Virginia autodealer

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THE OFFICIAL PUBLICATION OF THE VIRGINIA AUTOMOBILE DEALERS ASSOCIATION

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Message from President and CEO, Don Hall

The 2020 General Assembly convened earlier this month — which means your VADA team is heavily involved with legislation that could have an impact on your business.

Again, it's important to note that every senator and delegate was elected in November. In total, we're talking 140 legislators across both houses of the General Assembly. Many of these individuals are new to office, with about half of the House of Delegates serving four years or fewer.

As an extension of that, both the Senate and House Transportation Committees feature many new members. In the House alone, 36 percent of the 22 committee members are new; three of those are new to the General Assembly.

We're working quickly to forge relationships with these recently elected officials. Even with the veteran legislators who are new to these committees, we're working to educate key lawmakers on issues that are important to our dealer members.

Change Can Be Good

Most of you already know that we have had a turnover of power, with the Democrats now controlling both the Senate and House of Delegates. That means change, but change is not a bad thing. Change is exciting. In my 32 years working with VADA and the General Assembly, I know from firsthand experience that change creates opportunity.

What must remain consistent, however, is our advocacy for pro-business issues that don't necessarily follow strict party lines.

Already in this 2020 session, we've identified several critical pieces of proposed legislation for dealers:

- The elimination of annual vehicle safety inspections
- Peer-to-peer vehicle sharing, electric vehicle rebates and carbon emissions
- Revisions with employer requirements and worker's compensation

Any changes or new laws in these areas could dramatically alter how you do business. Should they be passed by the legislature and signed into law, you may see the impact on your bottom line. That's why we constantly work the halls of the General Assembly on your behalf — and encourage you to participate in Dealer Day at the Capitol — to inform legislators of how policy can affect you and the communities you serve.

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DON HALL CONTINUED FROM PAGE 3

> Communication is critical when regulatory changes and new laws have a potential impact on your day-to-day business and long-term prosperity.

Dealer Day at the Capitol

Your VADA team remains your team on the ground day in and day out at the General Assembly, working to ensure that your voice is represented on critical issues. But, as business leaders, you also have an obligation to engage directly with legislators.

Our annual Dealer Day at the Capitol makes it easy for all dealers to meet one-on-one with lawmakers. This year's event occurred Wednesday, Jan. 22. For those of you that took the time to participate — thank you!

Visiting legislators — and writing letters or emails, when asked — should be a priority for every dealer. You need to make the time and take the interest now because not participating in this process is a risk to your business. Members of the General Assembly need to understand what is important to you — and why these issues matter to you, your employees and your customers.

Speak Up Now

Communication is critical when regulatory changes and new laws have a potential impact on your day-to-day business and long-term prosperity. If you couldn't make it for Dealer Day but have another day to visit the Capitol during this session, let us know; our team can schedule a time and join you in visiting key legislators.

Why? Simply, no one can tell that story better than you. Your involvement in the legislative process is how we are going to change opinions and votes. ★

True or False

The salespeople at our dealership often post vehicles for sale on their social media accounts. Those posts are advertisements and, if improper, the dealership and the salesperson can both be held responsible by the Motor Vehicle Dealer Board.

True

- Social media posts by your employees are advertising, and they are illegal advertisements if they include prices, discounts, or offers not in compliance with the law.
- MVDB has begun imposing civil penalties on the dealer for ad violations in social media posts by employee(s).
- Have a written social media policy with the Dos and Don’ts of employee use of social media.
- Goal – use social media posts to drive prospects to dealer’s website where full offers and disclosures are available.

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SOCIAL MEDIA

Some problems you don't want: legal problems, negative publicity for your business, and the compliance issues that face all car dealerships.

Social media can give you all of these problems, despite the way it has also made a positive transformation in communication and marketing throughout the world. That's not surprising. Something as powerful as social media has got to have a downside to it.

Why? There's an old saying: no piece of paper is so thin that it doesn't have two sides. Newton's third law of physics states that every action has an equal and opposite reaction. What are the two sides of using social media?

- It's powerful.
- Your company has to use that power responsibly.

Linking the two is not a new idea. Voltaire was the first person to talk about the connection between power and responsibility, but so did Winston Churchill, and it's present in the kind of popular culture that reaches small children, too — after all, Peter Parker's Uncle Ben told him about the responsibility that comes with great power, which means even a 4-year-old has some idea about how important it is to handle power responsibly.

The question is simple: how do you get the benefits and avoid the problems? In other words, how can you use social media as a free promotional tool by allowing employees to post positive news and work-related photos online without also risking negative publicity or even the public sharing of brand secrets?

The answer is equally simple. You need two workplace social media policies:

- One for all corporate social media accounts
- One for each employee's social media accounts

The policies will guide people so they know what they can say, and (you hope) prevent them from being irresponsible online. Having guidelines for employees to use is only a first line of defense, of course, but it's a good one. It sets the tone for how things should be said, and it makes it clear what the company values. You will save time by setting expectations in advance, and that translates into increased productivity.

Not everyone will need a copy of both policies. Corporate social media accounts are generally managed either by one person or by the applicable department (potentially, departments such as customer service, human resources, or marketing and social media). The people who post on corporate social media accounts are the ones who will need to know the rules for their particular set of responsibilities.

When your company hires any new employee, give them clear instructions, and a document containing those instructions that they can refer to later, as part of their initial training. You should also repeat the instructions periodically to people to remind them about the policy regularly. In the policy, tell them what they can and can't talk about on their social media accounts. The most important piece of information in any social media policy is a disclaimer that applies to everyone: the internet has made it essentially impossible to delete information. If someone

> Implementing a social media policy might not seem important if the majority of your employees are from the baby-boom generation.

posts something and then removes it a few minutes later, someone else can still take a screen shot of the post and circulate it. As a result, it is incredibly important never to post anything on any social media account without being sure it won't cause problems later.

Implementing a social media policy might not seem important if the majority of your employees are from the baby-boom generation. They probably don't automatically post the details of their lives. But for those who are younger, who think nothing of putting even the most trivial details of their lives online, such as what they had for dinner last night or whether they are considering the merits of two different sweaters they might want to buy, you really do need to have a conversation about which pictures and statements can be shared and which cannot. They often don't separate their personal and professional lives, and so you need to help them know when they can share and when they need to be silent.

Consider including the following points in your general policy:

- Start with the positive. The right social media comments can help the company achieve goals. Employees can become key representatives of your business. To help them do that, teach employees how to build the company brand and drive traffic to the company's website.
- Provide a way for people to get approval in advance if they want to say something or write something. Having a process in place ahead of time establishes responsibility in an appropriate way. That way, the company's leaders will have an opportunity to weigh in on anything that requires some delicacy or precision in how it is said, but it also gives employees a path for being creative and proactive without getting slapped for doing something new.
- No post should include proprietary information. What's proprietary? The information they gained from meetings or brainstorming sessions; information about prototypes; new products, including photos; photos of cash receipts, or photos of the cash register POS system.
- If you don't want an employee to take and post pictures of your headquarters or any specific rooms within your business, say so.
- Remind them that they each have a professional brand and that they need to be careful about how they represent themselves. Can you forbid them from posting on their channels? No. You don't have the legal authority to do that as long as they stay within that channel's rules. However, you can explain to them the legal liability they might expose the company to, and also the possible consequences of how other people see them; brands are intangible but powerful, and once someone trashes a brand, the damage can be permanent. You can also tell them that their brand contributes to the company brand, and that if they talk about the business in unacceptable ways, they could lose their job. For example, the company can fire them for disclosing sensitive information, breaching their contract, or defaming either the company or a competitor.
- Negative comments attract other negative comments. As a result, employees should not post negative comments about the workplace, even if the comment is general and only mildly negative. (Make sure that if you close down the option of a public complaint, you provide some other way for them to work out problems. People do need an effective way to solve problems.)
- Employees should have appropriate privacy settings. LinkedIn and Twitter are both open. Facebook and Instagram can be made private. Employees need to know how private or open their accounts are, and be especially conscious of posting anything on an account that isn't private.
- The company has a responsibility to monitor social media accounts at least passively. You can also encourage people to report threatening language. The point is not about monitoring everything employees do. Nobody wants to work for a company that does that. Instead, it's about putting in the minimum amount of effort to find big problems early. Toward that end, there's nothing wrong with using a tool that allows you to "listen" to social media. You can also search periodically for brand names on Instagram and Twitter.

The corporate social media policy has additional requirements you might want to add:

- Limit the number of people who have access to the company's social media platforms. Change the passwords frequently.
- When an employee leaves the company, especially if the circumstances are negative, delete that person's access to the company's social media channels, and reset everyone's social media passwords.

By educating employees about what they can and cannot say online, you accomplish two goals. You increase your company's positive publicity, and you prevent as much negative publicity as possible.

That's a great outcome for everyone involved. ★

Auto Brands

AND SOCIAL MEDIA

Selling cars is a great business to be in, but the rules have changed in some ways as a result of the internet and social media websites. Today, customers do look on websites, but they often start the car search on social media. Reaching potential customers and connecting with them through social media is only going to work if you choose the right social media websites and use them to build a compelling brand.

Building a compelling brand has essential components: the brand needs to be likable, convenient and available. Also, you need to prepare potential customers for the day when they are ready to buy so that when they decide to buy a car, your brand is the one they want.

Being likable involves being personal and social. Many dealerships do good within their communities by supporting local charities and schools. Social media platforms are ideally suited to letting people know about these efforts. Pick things that matter to you, because whatever matters to you is going to matter to other people, as well; being personal is a great way to connect with someone else. Animal lovers may divide into groups (the ones who love dogs, the ones who love cats, and the ones who love anything alive), but whichever category you happen to fall in personally, other people will be able to tell that your interest is genuine. Genuine interest creates a bridge between you and other people.

Being convenient involves knowing your customers and potential customers well enough to know which social media platforms they use so you know which ones are most likely to help you maintain a connection with people. Social media platform usage shifts all the time. Do your homework and plan accordingly.

Once you decide where you want to put your time and energy, write another plan for reminding people about your brand. The

> The best people to ask are the ones who are in your target market. If you want people to respond to questions, keep it brief and easy, and think about ways to reward participation.

idea is to hit the balance between too much contact and too little. Nobody wants a constant barrage of texts and emails, but you also don't want to limit yourself to contacting people once a year. Again, you are going to have to do some homework. When do your customers and potential customers want to hear from you?

The best people to ask are the ones who are in your target market. If you want people to respond to questions, keep it brief and easy, and think about ways to reward participation. Many people do not want to answer surveys if it takes much time or effort, especially if they are busy and want to move on to something more important to them than your brand. Offer something people want, however, and they might be willing to go to a little extra effort.

Think about using cross-promotion to build your brand.

Cross-promotion builds on the idea that customers and potential customers interact with brands at more than one level and at multiple times. These interactions create useful customer touchpoints. Look at any products you offer that are related to other products, and see what you can do. For example, suppose you are trying to get back survey responses, and your dealership happens to rent cars to customers. Credit toward a car rental when you know someone has rented cars from you before might be valuable to them.

If you have an existing customer, you could offer money toward parts, accessories or service. Perhaps you are doing emissions testing or an oil change for a customer; that's an opportunity for building the relationship and rewarding them for giving you their business, even if that business is much less valuable than buying a car. Put information about cross-promotions online so people will know about them.

Cross-promotion isn't limited to your product line. Look at the business around your business. Almost all businesses have websites and a social media presence. You might be able to promote business interests for each other in a mutually beneficial way. You could offer a car wash to their customers; they could offer a sandwich to yours.

Preparing potential customers so they will be more likely to make a big purchase from you later involves show and tell.

Show and tell is a basic form of storytelling that we tend to associate with young children. It can be as simple as grabbing a favorite object and telling other people about it. Show and tell works with selling automobiles because there's no better way to convince a potential customer that they want the car you want to sell them than by letting them see just how great a car it is. The best way of all to show them that is with a test drive, of course, but new owners may not test drive their new car until very late in the process. Increasingly, they might not drive it at all until after they've bought it.

For dealerships, an online version of show and tell means you need to show customers pictures and videos of the car, and make it easy to design their dream version. New cars generally put this tool to work already, but as the used-car market continues to become more important, you could expand it to used cars as well. Many listings for used cars either have just one low-quality picture, or they don't have a picture at all. The description is usually basic and is limited to the must-have technical details. The disparity between online information for new cars and used cars is striking.

From a practical perspective, of course, it can seem like the most cost-effective approach to selling used cars is the one that doesn't require investing much time or effort into presenting them. That might not be the right approach in the future. At a time when the automotive industry is moving toward autonomous cars and hybrid or electric cars, the market is starting to see interesting developments:

- Many people cannot afford the current high prices for hybrid and electric cars. Do they want them? Yes. The technology is attractive. But sensible people don't buy what they can't afford.
- Manufacturers are continuing their push to bring new choices to the marketplace. Many customers are waiting for that, along with a drop in prices as those new choices become more widely available. It's a slow process because of the associated expenses involved, but someday the transition will be over. Expect a surge in used cars when people can finally get the cars they really want.
- Car ownership trends are changing. The dealership customer base may end up being very different from now if people generally embrace the opportunity to move around conveniently even if they own no cars or fewer cars than they did before.

As a result of all these developments, the U.S. may soon see a huge increase in the number of used cars that are for sale, and used-car presentation online may become more important than it has been in the past. That means your social media efforts will need to include used cars as well as new ones. ★

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Geo-targeting

Great marketing is the art of selling the right thing at the right time to the right person. For example, suppose it's raining outside. You make a run from your car to the grocery store's main entrance, wishing you'd thought to grab the umbrella sitting by your front door, and inside the store's main entrance is an attractive display of colorful, practical and competitively priced umbrellas, thoughtfully positioned so that you cannot miss it. How likely are you to pick up one of those umbrellas? Depending on how hard it is raining, whether you have a waterproof coat and hat on, and your budget, the chances are good that you will end up buying an umbrella in addition to the milk and the tortillas you intended to get.

Time and place are both important aspects of this kind of marketing. That same umbrella display, placed well away from the front entrance, would not be anywhere near as effective. It also wouldn't be effective once the rain stopped. Success depends on recognizing that an on-going rainstorm presents a business opportunity, and then acting on it in a way that won't offend customers.

Geo-targeting provides essentially the same marketing technique by using location data from, say, someone's cellphone. Consider some possible cellphone applications, all of which would involve cellphones:

- A potential customer goes to a car dealership and gets a discount offer either for that dealership or for the competitor across the street.
- A woman goes to the mall. While she is walking toward the shoe department, she starts receiving information about her favorite brand of shoes. A half-hour later, after she purchases a pair of boots, the cellphone reminds her of her favorite restaurant at the same mall and lets her know takeout is 20% off.

The technology is not that different from browsing the Crate & Barrel website from your computer and (thanks to cookies) suddenly being shown ads with a selection of the dinner plates you were browsing. When executed well, geo-targeting is a great technique for driving foot traffic, especially when you combine it with some knowledge about the people receiving your messages. For example, Denny's repeat customers received two targeted mobile ad campaigns: "Build Your Own Skillet" increased in-store visits 11.6% and "Build Your Own French Toast" increased in-store visits 34%. Customers were not necessarily close to the restaurants when they received the offer, but the campaigns were still effective because they targeted people who had been to the restaurant.

As with any marketing technique, it's possible to do geo-targeting wrong. Consider the example above of a woman who was shopping for shoes. Is she going to appreciate the fact that someone knows where she buys shoes and when she's likely to want takeout? Or is she going to feel like a marketing department is stalking her? Equally, it isn't an infallible technique. If someone eats at a restaurant once and doesn't ever go back, but the restaurant keeps sending text messages as if the customer eats at the restaurant all the time, is the customer going to be happy or irritated about receiving all these text messages?

Irrelevant or overly invasive marketing cannot possibly be effective.

What can you do to implement geo-targeting effectively on mobile devices?

- Geo-marketing involves a trade: giving away a location in exchange for something of value. Never forget that. The potential customer's part of the deal is to tell you where they are, and your part of the deal is to make sure they don't regret it. As a result, you need to pay attention to the value you are offering. Potential customers are more likely to trust you and to appreciate the ads you send them if they can see that they are getting something in return: a discount at the point of purchase is one example, and loyalty points are another.
- Be careful how much information you give people about what you know. For example, it's possible to figure out if someone in a household is likely to be pregnant. You don't want to send an ad for diapers and baby shampoo before the prospective mother has had a chance to tell her partner about the happy event. Put yourself in the place of the person receiving the ad. Would you be spooked or happy? It's going to spook them if it would spook you.
- Look at venues and decide what people who go there are going to need at different times. For example, you can consider airports, malls, stadiums and universities. At an airport on a weekday, you will probably have business travelers who are looking for a nice meal. Weekends probably have passengers who are just looking for something casual and fast. Malls are going to have a different crowd at Christmas during the evening than they will in the early mornings when people use the mall as a free, warm, safe place to get some exercise. A stadium may host sporting events or concerts; each group will have different needs and wants. A university has plenty of young students, many of whom are between 18 and 21.
- Exclude venues when it makes sense to do so. If there's no game between two rival schools, for example, you don't want to be hawking fast food at the concession stands to the people who usually buy tickets. Not only does it make sense to think about the timing for your ads, it is also cheaper than a blanket approach. Don't pay for what you don't need.
- If you are targeting a specific location, put a distance radius and a time radius around it. People who are too far away aren't good targets, and neither are people who are busy doing something else, like spending the evening at home with their family.
- Pay attention to whether a location is low-performing or high-performing. Places with lots of people (think major cities like New York) have the potential to reach so many people that you can afford to charge less for ads. Less populated areas that have a lower success rate should have more expensive ads to offset the difference in population density.
- Include location terms that are likely to show up in the search strings that people enter. Appropriate location terms are the area code, the name of a community, landmarks, popular venues, tourist attractions, well-known street names, ZIP codes, and anything else you can think of that someone might use to find something specific, like a gym or a coffee shop.
- Geography can tell you a lot about demographics. A mall in a city section with a large Hispanic population is going to look different from a mall with a different population. The ads should differ, too.
- Search history can be very revealing. Suppose someone starts looking at travel agencies and specific countries. Or suppose that you find out someone prefers to shop at Amazon, Nordstrom and Walgreens. You can figure out a lot about a person by where they spend their time and their money. You can also figure out a lot by the questions they start Googling.
- Make location-specific landing pages for potential customers. That way, you can tailor the page to their needs more effectively.
- Pay attention to what's going on. This advice is equivalent to the example above, about the umbrellas next to the front entrance. Look at events, holidays and weather. Plan your ads accordingly.

Geo-targeting is still relatively new, which means there's plenty of room for doing it wrong. But if you are respectful about how you use the information you have about customers, and always make sure you give them something valuable in exchange, there's a good chance you can make a success of it. ★

VADA's TIME Dealer of the Year Nominee

William Farrell

How did you become a car dealer? Did you always aspire to be part of the automotive industry?
It all started when my father, Bruce Farrell, began working at Berglund Chevrolet in 1975, and ultimately became the dealer.

I began working in the parts department of the Chevrolet store in Roanoke at the age of 14 and spent every school break working and learning. I sold my first car at age 17 and knew at that moment that I wanted to spend my career in a dealership.

I gained experience by attending a Chrysler dealer academy in 1988 and working at a Ford store in Atlanta, as well as at Pat Ryan & Associates in Chicago as an F&I (Finance & Insurance) specialist.

Armed with a deeper knowledge of the industry, I rejoined the family dealership in 1992 and worked in F&I and in the service and parts department, rising to vice president. In 2002, I bought my first dealership in Spartanburg, South Carolina, then after seeing success with the Kia and Chevrolet store, I returned to Roanoke in 2006 to run and grow Berglund Automotive.

Do you have family members in the auto industry?
I do. I come from a family auto dealership, so the business is in my blood. Working with family is a joy for me.

Describe your education background. What did you study?
I graduated from Salem High School in Salem in 1984, and attended Radford University in Radford, Virginia. But I always knew I wanted to follow in the footsteps of my father, Bruce Farrell, and become an auto dealer.

Are there any specific individuals that had a major impact on your career?
My father, Bruce, of course, is my best and first mentor. I've always been very fortunate to have my father in my life to show me the way.

But along the way I've had other mentors and friends who have made a big difference in my life — peer mentors, automotive dealers who are owners of multiple dealerships across the country that I've tried to get to know and align myself with. There are always organizations in your chosen industry that you can join to make those kinds of connections, so you can see the highs and lows of all aspects of your business.

The 20Groups have been particularly helpful. It's a great system for learning from each other and finding peer mentors.

But mentors can also be other community business owners, people you just aspire to be more like. Believe it or not, people like that are always glad to take that call and talk to you. Truly successful people are successful because they also want to give back by sharing those stories, because they want to make a difference for the future.

What is the most rewarding part of your career?
When I realize that there are more than 600 families we touch directly through employment at our dealerships, I think that is probably the most rewarding and truly humbling part. The gratification is seeing employees and their families fulfill their dreams.

What do you think will be some of the dominant trends within the auto industry in the next 5-10 years?
Electrification of cars, ride-sharing, and of course, autonomous vehicles. There are and will continue to be a lot of disruptors in

our business. We all hear it. I think it will be a while before we as dealers feel the full impact, but we're going to have to embrace technology and innovation to be successful.

What is the biggest impact of being a VADA member? What makes it beneficial?

There are so many benefits. VADA is a dominant player in our state, as well as across the country. We're a force to be reckoned with. We have solid programs like our workers' comp, insurance, safety monitoring, and training. It's all about helping us be better at what we do, and making it easier to do it.

However, for me personally, I think it's the legislation advocacy that Don and his staff have embraced over the years. I have been involved in many legislation efforts over the years with VADA, and many dealers have benefited from those efforts.

Are you involved in any civic or charitable organizations?

We have given to many great causes over the years, and we try to give to causes that will affect the greatest number of people.

An initiative that I had the opportunity to be involved with was the building a larger pool of trained auto service and technical recruits through our partnership with Virginia Western Community College in Roanoke, where I am currently treasurer of the board of directors for the college's educational foundation.

We made a 5,000 square-foot service department classroom available to the school in a company building complete with equipment, diagnostic tools, vehicles and volunteer faculty comprising Berglund employees donating their time and expertise to assist the instructors. And Berglund Automotive will be hiring outstanding students as apprentices, encouraging them to stay on this career path.

I am incredibly proud our dealership was awarded naming rights for its financial contribution to the Roanoke Civic Center, which is now the Berglund Center. The facility features a coliseum, exhibit hall, performing arts theatre and special events center and hosts world-class entertainment, trade shows, conventions and sporting events. We have donated more than $2 million into the operating budget so both visitors and locals can continue to enjoy the many offerings of this popular Roanoke attraction.

Other organizations that we support include the United Way of the Roanoke Valley; MDA Car Show (an annual Roanoke event that supports Muscular Dystrophy Association); Boy Scouts of America; Junior Achievement of Southwest Virginia; Lynchburg Humane Society; Susan G. Komen; Blue Ridge Area Food Bank; Center in the Square (an arts and cultural center in Roanoke); Miller Home For Girls (a residential group home in Lynchburg) and many more.

Berglund Automotive continues to grow as a business but also as a community partner because of our strong desire to support the communities that have supported us.

If you look back at your career and life, what would be three things that you have learned that you would pass onto a younger member within the auto industry?

I'd ask them first to tell me what they love, what do they really want to do. People will always be around to tell you what you should love to do, but really be honest with yourself and start with what you are passionate about doing. To be the happiest in the long run, take that and connect it to a way to make a living, and you'll start making a life.

Talk with all the people you can that have that kind of role or career or passion, and then find a mentor to help you along the way. Don't get distracted. Life is full of daily distractions, but as you go, keep your focus on where you want to be until your passion changes. One thing leads to another.

This is a wonderful business. We employ a lot of people with well-paying jobs.

TIME DEALER CONTINUED ON PAGE18

TIME DEALER CONTINUED FROM PAGE17

What are some professional moments that make you the proudest?

Well, certainly this nomination. My father was the Time Dealer of the Year Award winner for Virginia in 2009, so this nomination is particularly meaningful.

Over the years our auto group has expanded and today we have 12 Virginia locations in Roanoke, Lynchburg, Salem, Bedford and Rocky Mount, representing 26 brands and growing from 150 employees to more than 600. Our growth makes me very proud, especially as I have been able to accomplish this with my father, as partner and mentor.

Was there an "aha" moment in your career that defined you?

That's a tough question. It's really about what drives any of us. As dealers, we take a lot of chances. We take on a lot of risks, that may not just affect us, but our families. For me, when a challenge was overcome, that was an "aha" moment. Likewise, failure was a learning "aha" moment.

"The truth is, I think life is a series of "aha" moments if you allow yourself to learn from your experiences."

The truth is, I think life is a series of "aha" moments if you allow yourself to learn from your experiences.

Describe your all-time favorite vehicle (it can be one you've owned or something on your wish list). What are you driving today?

I am not a car buff. We all drive only what we sell, and I personally drive what's practical at the time. Right now, I am driving a Jeep Grand Cherokee.

My all-time favorite car, however, is whatever late model car I can put a family member or friend into that meets their needs and their budget and saves them money.

What is your favorite way to spend your free time? Any unusual hobbies?

The auto business keeps me busy most of the time, but I spend as much time with my family as I can. I enjoy boating and traveling.

Tell us about your family.

My wife, Trista, and I have two adult children, a son and a daughter. ★

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The Wow Factor

By **Roy Olive**

WOW FACTOR! Have you noticed how customer retention is the new buzzword? For many years, it was CSI, and manufacturers pushed it via incentives. Dealers quickly complied and after a while realized that improved CSI scores were good for the manufacturer (which is why they are willing to pay incentives), great for the customer due to improved processes, cleaner facilities and more amenities, but not a game changer for the dealer. Unfortunately CSI really has not done much to grow the dealer's business. Since all manufacturers have a CSI program, the bar of expectation has been raised and all dealers have arrived at the same plateau of customer service.

Lets talk customer retention. A program to retain the customer after the sale makes so much more sense on many levels. However, many dealers are in denial about this important aspect of their business because most think they are doing a good job of keeping their customers coming back. They believe all you have to do is provide a good experience and customers will return. They are led to this belief by past experience of retaining approximately 35% of their sales customers. Now the manufacturer is getting in the game of retention and has set goals of approximately 50%. The truth is, if you are not retaining a minimum of 75% of your customers, your retention program is not working efficiently.

I am always amazed by how many dealers believe a good CRM is all they need. They believe giving the customer a free oil change will work. I often hear "We treat them right and they always come back." I have not found a single dealer that does not have a goal of providing great service. This is what I call a 1970s mentality. Customer retention is not doing some things right, it is doing everything right in every department. Start by asking yourself what you are doing for the customer in each department and decide whether is it working. Do you have a process? You must establish a culture of customer retention that encompasses your entire business.

Once you have a program, do you measure it? All dealers can tell you daily where they are in sales, service, parts, and finance. These results are measured monthly and compared against previous months and years. But do you measure your retention? Most will answer yes to this question and base it on what the manufacturer tells them it is. The problem with using this method is you are only measuring approximately 50% of your business. Isn't your pre-owned buyer even more important than new? Gross profit is typically higher and the need for service and maintenance is certainly much greater. What else should you measure? How about email and mobile phone capture rates? These are absolutely essential to be successful in today's business environment. Without the proper tools in place to track these metrics, you are flying blind.

Most customers have already shopped you online before entering your dealership site. Communication with this medium in today's digital world is a must for your success. Smart phones are now the norm, so you should plan on a mobile application to represent your business and communicate information to your customer. There are many tools you must employ to have a successful retention program. A benefits and rewards program, customer specific websites, membership cards, standard email communications program, and social media are just a few of the components you need. Whatever program you design should take into consideration all of your customers whether they are paying cash, financing, leasing, servicing or purchasing parts.

Hand-in-hand with your retention program should be dealer branding. This should be your program to enhance your business, not the manufacturer's business. As with any program, training is essential and must be an ongoing endeavor. Also, it's important to review reports that tell you how well your program is working and share these results with every manager.

As you can readily see, putting a customer retention program together is not just "treating the customer right and providing good service." You must have a comprehensive plan that, when implemented, changes your mindset toward how you conduct your business on a daily basis. I do not mean to imply that it is easy. It is not! But it is worth the effort and will pay off in the long term by returning your customer back to your business for all their automotive needs. ★

For more information, contact Pete Holman at Dealership for Life, 210 N. Main Street, Boonsboro, Maryland 21713 or 240-304-0432 or pete@dealershipforlife.com

Dealer Website ADA Compliance Issues

By **Julie A. Cardosi,** Law Office of Julie A. Cardosi, P.C.

The Americans with Disabilities Act (the ADA) has generated litigation claims since it was enacted into law several years ago. In recent years, however, there has been a plethora of litigation claiming that company websites violate Title III of the ADA, which prohibits discrimination on the basis of disability in "places of public accommodation" because the websites are not accessible to persons with disabilities.

Traditionally, ADA claims were directed at brick-and-mortar, physical access barriers to dealership businesses. The more recent claims, however, assert that private company websites qualify as places of public accommodation, and websites with access barriers (such as compatible screen-reading software, for example) deny persons with disabilities the right of equal access. Litigation has also challenged accessibility of mobile applications.

A number of plaintiffs' firms typically file numerous suits against different companies alleging violations of Title III and seeking injunctive relief against the companies (that is, to make their websites ADA accessible), along with payment of attorneys' fees under the statute. Such claims have been pursued against businesses all around the country in varied industries, including car dealerships, retail stores, restaurants, and the like. The abundance of claims alleging ADA website compliance violations continues to clog judicial dockets and confound businesses that would be better served by more focused clarification from either Congress or the Department of Justice (which enforces the ADA) relative to website accessibility compliance for private companies. Title III of the ADA provides standards required for the physical location of a business to lawfully accommodate persons with disabilities, but it does not provide guidance for internet web-based or mobile applications. And while there are neither statutes nor regulations that specify how businesses must comply, DOJ has consistently asserted that websites must be accessible to persons with disabilities, and businesses have flexibility in deciding how to ensure their accessibility compliance. DOJ has also stated that the absence of a specific regulation does not serve as a basis for noncompliance with statutory requirements.

Different conclusions on these issues reached by federal and state courts throughout the nation have also contributed to the challenges that businesses face in complying with the Title III requirements. For example, judicial decisions are split on questions regarding whether coverage under Title III is limited to physical spaces or whether a company's website requires a nexus to a physical location to fall within the scope of Title III protections.

Dealership businesses may consider certain actions to make their websites more accessible. Courts and regulators generally have required businesses to improve accessibility of their websites to be consistent with the Web Content Accessibility

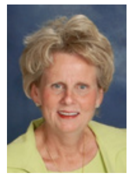
Guidelines 2.0, Level AA requirements (WCAG 2.0) established by the World Wide Web Consortium. These guidelines are designed to make website content more accessible to persons with disabilities, including, without limitation, physical, speech, visual, hearing, learning, and other disabilities.

WCAG 2.0 outlines several principles for website accessible design indicating that websites must be: perceivable (e.g., users must be able to perceive the information being presented); operable (e.g., users must be able to operate the interface); understandable (e.g., users must be able to understand the information and the operation of the user interface); and robust (e.g., users must be able to access the content as technologies advance).

Businesses might utilize these guidelines to help correct any existing web-based accessibility barriers to ensure web content is accessible. An important aspect these guidelines impart for business compliance is to ensure that disabled persons can access the company's goods, services, and benefits through the website of the business.

Dealerships might also discuss web accessibility with their third-party website vendors and review website and mobile applications with their legal counsel, their insurers and their franchisors (particularly with respect to manufacturer sponsored or required websites). Consideration should also be given to development and implementation of a plan to update and improve accessibility recommendations.

Additionally, dealerships might consider establishing website and mobile application content policies to provide for regular monitoring and remedial steps to ensure accessibility, along with proper dealership staff training. While there is not a "cookie-cutter" formula for website accessibility compliance, and while many website solutions might be costly for some dealerships, businesses should consult with their trusted web content advisors and other advisors to ensure website and mobile applications are accessible. ★



Julie A. Cardosi is Principal of the private firm, Law Office of Julie A. Cardosi, P.C., of Springfield, Illinois. She has practiced law for over 30 years and represents the business interests of franchised motor vehicle dealers throughout Illinois. Formerly in-house staff legal counsel for the Illinois Automobile Dealers Association, she concentrates her private practice in the areas of dealership mergers and acquisitions and other transfers of ownership, franchise law, commercial real estate transfers, state and federal regulatory compliance matters, and other areas impacting day-to-day dealership business operations. She has also served as former Illinois Assistant Attorney General and Deputy Chief of the Consumer Fraud Bureau of the Attorney General's Office. The material discussed in this article is for general information only and is not intended as legal advice and should not be acted upon as such. Dealers should consult their own private legal counsel for application to their specific circumstances. For more information, Julie can be reached at jcardosi@autocounsel.com, or at 217-787-9782, ext. 1.

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