



CFADA
CENTRAL FLORIDA
AUTO DEALERS ASSOCIATION

Member
News
May/June 2018

KEEPING OUR COMMUNITIES VIBRANT AND MOVING



By now, your head may be spinning from all the news about the changes in the industry.

Carvana's 3,300+ ads make it clear that they believe the dealer can

be excluded from the car buying experience. The five major campaigns include "The New Way to Buy a Car," "Don't Play the Game: Stan," "Anything for Love," and "Don't Play the Game: Mitch." If you or your customers are anything like me, you may like the new options for purchasing a car, but you still want some TLC (tender loving care). TLC is where dealers show their value.

When I buy a new car, my salesperson explains to me the mechanics of my car as well as how the features work. S/He shows me how to operate the technology, explains the safety features, schedules my first oil change, and sends me on my way with his/her contact information. A couple of weeks later, s/he calls me to see how I am doing. I don't know about you, but vending machines cannot provide the same experience. **Dealers offer a product and a service that help maintain a lifestyle.** You keep the soccer moms going. You get dads to the golf course. You make sure the kids make it to school and the parents make it to work. You also support our communities by providing jobs to college grads, high school grads, and those who prefer helping people over consuming endless books. You give to many causes that help children and families. [You should be proud of all the great work you do!](#)

The best thing to do in times of structural change is to know your customers, know your brands, know your capabilities, and decide what you want to do. **You own your destiny.** You may recall that when the TV came into the scene, it was predicted that the radio would disappear. When the internet came, the TV was supposed to disappear. Network television changed when cable appeared. When satellite was born,

cable tv was supposed to die. However, now they coexist. Each serves a specific purpose and we use all of them. We have gone from animals as transport, to horse and buggy, to crank cars, stick-shift transmissions, automatic transmissions, smart navigations systems, sophisticated safety features, now to clean fuel and autonomous vehicles. **As vehicles and purchasing options evolve, the purchasing process changes too.** Customers can buy in-person, online, and from a car vending machine. The truth is that these vehicles, purchase options, and mobility methods will coexist just like the radio, TV, and internet coexist. What is important is how we capitalize on these changes. Some of these changes can be opportunities to reach new segments in different ways. **We cannot be all things to all people, but we can do very well meeting the needs of a specific group of people.**

What about ridesharing? Ridesharing is a trend that is growing. It is in direct competition with taxis not vehicle sales. There is some impact to the industry but the truth is that people still prefer car ownership. Ridesharing is a new way to move around but it is not the ownership killer. Ridesharing is not practical for the soccer mom, the dad that is coaching, or the person that requires mobility for themselves and their things.

What about autonomous vehicles? Autonomous vehicles are becoming more main stream. However, they are not a proven technology that can replace the driver. A challenge with autonomous vehicles is that they rely on an integrated network to function. Right now, the space is open and there is a lot of experimentation. As these vehicles grow in popularity so will the demands on a network system that is local and national. There are many things to work out. Who maintains the system? Who protects it from viruses and hacks? Who updates the code? Who keeps communication flowing? Computer networks that facilitate autonomous driving can become congested. We need a robust infrastructure to ensure

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that autonomous vehicles can function; we are not there yet. Audi is airing a commercial that is future-looking and takes a jab at autonomous vehicles. The ad shows the value of driving a car versus riding a car. [Here's the link.](#)

What about subscription services?

Subscriptions services may be an opportunity if it aligns to your business model. Subscription services target the upper middle class who understand the true cost of ownership, want one payment per month, like the ability to drive different cars, and who have clean driving records. Subscription services provide new-to-3-year old vehicles, include maintenance, insurance, and the use of a vehicle for a predetermined number of miles. The concern is that the service diminishes brand loyalty; the other side is that it may promote dealer loyalty. Think about it. Someone that subscribes to your dealer program can get different cars from your fleet. Just like your repeat car buyers, you can have loyal subscribers. Subscribers and buyers could represent two different customer segments. The subscription model is still in its infancy. There are things to figure out like depreciation, residual values, fleet management, concierge services, and insurance. However, there may be an opportunity to service a customer who is willing to pay to drive a different vehicle every month.

Finally, we've already discussed **online shopping and car vending.** I don't believe they will replace the dealership. People like to shop and they want to work with people. When there is something that they do not understand about their car, they want to call someone. People do not want to be on hold waiting on a call queue for hours. People also want the test drive experience. They want to touch and feel the car they are buying; pictures are great and so are videos, but they do not replace the sense of touch and smell that comes with a new car. People want the experience of sitting in a new.

It is a time of change, so let's own it. We cannot let the competition or technology define our business. If you attended the NADA Show in Las Vegas or the Digital Dealer Conference in Orlando you heard this message loud and clear.

LEGISLATIVE NEWS

Hyundai and Genesis. The FADA announced that it seems that Hyundai has changed its position on the Genesis brand. It seems that Hyundai will make these vehicles available to all Hyundai dealers.

S.J.Res57 Dealership Consumer Loan Financing. CFADA, FADA, and NADA have been working to keep S.J.Res57. In 2013, the Consumer Financial Protection Bureau (CFPB) issued guidance which threatened to eliminate a dealer's flexibility to offer consumers discounted auto loans. Most car buyers choose to finance their purchases through indirect financing at dealerships. The CFPB's 2013 guidance pressures auto lenders to eliminate or limit a dealer's ability to discount credit for consumers. By limiting market competition, the CFPB's policy would increase the overall cost of auto loans for consumers. Preserving discounts keeps auto loans accessible and affordable. **S.J.Res. 57/H.J.Res. 132 was approved by the senate and goes to Congress on May 7th.** **Please call Congress and urge them to pass S.J.Res. 57/H.J.Res. 132.**

QUERIES, TOOLS, and TIPS

Should you keep a paper copy if you have an electronic copy? If you have an electronic copy, usually a paper copy is not needed. However, there are some things to keep in mind. Dealers are supposed to retain sales records for 5 years whether electronic or paper. Before destroying any paper records, Dealers must ensure the successful transfer of title and registration to the purchaser. [Click here](#) for information on Florida statute 320.27(6). Your insurance company may have additional requirements so check with them. The risk/benefit equation is about the cost to keep your records in storage versus the risk of needing those records in the future. At the end of the

day, it is up to your leadership to decide what is the best practice for your store.

www.freeautorecallsearch.org is a free Vehicle Recall Search Service, VIN-based search tool that allows dealers, DMVs, insurers and more to search up to 10,000 VINs in just 30 seconds and inform consumers about vehicles with open safety recalls.

www.checktoprotect.org is a site that is not new, but the ramped up public awareness campaign is new. If you have questions about Check to Protect (a program of the National Safety Council), please email info@checktoprotect.org.

A key to selling is to put the customer at the center of the buying experience and the after-sales service. One way to promote customer loyalty is to recognize customers on special days. In addition, send a card on their vehicle purchase anniversary or some special vehicle milestone. This can be 6-months, 12-months, or 18 months. By celebrating their new ride, you are promoting



the ownership experience. The next time they need to upgrade, you will be the person they think of. The customer experience may start online, on the phone, or in the showroom but it continuous beyond these boundaries.

STUDENT COMPETITION

Shout out to John Mantione and Fields BMW for providing a Mini and having the service department help our Oviedo High School students prepare for the national competition. The students competed in New York April 3-4. Also, **a warm thank you to the instructors at SSC** for helping with the local competition.

WOMEN IN AUTOMOTIVE

The 5th Annual



Women in Automotive Conference will be held June 24-26, 2018 at the Omni Championsgate in Orlando. There will be many educational sessions and speakers from Facebook, Google, AutoNation and Automotive News to share best practices. The key notes include Lisa Copeland, author of *Crushing Mediocrity* and the world record holder for selling the most Fiats in a one month. Register using the discount code **CFADA100** to save **\$100 off the early bird rate** (expires May 31st). Does not apply to student or daily admission). Childcare will be provided during the event (including cocktail hours) at no additional charge, so make it a StayCation! Go to WomenInAutomotive.com to register.



DATES TO REMEMBER

June 7, 2018- 11:45-1pm is our Member meeting at the Citrus Club. Send your RSVP to Yesenia Cardenas. Please be cognizant that **the Citrus Club has a strict business attire requirement**. Also, **please bring a small shirt with your store's/organization's logo**.



Our new website will go live later this summer



October 2, 2018
Epilepsy Auto Classic Golf Tournament

November 22-25, 2018
Central Florida Auto Show

December member meeting TBD

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