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**Sign up today for WANADA's Annual Meeting & Luncheon, Dec. 7, 2011**  
Halloween is always a treat for WANADA staff  
with the wide array of costumed visitors  
Position Wanted- Service Director  
Staying ahead...

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The **2012 WANADA**  
**Membership Directory** will  
soon go to press. Please  
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202-237-7200

## WANADA conducts timely lease training session

Public dealerships report record F&I revenues for 3<sup>rd</sup> quarter

A number of WANADA dealerships took advantage of a special "Leasing 101" training workshop held at association headquarters this week. Produced by WANADA's Automotive Dealer Education Institute (ADEI), the seminar was conducted by Michael Canan of JM&A Group, which specializes in lease training. The all-day education session focused on the fundamentals of new leasing and how to market and sell leasing to consumers.



JM&A's Michael Canan presenting at the WANADA "Leasing 101" Seminar

The session proved particularly timely as *Automotive News* reported this week that "F&I revenues rose at all six publicly traded dealership groups in the third quarter as their ongoing efforts to sell more F&I products, especially extended-service contracts, paid off."

The trade publication said all six topped revenues of \$1,000 per vehicle, with AutoNation leading the way with revenue of \$1,213 per vehicle retailed, up 7.3 percent.

Of interest, Asbury Automotive Group Inc., reported its F&I revenues per vehicle were up 15.2 percent from the year-ago quarter to \$1,172 as the result of investments it had made

in F&I training, including extra training for F&I managers who don't hit their sales targets.

Leasing, of course, is a significant tool in the dealership F&I options package and the topics covered in the WANADA lease seminar hit all the basics:

- Background of Leasing & Lease Terminology
- Pros & Cons of Leasing
- Normal Wear & Tear *vs.* Excess Wear & Tear
- Benefits of Leasing
- The 100% Rule
- Common Leasing Questions and Objections, and
- How to Calculate a Lease

The session also included extensive role playing for the dozen sales representatives and managers that attended the session.

## **WANADA Maryland members cautioned on MVA drivers' license enforcement changes**

WANADA members and their employees are cautioned that the Maryland MVA no longer automatically assigns court dates in all traffic cases; so if you believe you're not guilty when stopped for a traffic violation, you must specifically request a trial within 30 days of getting the ticket.

The law changed on January 1, 2011, but word apparently hasn't reached traffic ticket holders. According to the MVA, license suspensions are up 35% this year, largely because the state suspends the license if the ticket isn't paid with a "guilty plea," or a trial date is requested. The MVA suspended 89,868 licenses in the first seven months of 2011. That is up from 66,609 during the same period in 2010 and 66,940 in 2009. Driving on a suspend license in Maryland is punishable by up to 60 days in jail and a \$500 fine. There is no fee to get a license reinstated provided the underlying ticket is paid.

The state is also expanding its Ignition Interlock Program to keep drunken drivers off the road. The program, which began in 1989, is being expanded to require more people to put the devices in their cars. Maryland has the highest per-capita participation in ignition interlock on the East Coast with numbers that have nearly doubled in the past few years to an estimated 9,100 drivers. Participating drivers are required to report monthly to have their devices calibrated and to have their monitoring data electronically downloaded and sent to the MVA.

## **Gadgets and connectivity are the new keys to buyer loyalty**

Keeping car buyers in the fold is going to be harder in years to come, according to New York-based market research firm GfK Custom Research North America. The reason is because the younger generations do not see traditional vehicle qualities such as ride, handling and safety as a differentiator among brands. Rather, they are attracted to new features such as enhanced navigation systems, voice-activated services and internet radio, and are more likely now to jump from brand to brand to find what they want.

GfK surveyed over 700,000 car shoppers this year who intend to buy a vehicle. About 49 percent said they would buy the same brand, but that is down from 54 percent in early 2001. Importantly, less than 40 percent of post-Baby Boomers -- consumers born after 1964 -- planned on staying with their present brand, according to GfK. The so-called Generation X and Generation Y contingent makes up 46 percent of the U.S. car-buying public, up from 34 percent a decade ago. GfK North America, which has been conducting its automotive shoppers study since 1980, is an arm of Germany's GfK Group, a global consumer, business and media research giant.



*Brand loyalty is viewed as a major factor in automaker profitability because it costs about twice as much money to attract buyers away from another brand as to keep them, said Doug Scott, senior vice president of GfK North America's automotive group.*

If manufacturers are going to get into a race to attract [loyal] Generation X and Generation Y buyers, "they're going to do it through technology," Scott said.

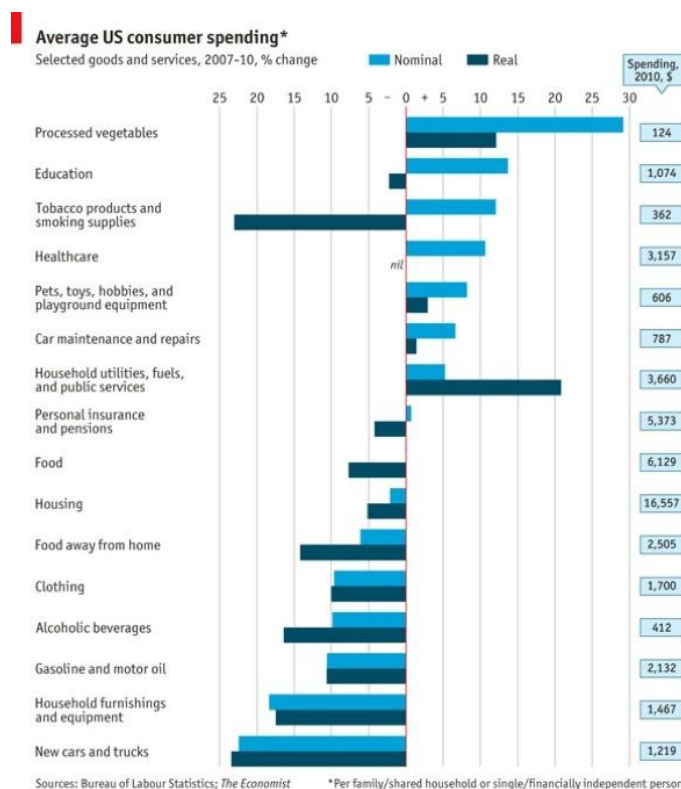
Overall, Toyota and Honda have the highest brand loyalty among the major automakers, with more than 60 percent of those vehicle owners intending to stay with the brands. GM and Chrysler had brand-loyalty ratings of about 40 percent and 35 percent, respectively. Scott said GM has the greatest potential of the two to boost its numbers, thanks to its own vehicle-connectivity efforts.

Ford also has addressed the loyalty issue the GfK report said, by introducing features such as the SYNC communications system, which was built on Microsoft's Windows platform – although the system's early glitches recently have given Ford a reliability headache.

## Just how bad was the recession for the auto industry?

The Economist Magazine this month published a graph that shows how dramatically spending patterns changed in the US during the Great Recession. For those in the auto industry, it confirms what they already knew, auto buying took a hit – as much as any sector in the economy.

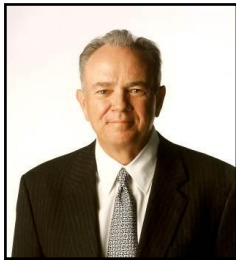
The results provide a reliable snapshot of the economic trade-offs Americans were making (i.e., buying more canned vegetables and eating out less), as well as which industries (autos) were taking the biggest hit as



consumers redefined their products as less essential.

The “nominal” numbers refer to the unadjusted overall changes in spending; the “real” numbers are adjusted for the fact that prices rose by about 5.2% on average, so consumers were getting less for what they spent. The light blue bars indicate the absolute change in what was being spent; the dark blue bars, the change in spending relative to how much was being bought. When adjusted for price inflation, consumer spending overall fell by about 8%.

## Sign up today for WANADA's Annual Meeting & Luncheon, Dec. 7, 2011 AutoNation's Mike Jackson to headline event at Mayflower Hotel



Mike Jackson

The WANADA Annual Meeting & Luncheon will be held at the Mayflower Hotel, the “grand dame” of downtown Washington hotels, and will be headlined by AutoNation chairman, Mike Jackson.

Jackson is warmly remembered by many WANADA members as the managing partner of Euro Motorcars at which time he was also active as a WANADA Board member and officer. He was recruited from Euro in the early 1990s by Mercedes-Benz USA where he served as president and CEO, before joining AutoNation in 1999.

WANADA's Annual Meeting & Luncheon will begin with a networking reception at 11:30 am, on Dec. 7, followed by lunch at Noon. The association will then hold its annual business meeting, to include a metro Washington car market update and election of new board members and officers. Mr. Jackson will speak thereafter and take questions. The program will conclude by 1:40 pm.

Seats for the luncheon are \$125 each and tables of 10 are available at a 10% discount, or \$1,125. To register, please click [HERE](#), complete the form and fax to 202-237-9090.

For more information, contact Kristina Henry, 202-237-7200 or [kh@wanada.org](mailto:kh@wanada.org)

### WANADA Annual Meeting & Luncheon *at a glance*

**The Renaissance Mayflower**  
1127 Connecticut Avenue, N.W.  
Washington, DC 20036

- **Networking Reception: 11:30 am**
  - **Lunch: 12:00 - 12:45 pm**
- **Business Meeting: 12:45- 1:00 pm**
- **Keynote presentation: 1:00- 1:40 pm**
- **Cost: \$125 each / \$1,125 table (10% discount)**

## Halloween is always a treat for WANADA staff with the wide array of costumed visitors



Lions, tigers, bears, a strawberry, Spiderman, a couple Dorothys and great many more foreboding, but wonderful young trick-or-treaters brightened the WANADA offices on Halloween as the building's Day Care Center toddlers made their annual visit.

Accompanied by the Center's staff, who were also in costume, the little tykes dropped by in orderly, but exuberant fashion, holding hands, but excitedly grabbing off all the available candy. There was no question they'd leaving with goodies, but the real treat was the Halloween break the kids brought to WANADA staff and the other office dwellers at 5301 Wisconsin Ave.



### Position Wanted- *Service Director*

An individual with significant experience as a service director is seeking a similar position in the Washington area. For additional information, contact John O'Donnell at 202-237-7200, or [jod@wanada.org](mailto:jod@wanada.org).

#### Staying ahead...

Live in such a way that you would not be ashamed to sell your parrot to the town gossip.

--Will Rogers