

THE WANADA BULLETIN

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

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Charlie Stringfellow: WANADA's choice for 2015 Time Dealer



WANADA is proud and pleased to announce to the membership that Charles S. Stringfellow, Jr, chairman of Brown Automotive, will represent the Metropolitan Washington region for the Time Magazine Dealer of the Year to be bestowed January 23, 2015 at the NADA Convention in San Francisco. The Time Dealer of the Year Award is a high honor in the automotive retailing industry and the dealers who are so recognized are among the most successful. WANADA's CEO John O'Donnell nominated Mr. Stringfellow for the TDoY award.

Overseeing the Brown Organization with its omnipresence here in multiple locations, offering the full gamut of new vehicle brands in Virginia and Maryland is *prima facie* evidence that Mr. Stringfellow is an auto dealer *par excellence*.

His many contributions over the years span numerous leadership positions he has held in the industry, having chaired two Washington Auto Shows, subsequent to chairing WANADA's Employee Benefits Committee in 2007-08. He has also been the longtime chairman of the VADA GSIA Workers' Compensation Program, a position he still holds for the Virginia dealer organization. Currently with WANADA, Mr. Stringfellow is poised to become its chairman-elect for 2015 having earlier served as the organization's treasurer and corporate secretary. Overall, Mr. Stringfellow has served on WANADA's Board of Directors since 2002 and its Executive Committee since 2008.

In the community, Mr. Stringfellow was part of the 2005 leadership effort WANADA orchestrated through its Community Support Foundation, in tandem with NADA's Charitable Foundation that assisted fellow dealers and their people who were stricken by Hurricane Katrina. As chairman of the 2011 Washington Auto Show, Mr. Stringfellow led the fundraiser component of the Keith Crain/Automotive News Lifetime Achievement Award banquet where the legendary Carroll Shelby was honored. Dinner tickets went for the benefit of the Automotive Dealer Education Institute, WANADA's 501(c)(3) foundation, which is committed to encouraging dealership careers and managing dealership career education tracks. On a local community front, Mr. Stringfellow is on the board of the Fairfax City organization known as Spotlight on the Arts, which is an initiative designed to promote the arts to young persons, especially those with the aptitude and ambition to pursue careers in artistic fields of endeavor.

Charlie Stringfellow graduated with a degree in political science and history from Hampden-Sidney College in Hampden-Sidney, Va. He has always had a penchant for high performance and classic cars from which he took special pleasure in hosting the storied race car designer Carroll Shelby at the Keith Crain Lifetime Achievement dinner during the 2011 Washington Auto Show. He was honored in 2006 by Northwood University with its Dealer Education Award for his contributions to education generally and auto dealer education more specifically.

Mr. Stringfellow, as WANADA's choice for the Time Dealer of the Year Award, will be joined by dealers from across the U.S. who have been similarly put forth by dealer associations with which they're connected such that 50 or so dealers will be spotlighted at the NADA Convention in January. The TDoY Award is co-sponsored by Ally.

WANADA wishes Charlie Stringfellow all the best on the well-deserved recognition!

Maryland dealers *not* required to post labor rate in service dept.



When requested by the customer, written estimates are required for repairs, \$50 or more in Maryland; the amount in Montgomery County is \$25.

Contrary to what many Maryland dealers may believe, they are *not* required to post their labor rate in their service department. Here's what they are required to provide to service customers:

A written estimate for any repair work over \$50.00 (at the customer's request). The estimate must contain an estimated completion date, an estimated price for labor and parts necessary to complete the work, a clear statement on the repair facility's responsibility for damages while the customer's vehicle is on the premises and the estimated surcharge, if applicable. If the fee is disclosed to the customer before the estimate is made, the repair facility may charge a reasonable fee for

making the estimate. In Montgomery County, the minimum to request a written estimate is \$25.00.

An invoice detailing completed repair work. The invoice must include a description of the work done, including all warranty work and all parts supplied by the repair facility. The invoice must also identify any parts that were used, rebuilt or reconditioned. After the customer signs the invoice, the repair facility gives a copy to the customer and retains a copy. In Montgomery County only, this invoice is required for repair work over \$15.00.

A copy of the form used for authorization of repairs. This document should inform customers of their rights. For example: the customer may then request a written estimate for repairs over \$50.00 (in Montgomery County, \$25.00); the repair facility may not charge a customer any amount 10 percent over the written estimate without the customer's consent; the customer is entitled to the return of any parts that get replaced; and repairs not authorized by the customer may not be charged without his or her consent.

In Montgomery County, repair facilities must give to requesting customers an estimated completion date for repairs or maintenance, in writing, or disclose in writing that a completion date cannot be determined.

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

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](#).

WANADA offers webinar briefing on Obamacare, Nov 25

WANADA will present a webinar on Nov 25 at 2 p.m., “Obamacare Jan. 1, 2015: How to avoid penalties and become compliant.” The 20- to 30-minute webinar briefing will advise dealers, general managers, CFOs, controllers and HR directors how they can ensure they are fully compliant with some new, little known requirements of the Affordable Care Act. We will also review some of the more commonly known employer pitfalls.

As a member service, WANADA will incur the cost of producing a dealer/employer “wrap” document to include plan descriptions that are required for insured employees.



WANADA will provide expert advice on compliance with the Affordable Care Act at its free webinar.

Maximum allowed employee contribution to health care slated to rise in 2015

The maximum allowable employee contribution to the health care portion of a flexible spending account (FSA) will rise on January 1 from \$2,500 to \$2,550. The IRS announced the change as one of several inflation adjustments.

Since the beginning of 2014, employees have been allowed to carry over up to \$500 in unused FSA funds to the next year and still contribute the maximum allowable amount for the year. Benefits experts expect the carryover option to be used more widely in 2015.

Keynoter George Will should have a lot to say about the mid-terms and the future at Annual Lunch, Dec. 2



George Will

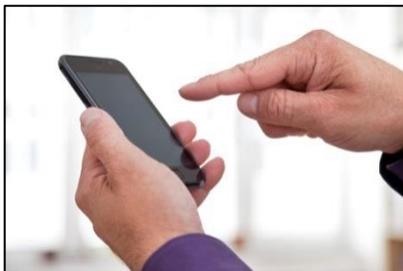
Sign up for WANADA's Annual Meeting and Luncheon and hear syndicated columnist and renowned political commentator George Will as keynote speaker. The event will take place at the Ritz/Tysons, from 11:30 a.m. to 1:45 p.m. Tuesday, December 2.

Will's column has appeared in the *Washington Post* since 1974 and today appears in nearly 500 newspapers. With his remarks to WANADA dealers and guests and executives coming just a month after the midterm elections and in the midst of the current political turmoil, attendees to the lunch attendees to the lunch are in for quite a show. Will spoke to WANADA 10 years ago to much acclaim.

As always, there will be a second-to-none dealer community networking opportunity during the luncheon; during the Annual Meeting segment, members will get an update on association events of the past year and a state-of-the-industry report. Association members will also have a chance to elect WANADA's 2015 Board of Directors, where, among other things, Dick Patterson will take over as chairman from Danny Korengold.

Luncheon tickets are available now for individual seats or at a discounted table rate. To pay by credit card click [here](#). To pay with a check, click [here](#) and download the registration form. For more information on the Annual Meeting and Luncheon, contact Kristina Henry, director of events, at (202) 237-7200 or kh@wanada.org.

Digital auto buyers still rely on dealer, NADA analysis finds



Forty percent of automotive Internet users access their smartphone at the dealership.

Consumers now spend much more time looking for a new or used vehicle online than offline, NADA Used Car Guide says in its recent report on digital trends in auto retailing. As a result, consumers now visit fewer dealerships in person, but the influence of the dealer still ranks high.

A DME-automotive survey found that 71 percent of new-car buyers and 62 percent of used-car buyers visited only one or two dealerships before buying. But "dealer sites were ranked ahead of manufacturer sites, search engines and third-party sites as the number one source of information for consumers during the shopping process in a Google research study,

Digital Drives Auto Shopping,” the NADA study says. In fact, consumers in the Google study ranked “dealer visit, test drive and salesperson” well above “family and friends” as the primary in-person sources of information that most influenced their purchase choice.

Mobile technology is gaining in importance during the auto shopping process – particularly smartphones, but also tablets. “Of particular interest to dealers, 46 percent of Gen Y and 40 percent of non-Gen Y automotive Internet users reported accessing vehicle content on their smartphone at the dealership,” says the NADA report. Mobile technology lets consumers compare prices at the dealership.

On the used-car front, availability of detailed wholesale pricing data on the Internet affects dealers’ management of their used inventory. It has helped dealers focus on makes and models that are most desirable in their market and most profitable at their dealership.

Used-vehicle pricing has also been affected by the widespread availability of better data. The average spread between the price paid at auction and the retail listing price for a vehicle has dropped from \$5,000 in 2008 to \$4,000 now. The variability around average listing prices has also decreased.

With all these changes, dealers’ used-vehicle margins have improved considerably since the mid-2000s, growing from an average of 11.4 percent before the recession to 13 percent today—among the highest used-vehicle margins in nearly 25 years.

New-car buyers intend to keep cars longer than in the past

Automakers are working hard to build reliable vehicles that last 10 years or longer. For dealers, this is good news and bad news. Neither dealer nor manufacturer wants the trading cycle to become longer.

CNW Research president Art Spinella calls it a marketing dilemma. CNW’s recent Purchase Path study’s early results have shown that today’s new-vehicle buyers plan to keep their car or truck much longer than buyers before the recession did.

Only 8 percent say they will keep their vehicle for three years or less, and 36 percent intend to keep it more than 10 years. In 2006, the comparable figures were 11 percent and nearly 25 percent.

Of course, people’s intention and their actions don’t always match when it comes to car buying.

Unreliable *infotainment* systems affect auto reliability

Complicated *infotainment* systems have long caused customer dissatisfaction in certain models, as dealers are all too aware. Now problems with the systems are hurting automakers’ standing in the Consumer Reports Annual Reliability Survey.

Of the 17 problem areas CR asks about in its survey, the category including in-car electronics generated more complaints from owners of 2014 models than any other category. First-year models from Infiniti, Jeep, Fiat, Ram, Cadillac, Ford and Honda all saw significant problems from infotainment bugs and glitches.

In addition to previous problems of unresponsive touch screens or a reluctance to pair phones, this year’s survey found new problems including multi-use controllers that don’t function properly.

“A close look at the results suggests that cars with a lot of in-car electronic issues usually have plenty of other troubles, too,” said Jake Fisher, director of automotive testing at Consumer Reports.

Lexus again won for most reliable brand, followed by perennial front runners Toyota, Mazda and Honda. Subaru, Scion and Kia helped Asian brands taken seven of the top 10 spots. Except for Infiniti, most Japanese and Korean brands improved their reliability average score. Buick was the only domestic brand to finish in the top 10.

Some brands improved their ratings by addressing initial problems with their systems, including the Ford MyTouch, HondaLink and Chrysler UConnect.



AAA tests showed the cameras improved visibility by an average of 46 percent. Lexus backup camera1 by <http://flickr.com/photos>.

AAA tests show rear view cameras can save lives

Rear view cameras improved rear visibility an average of 46 percent in tests by the American Automobile Association. The National Highway Traffic Safety Administration requires a rear view image in all passenger vehicles starting in 2016, with full compliance by May 2018.

AAA evaluated 17 vehicles across 11 manufacturers with factory-installed and aftermarket rear view cameras on a variety of body styles. Increased visibility ranged from 36 percent improvement in smaller sedans to 75 percent improvement in

hatchbacks. Large trucks and SUVs scored in the middle range.

“These systems are especially helpful for viewing the first 10 feet behind the vehicle, which are the most hazardous in terms of back-over risk for young children,” said John Nielsen, AAA’s managing director of Automotive Engineering.

Shockley Honda includes yoga class for its customers

Shockley Honda in Frederick, Md., has started a free perk for area residents – a weekly yoga class. The hour-long Wednesday evening class is taught by staff from the nearby Ananda Shala Yoga Studio.

“We created the class to foster awareness about our dealership,” Shockley general sales manager Charlie Benson told Edmunds, which reported on the class. In the first two months, the store has sold a couple of cars to people in the class and did some service work for yogis who left their car to be worked on during class.

Staying Ahead...

Dealer treatment – rather than lowest price – was the top reason both Internet and non-Internet users chose to purchase from a given dealer.

--NADA Used Car Guide report on Digital Trends in Auto Retailing