANADA.

Spearheading the effort is past governor of District 7610 in Northern Virginia Tin Tin Raschid and her husband Bilal Raschid, who have been longtime supporters of ADEI Technician Development and what it offers to young adults on career paths.

The Virginia classes are again at Marshall Academy in Falls Church, running from 4 p.m. to 8 p.m. Tuesday and Thursday.

For more information on ADEI's Tech Development Program, [click here](#), or contact Billy Painter at bp@wanada.org or Ralph Frisbee rf@wanada.org or call the WANADA office at (202) 237-7200.

Another advertising consideration...

More Internet shoppers using tablets to shop for cars

Among new-vehicle buyers who use the Internet to shop for a car, one-half are open to any brand when they begin to shop, and more than one-half of Gen Y buyers (20-30 years old) will consider any brand. The study from J.D. Power and Associates also found that 79 percent of new-vehicle buyers use the Internet for research while shopping.

With Gen Y buyers an increasing part of the market, "the digital presence of the brand through mobile advertising and content across mobile-accessible sites and apps may be a great way to reach [them]," says Arianne Walker, senior director, automotive media and marketing at J.D. Power.

Although Internet car buyers still use a computer most often to gather information, tablet and smart phone usage has dramatically increased in the past year. For the first time, there are more shoppers using tablets (25 percent) than smart phones (23 percent).

Which sites do they use? Almost all Internet shoppers visit automaker sites, and nearly as many visit dealer sites (83 percent) or third-party sites (80 percent), with Consumer Reports, Edmunds.com and Kelley Blue Book the most frequently visited. The study showed that Internet shoppers find third-party and manufacturer sites more helpful than dealer and social media sites or apps.

The shopping process takes about four months for these buyers and only 19 percent of them access dealer ratings or reviews before they buy.

Dealer Reps hone skills in "Road to a Sale" workshop

The 13 dealership sales representatives who attended WANADA's Professional Selling Skills, 3-day comprehensive "Road to a Sale" workshop walked away with a solid foundation upon which to advance a thriving career.

Conducted by noted sales trainer Gary Long, the workshop is designed to provide a comprehensive base for salespeople at all experience levels. And the 13 who attended last week's session were helpfully diverse in their sales backgrounds, which greatly enhanced the workshop's inter-dynamics.

Nationally recognized as one of the premier sales training programs in the auto industry, Long utilized repeated role-playing scenarios to ensure understanding and long-term retention of both interpersonal and consultative selling skills during the workshop. He also taught the sales representatives how to:

- gain early control of the sales process
- conduct an effective consultation
- perform a dynamic, value-building product presentation

- get a commitment to "write up the deal"
- walk the trade
- negotiate effectively
- "T/O" the sale to affect proper delivery and effective customer follow-up.

Programs like this make dealership professionals better at what they do and that's the business WANADA is in. To learn about future dealership professional seminars WANADA will be offering, contact Kristina Henry at (202) 237-7200 or kh@wanada.org



WANADA's recent class in professional selling

(from left to right)**Front row:** Hilaire Ngatcheu, Victoria Cooper, Steve Kerndt, Aref Saeydi **Middle row:** Keith Wright, Dustin Gruff, Sterling Bannister, Jeff Walters, Makiri Pugh **Back row:** Mike Moore, Jelani Samuel-Hall, Vinnie Basiliko, David Miller, Gary Long, (instructor)

Fuel economy reaches highest point ever

Gas mileage of new vehicles sold in the United States reached an all-time high last month, according to University of Michigan researchers.

Average fuel economy (window sticker values) of vehicles bought in August was 24.9 mpg, up 0.1 mpg from July and up 4.8 mpg from the baseline of October 2007.

The researchers also said that average emissions generated by each U.S. driver held steady for the second straight month. Emissions are down 19 percent since October 2007. The index takes into account both the fuel used per distance driven and the amount of driving.

Fuel economy labels now available for used cars

A new label featuring EPA fuel economy estimates and CO₂ estimates for used vehicles sold in the United States since 1984 was released last week by the EPA and Energy Department.

Dealers and consumers can create the new label electronically through FuelEconomy.gov, download it and include it in online ads. The paper label can be printed and attached to the vehicle window. The original EPA fuel economy estimate remains the best indicator of a used vehicle's gas mileage, the agencies say, because the fuel economy changes very little over a 15-year life with proper maintenance.

NADA: 2014 could see best used-car growth since 2005

A stronger economy and improved older product should help bring continued growth in the used-car market in the next 18 months, says NADA. Many economists believe next year will be the strongest year for used-car growth since 2005.

With the improving economy and attractive new-vehicle incentives, some consumers could decide to buy new vehicles instead of late-model used. But to offset that trend, some pre-owned buyers could decide to replace their car with a newer pre-owned model.

Although growth in late-model supply is expected to put downward pressure on prices, the price decline will be modest because later-model volume will remain well below pre-recession levels. And with a strengthening economy and product improvements making price-sensitive consumers less apprehensive about buying older units, older used-vehicle prices should remain high for at least two more years.

Edmunds.com's best used cars for 2013

Edmunds.com last week offered its Best Used Cars for 2013, one in each of 17 segments. Honda and Toyota led the pack with four vehicles each, and Ford followed with three.

Among the choices: Subcompact Sedan, 2007-2011 Honda Fit; Compact Sedan, 2006-2011 Hyundai Elantra; Midsize Sedan, 2007-2011 Ford Fusion; Coupe, 2006-2011 Honda Accord; Compact SUV/Crossover, 2006-2011 Honda CR-V; Midsize SUV/Crossover, 2006-2011 Toyota Highlander; Large SUV/Crossover, 2007-2011 Mazda CX-9; Minivan/Van, 2006-2011 Honda Odyssey; Large Truck, 2006-2011 Ford F-150; Luxury, 2006-2011 Infiniti G35/G37/G25; and Two-seat Sports Car, 2006-2011 Chevrolet Corvette.

The choices are based on vehicle reliability, safety, value and availability. Eligibility was limited to 2006-2011 model year vehicles. For the complete list, click [here](#).

Foreclosures down nationally, but up in Maryland and DC

Foreclosure filings nationwide in August were down 2 percent from July and down 34 percent from a year ago. But Washington and Baltimore saw big jumps, according to Realty Trac.

Maryland's foreclosure rate is the fourth highest of any state. The number of foreclosures there jumped 165 percent from a year ago. In the Baltimore metro area, foreclosure activity soared 252 percent from a year earlier. Washington area foreclosures were up 9 percent in that time.



Federal workforce numbers drop as fewer workers are hired

Federal hiring has dropped every year since 2009, with less than 90,000 people hired in fiscal year 2012, according to data compiled by the Partnership for Public Service. The entire federal workforce nationwide is about 2.1 million people. About 15 percent of those – 315,000 people – live and work in the Washington area.

The number hired last year nationwide was down a whopping 37 percent from three years earlier. More than 42 percent of new hires were younger than 35. But the new hires are more likely to have an advanced degree.

Our area grabbed the *lion's share* of new hires nationally, with 10.8 percent in Virginia, 9 percent in DC and 5.8 percent in Maryland.

Road signs could be gone by 2030, futurists say

Road signs are among the everyday objects that could be relics by 2030, says the Bethesda-based World Future Society.

The Society's Patrick Tucker told WTOP Radio that road signs are becoming less useful because they provide only one-way communication, while systems like GPS and EZPass are more interactive.

Tucker said roadside sensors that communicate with cars could replace road signs.

Thought for the Week...

My purpose was not to become a celebrity. I was just selling cars.

-- Cal Worthington

Ford Dealer and famed auto advertiser

Died last week at 92