

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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Headlines...

Market conditions in their area are strong, dealers say

WANADA dealerships add billions to state economies

Equifax data breach – what dealers should know

Waymo autonomous vehicle CEO, Navy SEAL veteran to speak at 2018 NADA Convention

Last call for WANADA Happy Hour at Black's Bar, this Thurs., Sept. 28

Porsche, Ford sweep AutoPacific Ideal Vehicle Awards

Staying Ahead...

Market conditions in their area are strong, dealers say



Franchised dealers are mostly happy with the current sales environment.

A recent survey found that more franchised dealers feel market conditions are currently strong in their area than feel they are weak, with the overall sentiment scoring 55 out of 100. The dealers are somewhat more positive about the next three months, with an index of 57.

Cox Automotive surveyed 1,033 dealers, both franchised and independent, in the first week of August, for its new Dealer Sentiment Index. Only the franchised dealer scores are discussed here.

Customer traffic to franchised dealerships could be better, with the sentiment on that score at 42. Dealers have mixed views on their dealership profits (score of 50). They are fairly happy with the current new car sales environment (score of 57) but much happier

with the used car sales environment, which scored 68. Dealers feel pressure to lower prices, with that question yielding a score of 67.

Asked about the top factors holding their business back, dealers list market conditions as Number 1, followed by competition, expenses, consumer confidence and staff turnover (those two were tied, each chosen by 20 percent of dealers).

WANADA dealerships add billions to state economies

NADA has calculated the economic contribution of franchised dealerships in every state to the state economy, and the totals are impressive. The information for each state is available on a data sheet found at www.MyDealership.org, a public website that has information about dealerships under the headings “My dealership saves me money,” “My dealership is modern,” “My dealership is local,” “My dealership creates jobs” and “My dealership is diverse.” The

website is part of an NADA public outreach program to inform the public about dealers' contributions to the local economy.

Dealers are encouraged to spread the word about their positive effect on their states in employment, sales, payroll and taxes paid. The figures for Maryland and Virginia are shown below. Click [here](#) to download the Maryland data sheet and [here](#) to download the Virginia one.

Maryland:

- 294 dealerships
- 48,578 jobs created by dealerships (includes 24,429 direct jobs and 24,149 indirect and induced jobs)
- 83 employees – average per dealership
- \$19.7 billion total sales – 23.8 percent of total retail sales in the state
- \$1.4 billion combined annual payroll
- \$58,687 average annual earnings
- \$483 million state and federal income taxes paid (includes taxes paid for direct, indirect and induced jobs)
- 2 percent share of total U.S. new-vehicle registrations
- 10.7 years – average vehicle age



Maryland and Virginia dealerships create many jobs that pay an average salary over \$57,000.

Virginia:

- 459 dealerships
- 65,502 jobs created by dealerships (32,667 direct and 32,835 indirect and induced)
- 71 employees – average per dealership
- \$23.2 billion total sales – 20.2 percent of total retail sales in the state
- \$1.8 billion combined annual payroll
- \$57,552 average annual earnings
- \$655 million state and federal income taxes paid (includes taxes paid for direct, indirect and induced jobs)
- 2.3 percent share of total U.S. new-vehicle registrations
- 11.8 years – average vehicle age

District of Columbia:

No new-car dealerships in DC.

Equifax data breach – what dealers should know

By Mark Scarpelli, 2017 NADA Chairman

Equifax recently announced a major breach of the financial data it stores, and news coverage of the breach has been widespread. Given the number of people affected – as many as 143 million – and the sensitive information exposed, dealers should understand the basics of the breach and what it means for their customers.

In particular, dealership employees should realize they are likely to (a) get questions from customers about the breach, and (b) see a potential increase in credit freezes and fraud alerts on



Mark Scarpelli,
NADA Chairman

credit applicants' credit reports. To prepare, dealership personnel should review the Federal Trade Commission (FTC) guidance below and understand what they may encounter, what they should look for, and what steps they should take when facing a fraud alert or frozen credit report.

If dealership personnel do get questions, they should first explain that the reported breach occurred at Equifax and does not involve the dealership, data stored at the dealership or dealership processes. Dealership personnel can also point consumers to the FTC's consumer guidance "[The Equifax Data Breach: What to Do?](#)" That guidance: (a) provides a link to the Equifax website where consumers can determine if their information is at risk and how to sign up for the free credit monitoring service provided by

Equifax; and (b) provides general information about steps consumers can take to protect their credit, including how to place a fraud alert or a credit freeze on their account.

What if dealership staff do see a fraud alert or encounter a frozen credit report? First, they should review the FTC document "[Fraud alerts vs. credit freezes: FTC FAQs.](#)" It explains that if a customer's credit is frozen, the credit report generally cannot be viewed until the customer takes steps to unfreeze their credit. They will be assigned a PIN they must use (and may forget), and unfreezing the report may include a fee that the customer must pay (both to place and to temporarily lift the freeze). The process may also include a lead time that could affect a financing transaction.

If there is a fraud alert on the credit report, the dealership must take additional steps to verify the identity of the applicant before the credit process can be completed. That generally involves calling a phone number that the consumer provided when they placed the fraud alert and speaking with the consumer.

Dealers and their employees should also be aware that scammers are trying to take further advantage of the Equifax breach by calling consumers and trying to obtain personal information under false pretenses. See the FTC warning [here](#) for more information.

This is all a good reminder for dealers to revisit their Red Flags program to ensure that they are taking the *required* steps to detect and prevent scammers from opening a line of credit using someone else's information.

Waymo autonomous vehicles CEO, Navy SEAL veteran to speak at 2018 NADA Convention

John Krafcik, CEO of self-driving technology company Waymo; Robert O'Neill, former SEAL Team Six leader, and Nick Saban, head football coach for the University of Alabama *Crimson Tide*, will speak at the 2018 NADA Convention. Also on the roster are 2017 NADA Chairman Mark Scarpelli and Vice Chairman Wes Lutz. The convention will be in Las Vegas from March 22 -25, 2018.



NADA's 2018 Convention speakers.

Krafcik, the CEO of self-driving technology company Waymo, will give the keynote address on March 24. Originally part of Google, Waymo was formed in December 2016. Under Krafcik's dealership, Waymo has formed strategic partnerships with Fiat/Chrysler and ridesharing firm Lyft, and launched a public trial of its self-driving minivans in Phoenix.

Krafcik has long experience in the automotive and technology arenas, including broad operating experience in engineering product development, technology and manufacturing, with stints at NUMMI, Ford, Hyundai and TrueCar. He spent 10 years in leadership positions at Hyundai Motors America, including five years as president and CEO.

O'Neill is one of the most highly decorated combat veterans of our time and the author of the best-selling memoir *The Operator: Firing the Shots that Killed Osama bin Laden* and *My Years as a SEAL Team Warrior*. A former SEAL Team Six leader with the Naval Special Warfare Development Group, he deployed more than a dozen times and held combat leadership roles during more than 400 missions in four different theaters of war. O'Neill is the cofounder of Your Grateful Nation, which provides individualized transition support for Special Operations heroes and their families. He is currently a contributor to Fox News.

Head Coach Nick Saban led the University of Alabama *Crimson Tide* to victory in the 2015 College Football Playoff National Championship over Clemson, cementing his status as one of the greatest coaches of all time in *any* sport. With five National Championship wins, he shares the record for most College Football Championships with former Alabama coach Bear Bryant.

Last call for WANADA Happy Hour at Black's Bar, this Thurs., Sept. 28

It's not too late to plan to come to WANADA's Happy Hour this Thursday, Sept. 28. All WANADA members are invited to join fellow members, associates, friends and colleagues at Black's Bar & Kitchen in Bethesda on Sept. 28, from 5:00 to 7:00 p.m. Cocktails and *hors d'oeuvres* will be served compliments of WANADA Kindred-line member Penney Design Group, the event's sponsor.

There is no charge for the event, but to give WANADA a rough count for the evening, please click [here](#) if you plan to attend. Here are the details:

5:00 to 7:00 p.m. Thursday, Sept. 28
Black's Bar & Kitchen
7750 Woodmont Ave.
Bethesda, MD 20814

This is the first in a series of after-work happy hour events for WANADA members, and we hope you can attend. For any Kindred-line members who are interested in sponsoring a member happy hour in the future, please contact Bob Storin at 202-237-7200 or rs@wanada.org.

Porsche, Ford sweep AutoPacific Ideal Vehicle Awards

Porsche took top honors in AutoPacific's 2017 Ideal Vehicle Awards (IVAs), in which the automotive research and consulting firm surveys owners on the vehicles that best meet their expectations and desires.

AutoPacific asked more than 54,000 owners of new MY 2016 and 2017 vehicles what changes they would make to their car or truck in 15 categories, including ride and handling, interior storage, safety features, power and acceleration, and technology.

“Even the most satisfied owner would change something about their vehicle if given the opportunity,” said George Peterson, president of AutoPacific. “AutoPacific’s IVAs identify vehicles whose owners want the least amount of change.”

After being edged out by Tesla last year, Porsche returned to the top with wins for top brand and top overall vehicle. Ford, moving up substantially from previous years’ Ideal Vehicle Award results, had winning vehicles in five segments, as well as having the Most Ideal Popular brand.

Chrysler’s debut of the Pacifica was a hit with owners, primarily in the areas of safety features, cargo space and cargo opening, and passenger room. The Genesis G90 won in the luxury segment. Both the Pacifica and G90 won the AutoPacific 2017 Vehicle Satisfaction Award.

Staying Ahead...

Fall down seven times, get up eight.

--Japanese proverb

