

GCADA e-NewsWire

Greater Cleveland Automobile Dealers' Association

GCADA Set to Launch Human Resource Management Program

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The Greater Cleveland Automobile Dealers' Association has initiated Tactical Employment & Automotive Management (T.E.A.M.) – a human resource management program available to 220 member dealerships in a 14-county region of Northern Ohio.

As many growing and heavily regulated franchised motor vehicle dealers often experience, the function of the human resources (HR) administrator is one of the most critical within a dealership. Unfortunately, many dealers do not have the luxury of having a full-time administrator. And, the few dealerships with HR administrators are usually involved with many other time consuming roles within a dealership.

That is why GCADA initiated the program in August 2003 with the addition of three new employees – an HR attorney, who specializes in employment and workers' compensation law; HR administrator; and clerical assistant.

"Our human resources management program provides aggressive and proactive administrative assistance for dealers and their employees," Adams added. "Our mission is to increase efficiency and profitability for dealers with an emphasis on bringing them into compliance on all industry, federal and state laws, rules and regulations."

Dealerships have a need for an HR management program for several reasons:

- **Inefficiency** in HR can be responsible for significant out-of-pocket expenses resulting from legal expenses caused by increased litigation in workers' compensation and unemployment claims, wrongful termination, harassment, discrimination and privacy issues, to name just a few.

"The combination of these two likely situations can be extremely costly to motor vehicle dealers," said Gary S. Adams, GCADA president. "Dilution of human resources administration is one of the most costly legal and regulatory areas a dealership can face, both defending and resulting damages and settlements."

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SUMMER SALES PITCH

WKYC-TV Channel 3's Weathercaster, Eileen McShea, hosts Gary S. Adams, GCADA president, during a "live" broadcast from the studio on Sunday, August 22, 2003. Seven vehicles were featured, which included the Chrysler Crossfire and Pacifica; Porsche Cayenne; Infiniti FX45; Honda Civic hybrid and Element and Chevrolet Venture.

On Friday, Sept. 5, GCADA featured several 2004 vehicles on WEWS NewsChannel 5's "Good Morning Cleveland" in front of Cleveland Browns Stadium.

HR Management Program, Con't

- **Change in dealership personnel** can result in diminished regulatory follow-up, increased administrative costs, failure to meet schedules, loss of production, cost of training replacement workers, and lost staff time.
- **Labor and regulatory laws and guidelines are constantly changing.** Not knowing when a rule or law changes can be detrimental and costly to a dealership. Increasing awareness and maximizing accessibility to accurate and current HR information and assistance is key to a successful program.
- **The automotive industry brings many unique situations** that require timely advice and guidance from experienced and qualified professionals.

GCADA's HR Program provides members with: regulatory compliance audits; hiring and pre-employment screening practices; utilization of independent contractors and external staffing solutions; disciplinary and termination procedures; development of job descriptions; analyze benefits administration; workers' and unemployment compensation services; employee handbook, policies and procedures; training and cross-training of HR personnel; a drug-free work place; communications management, cost savings analysis of preferred vendors; ongoing employment and regulatory legal counsel; and certificate curriculum for dealership personnel.

"Most important, we're there to listen to our members and address their dealership employment issues," Adams added.

To implement the T.E.A.M. Human Resources Management program, GCADA has named Patrick J. Harrington, a labor law attorney specializing in workers' compensation and employment law, as T.E.A.M.'s legal director. Susan W. Wilder was named as T.E.A.M.'s director of human resources.

Harrington, a 1990 graduate of Capital University School of Law, has more than 15 years of experience in workers' compensation litigation, risk management and human resource related issues. Most recently, Harrington was a partner in a Cleveland-based labor, employment and workers' compensation law firm. He is a member of Ohio State Bar Association, Ohio Bar Association and Cleveland Bar Association.



Pat Harrington



Sue Wilder

Wilder joins CGADA with more than 17 years of HR experience in recruiting, HR information systems development and implementation, payroll, compensation and benefit design. Wilder is certified in human resource management, is also a member of Cleveland Chapter of Society of Human Resource Management.

For more information about how your dealership can get involved with the new HR management program or to schedule an informal meeting, please contact GCADA at 440.746.1500.

Merchandising Your Way to Success on the Internet

by Chip Perry

The Internet is here to stay as a consumer automotive information and research tool. Its popularity is growing rapidly as its benefits are reaching more and more car buyers. Whether you and your dealership staff agree with that statement or not, the fact is that shoppers are researching, shopping – and sometimes even purchasing via auction – their next car or truck online. After e-mail and search engines, the most popular online activity is researching products and services, according to Jupiter Research. Nielsen numbers show 60 percent of web users have shopped online in the past 30 days. The 2002 J.D. Power and Associates Used Autoshipper.com Study finds that 47 percent of used-vehicle buyers used the Internet during the shopping process in 2002 and of the 60 percent of new-vehicle buyers who use the Internet while shopping, 88 percent visit automotive web sites before visiting a dealership.

The biggest question AutoTrader.com hears from our nearly 8,000 paying dealers is how to turn all these Internet shoppers into email leads, phone calls, walk-ins, and ultimately, real buyers. As Internet users become more savvy and sophisticated, dealers who understand the mindset of Internet shoppers and their hunger for information are starting to see excellent results from Internet advertising investments. The power of the Internet is that you can tell – and show – visitors much more than if you ran a newspaper classified for the same car. Take advantage of this

See "Success on the Internet," (cont'd on pg. 3)



Tom Gorman (left), general sales manager, Ford Division, congratulates Jim Herrick, president of Liberty Auto Group, on Wednesday, Sept. 3, 2003 for winning Ford Motor Co.'s "Golden Shovel Award." Herrick and Liberty Auto Group were recognized for their leadership in constructing Liberty Ford – a new, state-of-the-art, and innovative dealership built on 19.4 acres in Maple Heights, Ohio, measuring more than 152,000 sq. ft.

America's Largest Ford Dealership Wins Award

Jim Herrick, president of Liberty Auto Group, was presented with Ford Motor Co.'s "Golden Shovel Award." The award, presented Sept. 3, 2003 by Tom Gorman, general sales manager, Ford Motor Co., recognizes dealers for building new, state-of-the-art and innovative dealerships.

Since opening the Ford dealership at its new 19.4-acre location in Maple Heights, Ohio, 5500 Warrensville Center Road, adjacent to the Bedford Auto Mile and Interstate 480, Herrick discovered without the basic business principals of customer service and a convenient location, the increased square footage alone wouldn't mean very much.

The 152,000 sq. ft. dealership boasts: capacity for a 100-car and -truck indoor showroom; 53 service bays; 30,000 sq. ft. body shop complete with a dual paint booth; Arabica Coffee shop and café; and Enterprise rent-a-car.

"We wanted to create an entirely new level of service and convenience for our customers and felt that the ability to shop a huge selection of vehicles indoors would be a tremendous seasonal advantage," said Jim Herrick, president of Liberty Auto Group. "The ability to service and repair more vehicles faster, and provide excellent customer amenities while they wait really invites customers to choose us in today's highly competitive environment."

Between six dealership locations, Herrick employs about 500 people who sell and service six automobile brand names – Ford, Lincoln, Mercury, Dodge, Chrysler and Jeep.

Liberty Auto Group's other Ohio locations include: Liberty Ford in Solon; Liberty Ford in Parma Heights; Liberty Lincoln Mercury in Independence; Liberty Ford Lincoln Mercury in Vermilion; and Liberty Dodge, Chrysler, Jeep in Vermilion.

"Success on the Internet" (CONTINUED FROM PG. 2)

fact! Realize, too, this does not mean that the technical aspect of putting your inventory online has to take up all your time. We have gotten feedback about what information, presented what ways, turns eyeballs into action.

By closely studying the behavior of the 6 to 7 million unique visitors who log onto AutoTrader.com every month, we have identified the primary drivers of consumer response during the shopping process. *Our consumer usage statistics clearly show that the quality of a dealer's online merchandising has a huge impact on the dealer's success.* In fact, our proprietary data reveals that dealers with effective merchandising can generate three or four or five and sometimes up to 10 times the response of the average dealer who has only average merchandising. And the good news for dealers is the things you need to do to be an effective merchandiser are not the stuff of rocket science or high tech wizardry, but rather the stuff of good old-fashioned car selling.

Basically, if you take a few minutes per vehicle to give your online listings a personal touch, you can generate significantly more prospects and sales than if you just shovel your inventory to a third party web site and then sit back to see what sticks. The personal touches that make a huge difference in consumer response are photos, vehicle descriptions, comments about the vehicle, and text messages that act like online coupons in order to get the consumer to take action. Telling the consumer what's special about the car and saying things like "Print this page out and bring it in for a \$100 discount and a free oil change" and "Call Joe ___ for our SPECIAL INTERNET PRICE" may seem overly simplistic, but the plain truth is that these basic, down-home techniques really do work – and really do help drive more qualified in-market car buyers to your dealership.

You might think that with the flood of information people can find online these days you shouldn't inundate them with even more. On the contrary, Internet car shoppers are information hungry people and they tend to "screen out" ads with very little information, while they "screen in" ads for vehicles that tell them what they want to know. People are much more likely to screen out your ad for **what is not in it** than for **what is in it**. It's just human nature at work. Successful dealers are realizing this and capitalizing on it big time.

Since online merchandising is so critical to a dealer's success, AutoTrader.com and other third party sites have developed a variety of software tools for managing and marketing your inventory. These tools are under constant development because dealers are always suggesting improvements. You should expect whatever tools you are using to enable you to conveniently put a personal touch on your ads and then measure the kind of response that different merchandising messages generate for your dealership. As they say in college, marketing is not an
(CONTINUED ON PG. 4)

NADA Announces New Director for Metro Cleveland

Mark DeLorean, president of DeLorean Cadillac, has been elected to the office of NADA director from Metropolitan Cleveland.

DeLorean takes office immediately to serve the remaining portion of Harry Lum's term which expires in February 2005.



Brunswick Auto Mart Gives Away Chrysler PT Dream Cruiser

Brunswick, Ohio – Kathy Burley, a resident of North Royalton, Ohio, won a 2003 Chrysler PT Dream Cruiser II from Brunswick Auto Mart on Sept. 6, 2003. The promotion was run in conjunction with Clear Channel Radio's Majic WMJI 105.7 FM.

Burley was the last winner of the 136 keys to be given away during the three month promotion. She was ninth in line at Brunswick Auto Mart to unlock the door. The event was hosted by WMJI's John Lanigan

Employees of Outback Steakhouse were on hand to serve lunch, which included chicken sandwiches, cheeseburgers, fries and drinks. They served more than 400 people that afternoon at the dealership.



Kathy Burley, (left) a resident of North Royalton, Ohio, reacts after winning a 2003 Chrysler PT Dream Cruiser from Brunswick Auto Mart on Sept. 6, 2003. Curt Kassel, the dealership's general manager, congratulates Burley after winning the grand prize in a promotion with WMJI 105.7 FM.

("Success on Internet," con't) exact science, so you'll need to tinker with your merchandising approach and experiment with different messages to be sure you're getting best possible response in your local market.

Merchandising on third party web sites like AutoTrader.com also involves making decisions about what kind of prominence you want your inventory to have and what kind of tools you want to use to get consumers to click into your inventory. On our web site, we've created Premium, Featured, and Basic Listings that enable dealers to choose what level of prominence works best for them. We also have some innovative new merchandising tools. Dynamic Display Ads take customers from an individual listing to a colorful page of other similar vehicles from your inventory that they might want to buy. Consumers like these "in context" advertising links because they know they are useful, in contrast to those dreaded pop-up ads for stuff completely unrelated to the task at hand. Auction-Style Listings are a rapidly growing merchandising tool for generating actual bidding on your vehicles by in-market car shoppers.

At AutoTrader.com we've worked hard to reduce the cost of advertising by enabling dealers to take advantage of the inherent targeting capabilities of the Internet that are not available in traditional media such as newspapers, radio and television. While it is gratifying to see so many dealers finally starting to see positive results from their Internet marketing investments, what is most interesting about this movement is to see that it is rooted in the same practical car selling skills that have made the industry so successful over the past 100 years. **Chip Perry is president and CEO of AutoTrader.com.**

GCADA Hosts Federal Telemarketing Seminar About 100 Dealers Attend

Brecksville, Ohio – About 100 member dealers and staff attended a presentation on the Federal Telemarketing Rules and the National Do Not Call Registry at the GCADA Training Center on Sept. 29, 2003.

Both the Federal Communications Commission (FCC) and Federal Trade Commission (FTC) have substantially updated their respective telemarketing rules. This action has brought about many new or revised requirements that likely will impact certain practices of your dealership's operations.

Recently, the 10th U.S. Circuit Court of Appeals said the FTC/FCC could run and enforce the National Do Not Call Registry while a challenge from telemarketers winds its way through the courts. In general, the FCC regulates telemarketing calls that are placed intrastate (within the state) and interstate (between states). Conversely, unlike the FCC rules, the FTC rules only apply to telemarketing that occurs over state lines ("interstate telemarketing").

The training seminar lasted nearly three hours, including questions/answers. Certainly those that attended will have a much better understanding of the Rule's complicated requirements and implementation procedures.

Please note that NADA has published an excellent overview of the Telemarketing Rules and GCADA has posted some additional information on its website, www.gcada.org. To obtain an electronic copy of the NADA guideline, you may acquire it through the NADA website at www.nada.org.

September Sales Up 4.2%; 20 Brands Post Sales Increases; Used Vehicle Sales Up 1.3%

Brecksville, Ohio – In a 19-county region of Northern Ohio – 20 brands posted sales increases through the third quarter 2003 – while overall new vehicle sales were down about four percent. Sales of new cars, trucks and some commercial vehicles reached 190,965 units through the first nine months of 2003, down 7,866 units compared to the same time a year ago. September sales were up 4.2 percent.

General Motors Corp.'s Chevrolet brand cars and trucks led sales in the region with 34,880 units purchased or leased – down a modest 1.8 percent – while its GMC, Hummer, Saab and Saturn brands all posted year-to-date increases. Ford Division brand sales reached 32,938 units, down 12.3 percent. Ford Motor Co.'s Jaguar, Mazda and Volvo brands all posted year-to-date sales increases as well in the region.

American Honda Motor Co.'s Honda brand cars and trucks were third with 16,571 units sold, up 11.6 percent. Toyota Motor Sales U.S.A.'s Toyota brand sales were fourth with 13,762 units sold, up 7.1 percent, while its Lexus Division posted a 4.6 percent sales increase. DaimlerChrysler Corp.'s Dodge Division closed out the top five in the region with 11,905 units sold, down 13.2 percent.

"Demand for new cars and trucks in the region have remained steady with combined new and used vehicles sales declining a modest 1.3 percent through the first nine months of the year," said Gary S. Adams, president of the Greater Cleveland Automobile Dealers' Association. "We find it extremely exciting that sales were actually up in September compared to last year."

New Car and Truck Sales (January – September 2003)			
MAKE	Sept YTD 2003	Sept YTD 2002	Sept YTD % Change
ACURA	1346	1377	- 2.3
AUDI	1112	1177	- 5.5
BMW	1704	1487	14.6
BUICK	6581	7106	- 7.4
CADILLAC	2622	2661	- 1.5
CHEVROLET	34880	35504	- 1.8
CHRYSLER	6715	8697	- 2.3
DODGE	11905	13710	- 13.2
FORD	32938	37552	- 12.3
GMC	4736	4357	8.7
HONDA	16571	14844	11.6
HUMMER	275	61	350.8
HYUNDAI	4344	3991	8.8
INFINITI	666	532	25.2
ISUZU	208	200	4.0
JAGUAR	664	618	7.4
JEEP	5250	5528	- 5.0
KIA	2101	1918	9.5
LAND ROVER	350	439	- 20.3
LEXUS	2615	2501	4.6
LINCOLN	1718	1947	- 11.8
MAZDA	2143	1855	15.5
MERCEDES-BENZ	1046	1035	1.1
MERCURY	3461	4046	- 14.5
MINI	340	199	70.9
MITSUBISHI	3098	2631	17.7
NISSAN	4322	3909	10.6
OLDSMOBILE	1694	2975	- 43.1
PONTIAC	9641	10323	- 6.6
PORSCHE	180	209	- 13.9
SAAB	641	549	16.8
SATURN	4585	4374	4.8
SUBARU	1014	1026	- 1.2
SUZUKI	547	534	2.4
TOYOTA	13762	12849	7.1
VOLKSWAGEN	3048	3813	- 20.1
VOLVO	871	691	26.0

Year-to-date sales increases appear in bold type.

Sales data is based on Ohio Bureau of Motor Vehicle Registration Reports of consumers residing in a 19-county region of Northern Ohio. The counties include: Ashland, Ashtabula, Coshocton, Cuyahoga, Erie, Geauga, Holmes, Huron, Lake, Lorain, Mahoning, Medina, Portage, Richland, Stark, Summit, Trumbull, Tuscarawas, and Wayne.

"We expect overall new vehicle sales to remain steady because automakers are continuing to pitch hefty rebates, cheap loans and other incentives at shoppers, including thousands of dollars in rebates and zero-to-low interest finance rates on many 2004 model-year vehicles now available in dealer showrooms," Adams added.

Used-vehicle sales figures in Northern Ohio reached 140,180 units, up 1.3 percent from 138,403 over the same time period in 2002.

"The proliferation of auto manufacturer's certified, pre-owned vehicle programs, the popularity of leasing, and trade-ins has certainly contributed to robust used-vehicle sales in the region," Adams concluded.

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