

THE WANADA BULLETIN

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

WANADA Bulletin # 41-14

October 27, 2014

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Md. MVA now has electronic safety inspection certificates



If the Safety Inspection Certification is electronic, it does not need to be attached to the window of the vehicle.

The Maryland Motor Vehicle Administration has started using electronic safety inspection certificates. The new process is a result of House Bill 246 passed in the 2014 legislative session. This legislation removes the requirement for a written inspection but still requires dealers to have vehicles inspected, before sale.

There are currently two formats available to present the Maryland Safety Inspection Certificate: a paper certificate (no changes) and a paper electronic certificate. For the paper electronic certificate, the control number begins with "E" and the signature is machine printed. It is accepted using the same process as a paper certificate.

For dealer transactions:

- You must inspect the vehicle for safety before sale (no change from current requirement).
- If the Maryland Safety Inspection Certificate is electronic, you are not required to attach a copy to the window of the vehicle.

- If your dealership is a certified Maryland Inspection Station, and you want to participate in electronic inspections, contact the Maryland State Police.

For questions or more information, email mvablcscsd@mva.maryland.gov.

Shulman Rogers Employment Law Roundtable, “Navigating the Maze of the National Labor Relations Act” 7:30 - 9:30 a.m., Nov. 13

WANADA Kindred-line member Shulman Rogers has organized an employer seminar on workplace law entitled “Navigating the Maze of the National Labor Relations Act.” A coffee and danish format is set for Thursday, November 13, 2014, 7:30 to 9:30 a.m., in the Shulman Rogers Conference Center, 12505 Park Potomac Avenue, Potomac Maryland.

“Employers -- even non-union employers-- face the prospect of a legal minefield when dealing with the National Labor Relations Act,” said Merry Campbell, Esq., co-chair of Shulman Rogers’ Employment Law Group. “The NLRA, in short, is complex where employer missteps in applying its provisions can turn minor problems into bottom-line impacting problems.”

There is *no cost* to WANADA dealer representatives who sign up for the session. With limited seating, however, attendance is on a first come first served basis. To register, contact Kristina Henry at WANADA, kh@wanada.org or 202-237-7200. To download the meeting information click [here](#).

Tesla considers franchising dealers, as Michigan passes legislation banning OEM-direct sales to buyers

After fighting dealers tooth and nail over OEM direct sales legislation in several states, Tesla CEO Elon Musk told Autoline TV’s John McElroy, that he might need franchised dealers to sell his cars in some states. “We may need a hybrid system, with a combination of our own stores and some dealer franchises,” Musk said.

His comments came a few days after a bill banning direct auto sales in Michigan passed the state legislature and was sent to the governor for his signature. Gov. Rick Snyder’s office has said he is studying the bill, which is tied up with local politics, reports *Automotive News*.

OEM direct sales from factory stores are banned in Maryland and Texas, but permitted on a limited basis in New Jersey and Pennsylvania. Virginia is unequivocally the most limited in a Tesla-specific law, such that the automaker can only operate one (1) OEM direct retail facility in the Commonwealth.

Analysts predict 16.7 m. sales in 2015, record 17.5 m. in 2020

Auto sales will be 16.4 million this year, 16.7 million in 2015, and rise to a record 17.5 million in 2020, LMC Automotive senior vice president Jeff Schuster said at a recent industry conference, according to the *Detroit News*. That figure would top the previous record of 17.4 million in 2000.



Small luxury cars like the 2015 Buick Verano will be one of the biggest growth markets in the next few years.

Even better, U.S. retail sales will likely reach 13.8 million this year, a near record, said J.D. Power. Incentive spending is up slightly from 2013.

The biggest growth markets in the next few years will be small luxury cars and small luxury SUVs, Schuster said.

The wild card is interest rates. J.D. Power's Joe Derkos said every percentage point rise in interest rates could cut auto sales by 300,000.

Ample supply of used cars may mean more incentives on new

With a generous supply of used cars on the market, retail prices are softening, and manufacturers could decide to ramp up incentives on new cars, ALG president Larry Dominique told *WardsAuto*. Then buyers who are undecided whether to buy used or new would be persuaded to buy new.

Figures in the *Detroit News* tell the used side:

- The average used car sold at franchised dealerships for \$10,963 in September (CNW Marketing).
- Used-car inventory rose 1.5 percent in September (TrueCar).
- Certified pre-owned supply is up 6 percent in the past six months (AutoTrader).

Used-car prices dropped in the third quarter, bring mixed news for dealers. Lower prices made it easier for them to sell customer trade-ins and off-lease vehicles, Manheim chief economist Tom Webb told *WardsAuto*, even though their profit was less. The lower prices were also good news for dealers buying at auction.

Women buyers focus on car features, men on brands



Women are often more practical when buying a car.

Women are more interested in features when they buy a new car, while men focus on the vehicle brand. Women generally do more research and take longer to buy, 75 days versus 63 for men. Those are some of the findings from a new study of women shoppers by Kelley Blue Book.

One reason for the longer research time: 58 percent of men feel confident when buying a car, but only 38 percent of women do.

“We need to continue our focus on providing the proper tools and content to help shoppers narrow down

choices, therefore bringing balance and filling gender gaps in the car shopping experience,” said Hwei-lin Oetken, vice president of market intelligence for Kelley Blue Book’s KBB.com.

The study also found:

- Men are more likely to see their cars as tied to their image and accomplishments, women are more likely to see them as a way to get from point A to point B.
- Men, who tend to be more image-conscious, want trucks, coupes and luxury sedans; women, who tend to be more utility-minded, prefer non-luxury SUVs and sedans.
- Men like domestic trucks and European luxury brands because of their image; women prefer non-luxury Asian brands, which they view as more practical.
- Women value practical benefits like durability and reliability, safety and affordability. Men are more drawn to interior layout, exterior styling, technology and ruggedness.

- For men, a successful transaction means getting the best deal, but women are more interested in getting the exact vehicle they want.

Early adopters, mostly men, want connected cars

Connected cars are a great way to personalize content, and early adopters are ready – so dealers had better be, too. Of the 44 percent of future auto intenders to plan to buy a car in the next two years, 39 percent are very likely to buy a connected car with built-in features, according to a new study by Nielsen.com.

Their top reasons for wanting a connected car: Experience emerging technologies; provide entertainment to passengers; and boost their productivity while they're on the road.

Most of the connected car buyers or intenders are men, age 55 or older, with at least a college degree. More than one-third make more than \$100,000 a year. Of connected car users, more than a third, say they regularly spend 30 minutes to an hour in their cars.

Low gas prices expected through 2015

Gas prices are expected to keep falling for the rest of this year and through 2015, says a report by the U.S. Energy Information Administration (EIA). The forecast should interest dealers not only so they can gauge the costs to fuel their inventory, but also because buying patterns since the 1970s have shown that consumers' interest in fuel-efficient vehicles is closely tied to the price of gas.

Largely because of falling crude oil prices, U.S. regular gasoline retail prices fell to an average of \$3.41 per gallon in September, down 29 cents from June, according to the EIA. Prices are forecast to keep falling to \$3.14 per gallon in December. The EIA expects gas prices, which averaged \$3.51 per gallon in 2013, to drop to \$3.45 this year and \$3.38 in 2015.

Virginia is consistently on the lower end of the state prices and was ninth from the bottom, at \$3.02 per gallon, in the latest weekly report from the American Automobile Association.

Green Truck finalists announced by *Green Car Journal*

The five finalists for Green Truck of the Year were announced by *Green Car Journal* last week in preparation for choosing the winner at the San Antonio Auto & Truck Show on November 6. The magazine's publisher Ron Cogan regularly showcases the finalists for the Green Car Technology award and announces the winner at The Washington Auto Show.

"The significant efficiency and environmental improvements being made in the truck segment signal an important change in the industry," said Cogan.



The all-aluminum 2015 Ford F-150 is one of the finalists for Green Truck of the Year.

The finalists for the truck award are the Chevrolet Colorado, the all-new aluminum body Ford F-150, the all-new GMC Canyon, the Ram 1500 EcoDiesel and the Ram 1500 HFE. Models were chosen for functionality as well as green credentials. All pickups are considered.

Toyota is again top auto brand in Global Brands Report

As it has been for the past 10 years, Toyota is again the top automotive brand in Interbrand's 100 Best Global Brands ranking. Top risers among automotive brands are Audi (#45, up 27 percent), Volkswagen (#31, up 23 percent), and Nissan (#56, up 23 percent). Land Rover came on the list for the first time at #91.

Interbrand looks at three aspects when determining the top 100 most valuable brands each year: Financial performance, the role the brand plays in influencing customer choice, and the strength the brand has to command a premium price or secure earnings.

Toyota earned its #8 spot partly because it continues as a leader in green technology, says Interbrand. Speaking of the auto industry overall, Interbrand says, "A combined focus on energy-efficient products and integrated technology is helping leading auto brands drive brand loyalty and value."

Making friends in the community by giving away cars

Here's a way to ramp up your store's community goodwill: Periodically give away a used car. That's what Valley Hi Toyota in Victorville, Calif., has done four times this year, with more planned.

The drawing for the car is open to any adult with a valid driver's license, not just dealership customers. A winner is chosen at random. Although the rules allow the dealership to market to the winners, it has not done so, according to an article on Edmunds.com. The drawing is simply a goodwill gesture.

The cars are reconditioned and in good shape, but do not include a warranty.

Staying Ahead...

Nobody will ever deprive the American people of the right to vote except the American people themselves and the only way they could do this is by not voting.

--Franklin Delano Roosevelt

Remember!

Election Day is a week from Tuesday, Nov. 4. Plan to vote and encourage your employees to do the same.

