

# CARBIZ TODAY

MAGAZINE  
FEBRUARY 2017

## NO COMMISSIONS, NO NEGOTIATIONS

GRAPPONE AUTOMOTIVE GROUP OF  
CONCORD, NH, SELLS AUTHENTICITY  
ALONG WITH TAKES THE PAIN OUT OF  
PURCHASING AND SERVICING CARS

Amanda Grappone Osmer, Owner

**BECOMING A MASTER COMMUNICATOR**

**37 THINGS WOMEN BUYERS  
ARE LOOKING FOR**

**CBT AUTOMOTIVE CONFERENCE &  
EXPO COVERAGE**

WHAT DOES TOTAL VISIBILITY LOOK LIKE?

YOU DECIDE.

- Configurable Homepage
- Executive-Level Widgets
- Elastic Search
- Multi-Layout Responsiveness
- Month-to-Date Appointments
- Enterprise-Level Reporting
- KPI Visibility Across All Departments
- Task Completion Accountability
- CSI Cases to Resolve



**WORK SMARTER, NOT HARDER.**

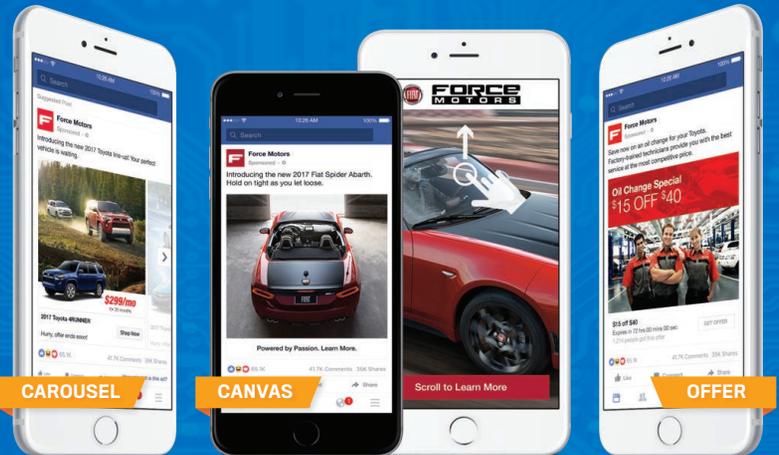
The new DealerSocket is designed around your day with easy workflows that make sense.

WATCH THE VIDEO: [DealerSocket.com/EasyWins](http://DealerSocket.com/EasyWins)

**DealerSocket**

855.772.1857

# DRIVE MORE LEADS THROUGH FACEBOOK.



Choose an Audience, Choose an Ad Unit, Choose a Budget, Collect Leads!

facebook  
MANAGEMENT FEE

**\$350** PER MONTH\*

TO LEARN MORE VISIT:

**ForceMKTG.com/facebook-campaigns**

\*\$350 management fee will be charged each month to manage creative, purchase & segment audience lists and create relevant ad copy. Spend not included.

**FORCE**  
MARKETING

Force Marketing | Atlanta • New York  
678-208-0667 | [ForceMKTG.com](http://ForceMKTG.com)



# CAR BIZ TODAY MAGAZINE

Letter from the editor



**MARY WELCH**  
Managing Editor

Dear readers,

When you lose 70 percent of your sales staff in a few months, you must be doing something wrong. Or, maybe, right. That was exactly the dilemma that faced Amanda Grappone Osmer when she decided to eliminate commissions and price negotiations. The fourth generation of Grappone Automotive Group in Concord, N.H., simply felt that commissions and negotiations put the customer and the dealership's in an adversarial position from the first hello. So, she did away with them.

Her sales team is tasked with getting the best car at the lowest price for the customer. The customer knows the advice is genuine because the product specialist earns just as much if he or she sells a \$40,000 car or a \$19,999 vehicle. The sales team get paid hourly and have their pay adjusted for volume, not overall price. She also did away with the finance department and customers are only offered four finance packages, again with no negotiations. To Grappone, it's all about transparency, honesty and building relationships that will last for generations. She also says she sleeps very well at night.

Grappone represents the best of the dealership business or actually any business. She isn't just looking at the next sale, she looks as the next sale as the lead-in to the sale the next time that person needs a new car. It's not about short-term thinking. It's long-range where you want to build a sustainable business for the next generation and be proud of your name and your business.

She cares deeply about her team and her community. During job interviews she is more likely to ask about a person's civic involvements than experience. Her ads rarely mention the price of a car – or even that they sell cars. She wants her community – and therefore her customers – to know who she is, what the dealership represents and the type of people who work there. Once you know that, she figures, then you'll want to buy a car there. And, it's working.

Keeping up the successes is a theme of this month's issue and there's great advice from such visionaries as Grant Cardone, who extols the virtues of a lease, or David Lewis who asks the question of whether it's better to hire experience salespeople or not. Anne Fleming offers a New Year wish list for women buyers that every dealer should listen to and respond accordingly.

There's a lot in this issue, and again we welcome your thoughts and input. There's no stopping any of us if we take the time to do our best and inspire those around us. Have a great month!

*Mary Welch*

## In This Issue

**06 Onsite Content Sets Your Dealership Apart**  
By Yvonne Zeln  
Sales Specialist of AutomobileStar

**8 What's the Upside?**  
By David Lewis, President of David Lewis & Associates

**10 Industry News**

**12 CBT Conference & Expo Coverage**  
By Mary Welch

**16 Pitch A Lease**  
By Grant Cardone, Entrepreneur, Writer and Commentator

**18 Keeping It Private**  
By Terry Davitt, President, Automotive Compliance Consultants

**20 The True Cost of Education**  
By Glenn Pesch, CEO of PEG Digital Marketing

**22 Dealer Profile: No Commissions, No Negotiations**  
By Mary Welch

**26 Becoming a Master Communicator**  
By Chris Rollins, President of Rollins Performance Group

**28 Ask The Pros**

**30 Use Data Driven Info to Drive Success**  
By Steve Greenfield, Founder & CEO of CompetitorPro

**32 37 Items on Women Buyer's Wish List**  
By Anne Fleming, Founder & CEO of WomenDrivers.com

**34 Association News**

**36 Turning Customer Nights Into Actionable Insights**  
By Mike Esposito, President & CEO of Auto/Moto Dealership Systems

**38 On The Set**

### CAR BIZ TODAY MAGAZINE

Email  
newsroom@cbtnews.com  
Phone  
678.221.2955

**President And Publisher & Events**  
Jim Fitzpatrick

**Vice President/COO**  
Bridget Fitzpatrick

**Managing Editor**  
Mary Welch

**Creative Director**  
Brendy Brewer

**Art Director**  
Ashley Race

**Director of Marketing & Events**  
Karen Locadia

**Marketing Coordinator**  
Jessica Gross

**Event Coordinator**  
Kristi Randolph

**Web Developer**  
DeMarus Perry

**Production Manager**  
Chris Riggins

**Production Assistant**  
Jillian Kaszubski  
Jordan Chipps

**News Anchor**  
Joe Gumm  
Bridget Fitzpatrick

**Advertising**  
sales@cbtnews.com  
d:678.221.2955

**Customer Service**  
info@cbtnews.com

#### Subscriptions

To subscribe electronically, log on to [cbtnews.com](http://cbtnews.com) and click the subscribe link on the side bar. Alternately, forward your company name, your name, address, phone number and email address to [info@cbtnews.com](mailto:info@cbtnews.com) or CBT News, 5 Concourse Parkway, Atlanta, GA 30328.

Please send address changes to the above email or mailing address.

Permission to reprint or quote excerpts granted only upon written request. Advertising rates are provided upon request.

# MAKE 2017 YOUR BEST

**JOE VERDE**  
HELPING DEALERS GROW  
SINCE 1985

## #1 TRAINING COMPANY IN THE CAR BUSINESS

LIVE WORKSHOPS • ONLINE UNIVERSITY

### JUST 2 DAYS

We're the #1 training company for one simple reason; when you spend 2 days in our Sales or Sales Management course, or train online with JVTN®, you'll make incredible changes that will improve your results for the rest of your life.

When you're ready to grow, just let us know!

*Joe*

**CALL NOW - YOU'LL BE GLAD YOU DID...**

**(888) 712-6647 • [JOEVERDE.COM/CBT](http://JOEVERDE.COM/CBT)**



**Joe Verde Sales & Management Training, Inc.**



# ONSITE CONTENT SETS YOUR DEALERSHIP APART

## One Word: CONTENT!

BY ILLANA ZUR

**Y**our dealership spends a lot of time and energy converting leads. And with good reason: leads are key in lifting your sales. So you have chat and prequel and offers and specials— everything a potential customer could want. But a lot of dealers focus on converting leads and ignore the 95 percent of people on their site who won't convert. They don't make an effort to feature content that is interesting and engaging to shoppers. Worse, they clog their pages with distracting forms in an attempt to maximize every opportunity— and actually drive away customers looking for content and valuable information.

### PEOPLE WANT CONTENT

Because here's something dealers need to know: People are looking for content on your site. Just because they aren't converting doesn't mean they aren't good potential customers. Content seekers are a rich untapped resource for your business— shoppers who arrive at a dealership site with interest, and the potential for loyalty. They too will increase your sales.

But only if they can find what they're looking for.

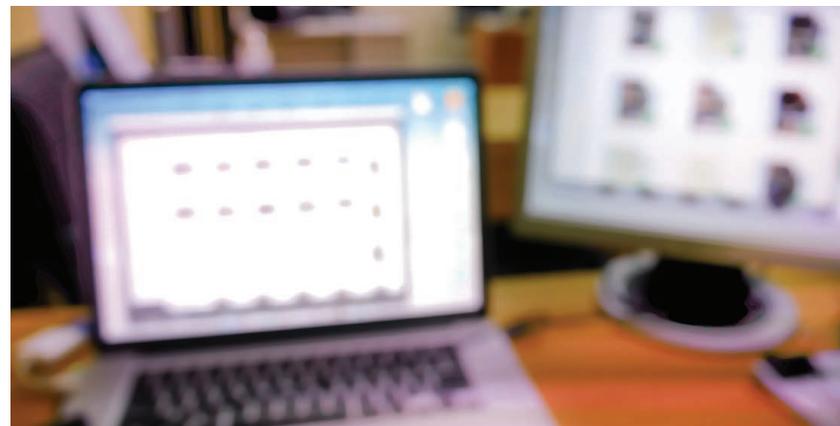
Content is the key to engaging today's shoppers

Shoppers today do hours upon hours of research online. By the time they convert and come to your

dealership, they have selected you as one— maybe the only— dealership they will visit. Because 40 percent of buyers visit one dealership, your dealership needs to be a site where they can find that information and do that research, leading to the buyer to walk through your doors. If they can't find value, they will close your site, look elsewhere, and likely choose another dealership.

### SO WHAT KIND OF CONTENT ARE SHOPPERS LOOKING FOR?

- Information that helps them with their buying process, that is clear, engaging, and relevant, and that doesn't ask for anything in return— yet. For example:
  - Outstanding VDPs. Fill your VDPs with photos and videos. Explain features and specs. Don't hide prices. Make sure everything is synced with your in-store inventory so your online shoppers feel like they are actually at your showroom— and when they arrive at your showroom, they should find exactly what they saw online.
  - Comparisons. Everyone loves to comparison shop. Create guides that explain the differences between your similar models, or even between yours and the competition. Customers are looking for competing models anyway, and this is a chance to highlight your cars' best features. Make sure to optimize these comparisons and show them to your shoppers at just the right time.
  - Tips and guides to car shopping. Provide lists and guides for shoppers just getting started.



Include a questionnaire or quiz for people to help them prioritize and figure out what they're looking for. Then, based on their answers, offer them vehicles you have in stock right now.

- Financing information. Make it easy for shoppers to find a trade-in valuation so they can figure out their budget. Allow them to start the prequel process online— helping people avoid paperwork will score you points.
- How-to videos. How to get the most out of a test drive. How to winter-proof your car. How to change a tire. Anything car shoppers and car owners care about— you can show them how to do it. These videos don't have to relate to making a sale at all, but if your dealership is the one that offers this expertise, customers will return.
- Allow people to get the information they need while getting to know your brand, before committing to anything. Make your dealership website a one-stop for car shoppers, and your dealership will do what other dealerships are not.

- Reach early-stage buyers. If you can reach all stages of shoppers— not just later stage leads who are ready to buy— you will edge out your competition. Building relationships with customers early in their process encourages loyalty and builds future sales.
- Raise engagement for all shoppers. Even late stage shoppers— or service customers, or previous customers— need something from your

site. If you provide quality content onsite for all stages of the buying cycle, customers will turn you again and again.

- Build loyalty and establish your dealership as a resource. Why should shoppers turn to someone else when your site offers everything they need? This is the kind of convenience that creates loyal shoppers who will recommend you to their friends.

### DEMONSTRATE VALUES CUSTOMERS CARE ABOUT:

- Honesty. A lot of people are wary of dealers. Expertise that demands nothing in return shows that you are trustworthy.
- Transparency. By allowing customers to find what they need with ease, you show you are there for your customers.
- Accessibility. When it's easy to find information, and when it's easy to find you, people turn to you more.
- Flexibility. There are always going to be

**“If they can't find value, they will close your site, look elsewhere, and likely choose another dealership.”**

people who prefer that in-person or over-the-phone way of getting information. That's great. You are there for them, and you are there for your digital shoppers. Having options shows people their choices can be accommodated and they don't have to fit into the same box as everyone else.

The bottom line? Not every shopper, in fact most shoppers, are not coming to your dealership website to convert. They're coming to learn, do research, and decide whether or not to walk into your dealership for their next vehicle. Implement high-engagement for more leads and more sales and track this success to optimize your website for every kind of shopper. **CBT**



**ILLANA ZUR**  
Sales Specialist with AutoLeadStar

*Illana Zur specializes in sales, inbound marketing and business development. As head of business development with AutoLeadStar, she works to build relationships and find mutually valuable partner solutions.*

# What's the Upside?

## Comparing Hiring Experience or Non-Experienced Salespeople

BY DAVID LEWIS

When it comes to hiring new salespeople, it can be a daunting task to find just the right ones who will be a good fit for your dealership environment and goals. On one hand, hiring someone from another dealership or with a history in the car business, can bring many benefits and skills to your sales team. And in some cases, their customers will follow them. On the other hand, they may be extremely set in their sales methods and find it hard to adapt to new processes that may be more to your liking. There are obvious benefits and challenges that must be addressed whichever way you decide to go.

Today's informed customers come armed with plenty of knowledge and information. They know the sales methods we have traditionally used and they do not like them. It has caused them to be mistrustful and defensive and most of them now

do their shopping on the Internet before ever coming to a dealership.

Historically, car salespeople have a tendency to move around from dealership to dealership. Often, they will follow managers they like to work with, or sometimes, they will just look elsewhere if they are not having good results where they are. If they been around a while and have been relatively successful, they can usually find a job selling somewhere. They have a good resume or know others in the business who will give them a referral. Car lots are always looking for salespeople and usually tend to hire those who have experience in the business.

### THE TIMES ARE CHANGING

However, the retail automotive industry is currently undergoing great change. The public opinion of car salespeople usually places them near the bottom of the ratings list when it comes to ethical and trustworthy people with which to deal. With car manufacturers putting a lot of emphasis on the CSI, and monitoring the customers buying experience, there is a lot of change taking place in our business.

Reputable dealers who are customer focused stand the best chance of pleasing both the buyers and the manufacturers of the brands they sell. If for no other reason, this makes hiring the right people a critical aspect of car sales management. In this article, we will look at the pros and cons of hiring those who have experience in the car business and those who have no experience but have potential to succeed as salespeople. With the rising cost of employing and training new salespeople for your team, getting it right every time becomes a task to be taken very seriously.

### THE PROS AND CONS OF HIRING EXPERIENCED CAR SALESPEOPLE

Hiring salespeople with previous experience in this business has been the normal course of action that managers take when they are looking for new sales staff. Often, they will offer their current staff a hefty bonus for recommending good referrals and this can generate connections to people who are already experienced in car sales.

Pros of previous experience:

- Already familiar with the car sales process
- Familiar with the paperwork process
- Come with easily verifiable references and sales history
- Used to working on a commission basis
- Used to working in a competitive sales environment
- May have strong goals and know how to achieve them
- May have good prospecting and follow up skills

### CONS OF PREVIOUS EXPERIENCE:

- Might use outdated and negative sales practices
- Could be difficult to adapt to new sales methods
- Often feel they do not need more training

- Like to do things their way
- May have a status quo comfort zone
- Can be hard adjusting to new management

Today, all of this is coming under scrutiny as more and more dealerships are using outside training companies like ours to get new hires started off on the right foot. Experienced salespeople are often fixed on a selling style and mindset that is contrary to what today's customers want. Because of this, some dealerships prefer hiring blank slate talent with no specific car sales experience but strong potential and an expressed desire and enthusiasm to start a new career.

### THE PROS AND CONS OF HIRING SALESPEOPLE WITH NO CAR SALES EXPERIENCE

If you are someone who searches online job sites on occasion, you may have noticed that car dealerships around the country are hiring and many of their ads include terms like: "No Car Sales Experience Necessary!" or "Looking for a New and Exciting Career?"

These are good examples of the change taking place in this business, and, as already mentioned, a sign of the times and the desire of many dealers to break from the old pattern of how cars are sold. For these dealerships, other things are a higher priority.

Here's a typical example of some of what dealers are looking for today:

"HIRING NOW! New Car Salesperson wanted for ABC Motors. MUST have a winning personality and possess EXCELLENT communication skills. Do you have experience in RETAIL SALES, CUSTOMER SERVICE, BARTENDING OR SERVING and WANT TO MAKE MORE \$\$\$?  
"We offer PROFESSIONAL TRAINING and BIG BONUSES for those who WILL WORK HARD. Potential to earn a SIX FIGURE INCOME in the FIRST YEAR."

### PROS OF HIRING NON-EXPERIENCED SALESPEOPLE:

- Tend to be very excited and thankful for the opportunity
- Teachable and eager to receive professional training
- Don't have a lot of pre-supposed expectations



**"By being proactive and laying out a good plan with clear goals, you can build a sales team that eventually produces excellence for your business and for your customers."**

- Willing to work hard to build a good career
- Do not require a lot of un-teaching of bad methods
- Tend to appreciate working with more experienced team members

### CONS OF HIRING NON-EXPERIENCED SALESPEOPLE:

- Can require a bit more risk
- Often have little to go on but what you see in their personality
- Might require more help with goals, follow through and discouragement
- May have no relevant resume or references
- The initial investment can be costly
- Requires more initial oversight
- Might not take to the competitive nature of the work

As you can see there is no 'one size fits all' answer that covers every person or situation when looking to hire new car salespeople. But, depending on what your needs are, and how much time and

effort you are willing to put into the interview process, it can be an exciting experience that can eventually produce great results for your dealership and for the person you end up hiring. By being proactive and laying out a good plan with clear goals, you can build a sales team that eventually produces excellence for your business and for your customers. Take a tip from music executive Tommy Mottola who offers this advice for finding great people:

"When I'm hiring someone I look for magic and a spark. Little things that intuitively give me a gut feeling that this person will go to the ends of the earth to accomplish the task at hand."

That's good advice for the music industry and for the business we are in as well.

But if you truly want my opinion, I will take the inexperienced person over the experience one every time! **CBT**





**DAVID LEWIS**  
President of David Lewis & Associates Inc.

*David Lewis is the President of David Lewis & Associates, Inc. a National Training and Consulting Company that specializes in the Retail Automotive Industry. He is also the author of 5 industry related books, "The Secrets of Inspirational Selling," "The LEADERSHIP Factor," "Understanding Your Customer," "The Common Mistakes Automotive Salespeople Make" and "Winners versus Losers."*



## INDUSTRY news

### DEALERSHIPS SOLD

After 35 years in business, Roger and Francis Zeimetz sold Zeimetz Motors to Spring Valley Chevrolet Buick to Adam Otto and Blake Greenfield, who also own Blake Greenfield Chevrolet Buick in Wells, Minn. The dealership's name has been changed to Spring Valley Chevrolet Buick.

The Suburban Collection, which is based in Troy, Mich., acquired a Toyota dealership in Farmington Hills, Calif. from Serra Automotive in Grand Blanc. Jeff Kessler was appointed general manager of the Farmington Hills dealership. The Suburban Collection has 48 locations, mostly in southeast Michigan.

After 51 years in business, Hill Automotive in Portage, Wis., was sold to Home Run Auto Group of Janesville, which owns more than 25 dealerships. The business will remain a Ford-Chrysler-Dodge Jeep dealership.

### SHEEHY AUTO STORES DONATES MORE THAN \$160,000

Sheehy Auto Stores has announced donations of \$161,000 among 23 charities throughout the communities they serve in Washington, D.C., Baltimore and Richmond, Virginia. The donations are part of Sheehy's Annual Giving Program whereby each dealership partners with local non-profit organizations.

"Our employees and family of dealerships do much throughout the year in donating time and money for a variety of charities," said Vince Sheehy, President of Sheehy Auto Stores. "We are grateful for our success and pleased to continue our annual end of the year giving campaign that supports a wide array of causes throughout the Maryland, DC and Virginia areas."

Among the charities receiving the biggest donations are: Anne Arundel Medical Center in Baltimore, Mercy Mall of Virginia in Richmond and the Good Shepherd Housing in Washington, D.C.

### MAZDA DELIVERS MIATA MX-5 RF EARLY



Mazda North American Operations (MNAO) announced that the 2017 Mazda MX-5 Miata RF has gone on sale in the U.S., two months ahead of its originally announced timing due to shifts in the production schedule.

Dave Putter, the first customer to take delivery in the U.S., met with MNAO President and CEO Masahiro Moro to receive the keys. Putter was among the first customers to order one of the 1,000 MX-5 RF Launch Edition. It is his 16th Mazda and eighth MX-5 Miata, range in less than 20 minutes.

### FCA DEBUTS CHRYSLER PORTAL CONCEPT

When it came to thinking about the future of family transportation, FCA US called upon the people who will own and live with such a vehicle – Millennials working inside the company's design and engineering functions – to collaborate on ideas. Armed with research on what the Millennial generation values and desires, the team created a forward-thinking interpretation of the "fifth generation" of family transportation – the Chrysler Portal concept, created by millennials for millennials.

The Chrysler Portal concept is designed to maximize interior space with a degree of flexibility between seating and cargo configurations. It also enables users to have seamless wireless integration between the vehicle and mobile devices. The electric-powered Chrysler Portal concept is estimate to have more than 250 miles of range on a full charge and the DC Fast hard recharges the battery pack with a 150 mile of range in less than 20 minutes.



### GEORGIA HONORS AUTOMOTIVE INDUSTRY

The Georgia Department of Economic Development (GDEcD) announced the winners of the inaugural Georgia Automotive Awards. The program is designed to recognize leaders throughout the state, and to honor them for the contributions they have made to build a robust automotive ecosystem.

"Automotive has quickly become one of the most important industries within the state of Georgia. The state's infrastructure and offerings have attracted multi-million dollar investments from headquarters, OEMs and suppliers, which have led to significant job creation. These investments attract more businesses, which inevitably leads to a strong hub-and-spoke supplier network," said Georgia Department of Economic Development Commissioner Pat Wilson. The following are the winners of the inaugural Georgia Automotive Awards:

Automotive Innovation Award: Novelis; Supplier of the Year: Toyo Tire; Community Impact Award: Hitachi Automotive Systems; Georgia Automotive Company of the Year: Kia Motors Manufacturing Georgia; Automotive Leader of the Year: Kia Motors Manufacturing Georgia.

### RAM TRUCK INTRODUCES THE REBEL BLACK



Ram Truck introduced a special edition of the Ram 1500 Rebel — The Rebel Black. The Ram Rebel Black traces its origin to one of the truck brand's fastest-selling off-road powerhouses, adapting dark features as a design component. The package

is offered with all available Rebel colors, adding black wheels, brush guard and theme-matched all-black interior.

The Rebel Black interior features black anodized bezels on the doors, center console, instrument panel and gauge cluster trim rings. All-black heated seats with black "Rebel" embroidery stay to the theme, highlighted by Light Slate Gray accent stitching, which traces the instrument panel, center console lid, doors and seats. Additional luxury can be had with optional Black leather Katzkin seats.

The Ram 1500 Rebel Black special edition is available in crew cab with either the legendary 5.7-liter HEMI® V-8 or 3.6-liter Pentastar V-6 at a starting MSRP of \$45,590 plus \$1,320 destination. Rebel Black will start arriving in dealerships in March.

Equipped with factory lift, 33-inch all-terrain tires, Bilstein shocks, skid plates, tow hooks and other off-road-ready features, Rebel drops right into a core segment of the truck market with unique design cues and can-do attitude backed by Ram Truck engineering. Ram 1500 Rebel also takes advantage of exclusive air suspension in order to offer increased ride height, range in less than 20 minutes.

### HELION AUTOMOTIVE TECHNOLOGIES CELEBRATES 20 YEARS

Helion Automotive Technologies is celebrating its 20th anniversary as a managed services provider (MSP) for auto dealerships, designing and implementing proactive information technology (IT) strategies to support auto dealers' business success. One year ago Helion expanded into the heavy-duty trucking dealership space when they brought Summit Truck Group on board as a new customer.

With an average 15 percent annual growth rate, Helion services over 650 dealerships and 28,000 end users. The company handles an average 300 Help Desk calls every day and resolves more than 6,000 IT issues per month.

Helion also advises dealerships on new technologies, security issues, the importance of understanding the systems they have (such as their phone configurations' impact on incoming leads and customer satisfaction), as well as how IT can improve efficiency and productivity in the workplace.

### automotiveMASTERMIND ADDS TO THE TEAM

automotiveMastermind, the leading predictive analytics and marketing automation technology for automotive dealerships and manufacturers, hired two executives in response to rapid recent growth from the addition of new dealer partners, including Acura, Honda, Lexus and Toyota that will double the company's business in early 2017.



Andrew Gillman joined the team as vice president, sales and marketing. He spent more than 25 years with Mercedes-Benz USA in various leadership roles, including general manager of vehicle distribution and logistics and Northeast regional general manager.

Gillman will expand automotiveMastermind's presence in the automotive industry by adding individual retail stores, dealer groups and new brands.

George Williams joined as chief data scientist where he will lead the company's data science team and introduce leading edge techniques in Big Data analytics.

Williams' career has spanned both industry and academia for the last two decades, including leadership roles in mobile computing, security, VR, wearables, and IOT. He led data science efforts at several startups to technology giants, including key positions at Sony and most recently, Apple.25 dealerships. The business will remain a Ford-Chrysler-Dodge Jeep dealership.

### DENSO ADDS TO TIRE PRESSURE MONITORING SYSTEM

DENSO Products and Services Americas, Inc., an affiliate of global automotive supplier DENSO Corp., has added 14 new part numbers to its wide selection of First Time Fit™ tire pressure monitoring system (TPMS) sensors. As a result, DENSO now covers 10 million additional European and Korean vehicles as part of its comprehensive inventory of 67 part numbers in the company's 2017 TPMS Sensor Catalog.

The full product line now features additional TPMS replacement sensors for 50 makes, including newly added: Volkswagen, Mini, Audi, Mercedes-Benz, BMW, Porsche, Land Rover, Tesla, Bentley, Rolls-Royce, Aston Martin, Maybach, Maserati, Ferrari, Lamborghini, Kia and Hyundai. The new part numbers bring DENSO's total market coverage to more than 90 million cars and trucks in operation, including models that cannot use universal products.

CONFERENCE COVERAGE

**CBT**  
CAR BIZ TODAY

automotive  
conference  
& expo 2017  
ATLANTA • MARCH 7-9

SALES ■ DIGITAL & SOCIAL MARKETING ■ MANAGEMENT ■ LEADERSHIP

# Auto Dealers Get the Best Insights in the Business

CBT Automotive Conference & Expo Coverage

BY MARY WELCH

One of the best actions you can take today that will position your dealership for increased success in the future is to sign up for CBT's second annual Automotive Conference & Expo.

It's true as CBT presents its second annual Automotive Conference & Expo March 7 to 9 at the Hyatt Regency in downtown Atlanta. Directly aimed at dealerships, the conference is packed with experts who have real world experience as well as world-class insights into how to take your dealership not only to the next level but to a level that will position you well for the next several years.

"We have assembled an incredible group of experts in the fields of sales, digital marketing, leadership and management," says Jim Fitzpatrick, president and co-founder of CBT. "But these people are not just experts. They are experts in the automotive field. They talk the dealer language. They know what happens in the showrooms, the service bays and F&I. They get it and they're passing on their insights in a way that the dealer can start making improvements, tweaking operations or starting fresh the day they come back from the conference."

Unlike last year, there will be no breakout sessions so that every attendee will see and hear every speaker. "Our feedback from last year's attendees was that the panelists and sessions were so mind-blowing that they were upset that they had to miss even one in order to attend the breakout

sessions," says Fitzpatrick. "We listened to our audience and now the attendees can be privileged to listen to all the speakers."

Fitzpatrick quickly pointed out that there will be plenty of time for private interaction among the dealers and speakers, but it won't be in formalized breakout sessions. "We totally understand the importance of everyone sharing ideas and experiences and that will still take place," he said. "We are giving dealers everything – access to all of the best speakers in the business as well as time to interact with each other. Every attendee will get the complete experience."

Of course, headlining the experiences will be the speakers, and CBT is presenting some of the biggest and best names in the business. Among the speakers are:

## CONFERENCE COVERAGE



Gary Vaynerchuk



Jon Acuff



Peter Leto



Dr. Nicole Lipkin



Scott Stratten

— **Gary Vaynerchuk** who, while the ink was still drying on his college diploma, took his family's business and grew it from \$3 million to \$60 million in five years. A "New York Times" best-selling author of "Crush it!", "The Thank You Economy," "Jab, Jab, Jab, Right Hood," and "AskGary-Vee," he is an angel investor and venture capitalist. Vaynerchuk will offer insights on social media, digital marketing, entrepreneurship, start-ups and family businesses.

— **Jon Acuff** is the best selling author of "Do Over: Rescue Monday," and "Reinvent Your Work." For 18 years he has helped some of the biggest brands in the world, such as Home Depot and Staples, tell their story. He is a big proponent of social media with blogs that have been read by four million people.

— **Scott Stratten** is the president of UnMarketing and is one of the leading speakers in the world when it comes to helping audience embrace the age of disruption. His insights on the ever-changing world of sales and marketing and how they merge in the online and offline world have been coveted by major corporations around the world. He has written four best selling business books and the third edition of UnMarketing was released in the fall of 2016 with the new title, "UnMarketing: Everything Has Changed & Nothing is Different."

— **Peter Leto** is the head of Automotive Retail Sales at Google and he and his team are responsible for mining Google's data to better understand how automotive shoppers are leveraging the web throughout their path to purchase. The team has a specific emphasis on providing regional specific insights and recommendations that support Dealer Ad Associations (Tier 2) and Dealerships (Tier 3) in winning customers in the every changing digital landscape.

— **Dr. Nicole Lipkin** is an organizational psychologist, speaker and author of "What Keeps Leaders Up at Night: Recognizing and Resolving Your Most Troubling Management Issues," and "Y in the Workplace: Managing the 'Me First' Generation." Her goal is to help companies develop behaviors and practices that increase personal and organizational residence and sustainability by integrating the science of human behavior with practical approaches to business and leadership challenges.

Fitzpatrick also emphasizes that, in addition to these five keynote speakers, "We also have the top trainers in the retail automotive industry such as Mark Tewart, Brian and Glenn Pasch, Cory Mosley, David Kain, David Lewis, Tom Stoker and Becky Cherek, all of whom can be frequently seen on our CBT shows and in our magazine, CBT Automotive News."

Adding, "We are developing a family through our magazine, shows and conferences that provide the type of automotive information and insights that you can't get elsewhere." **CBT**



CBT Conference - 2016



CBT Conference - 2016



Hyatt - Atlanta



THE OFFICIAL NEWS SOURCE OF THE  
RETAIL AUTOMOTIVE INDUSTRY

WATCH OUR DAILY NEWSCAST AT...



**CBTNEWS.COM**

# PITCH A LEASE

## Sell for Today, Not Tomorrow

BY GRANT CARDONE



**L**ots of dealers are able to sell a car at full MSRP when selling a lease. Many consumers don't think about negotiating the purchase price during the lease as they do when they're buying—they often only focus on the monthly payments. Car leases can be great, although with a record number of people leasing in 2015, those leases will flood the market and put pricing pressure on new car sales later.

As former GM Vice Chairman Bob Lutz has said,

"You don't want to do too much leasing because the car is not really sold and your lease rates are essentially a bet on the residual value of the vehicle in two to three years. If you get that residual guess wrong, you can stand to lose a lot of money. It's a futures game. Leasing is a bet on used car futures. If you start going over 20 to 30 percent leasing all those cars come back to auction at the same time at the end of the term and there's a glut of Chevy Malibus or whatever and the residual pries drop. That makes the next lease more expensive because the company has to take into account the actual recent experience of the depreciation as opposed to what they get."

He went on to say explain that over leasing is only a short-term thing and that it makes you feel good because you sell cars this month but a few years later you pay for it. Look, if a customer starts to back out of a purchase, steer them to a lease. Better to play the futures game and get a sale today than no sale at all. How can you pitch your customers on leasing? Start by telling them that they have many reasons why they should lease rather than buy.

### #1 COST CONTROL:

Explain to your customer that with leasing, they are able to control the cost of their usage based on time and distance traveled. They can get in and out of a car limited to how much they use it. Those that put high mileage on a car (contrary to popular belief) should lease as the user can exact the cost of usage.

### #2 BIG TAX DEDUCTIONS:

We know the write offs on leases are much larger than ownership. For a business owner who decides to own a car, the write-off is limited to fifty-four cents for every mile they drive the car for business. So 10,000 miles would equate to \$5,400 and the interest on the loan. If they leased the same car and used it 100 percent for business you could write off 100 percent of the lease payment with no limits.

### #3 KNOCK DOWN THE FANTASY OF OWNERSHIP:

Pitch the idea that people should pay to use a car, not for some fantasy of ownership. There is no reason to pay for the future value of the car. They are paying to use a car, not for its value in the future.

### #4 USE IT/LOSE IT:

Tell the client that a car is simply a piece of machinery. It is a piece of metal used to get to where they want to go. Pitch them on the fact that there is no valid reason to own a car because they should simply use it and then get rid of it.

### #5 PROTECTION AGAINST FUTURE LOSS:

A lease is like getting life insurance. The lease protects them from the downside of eroding market conditions. If the future value of the car were to depreciate more than anticipated because of new models, big inventories, or a Greece-like failed economy, they are protected against future downside with a lease.



### #6 DON'T OWN DEPRECIATING ASSETS:

Tell them there is no reason to own a car or anything for that matter when they know it's going to go down in value. The objection against this is they say that when they lease they will have a payment forever. Agree, and note that when you own you have payments that are unpredictable.

### #7 STAY DYNAMIC:

Get in and out quickly for less money down and a lower cost per month. Traditionally you can get into leases for less money down and less of a monthly cost.

Get my Closer Survival Guide and practice different closes using each of these seven arguments. Get great at pitching these ideas and get great at selling leases—sell today like there is no tomorrow—and don't worry about tomorrow. Create your own economy today. [CBT](#)

**"Look, if a customer starts to back out of a purchase, steer them to a lease. Better to play the futures game and get a sale today than no sale at all."**



**GRANT CARDONE**  
Entrepreneur, Writer and Commentator

*Grant, a national speaker and motivator, is a respected, highly regarded master salesperson whose passion is to teach people how to sell themselves, their products and services regardless of economic climate. His books, audio packages and seminars provide people of all professional backgrounds with the practical tools necessary to achieve high levels of success. Follow him on Twitter @grantcardone.*

# KEEPING IT PRIVATE

## The Hows and Ways of Managing Information

BY TERRY DORTCH

**P**racticing Non-Public Information, or NPI, compliance by your dealership is smart because not only it is mandatory, but it also helps your dealership retain customers, avoid costly claims and embarrassing headlines, as well as maintains your stellar reputation.

NPI includes personal and financial information you gather from a customer or consumer (the Federal Trade Commission [FTC] defines them differently) as you engage them in a transaction in your business.

Managing your NPI records is necessary for being compliant with the FTC Privacy and Safeguards Rules, and the Gramm-Leach-Bliley Act (GLB).

The GLB Act governing NPI records applies to "financial institutions" - companies that offer financial products or services to individuals, like loans, financial or investment advice, or insurance, says the FTC. The FTC has authority to enforce the law with respect to "financial institutions," an umbrella term that includes your dealership.

### WHAT IS NPI?

AutoTeamAmerica notes that for dealers, NPI "can be defined as any personally identifiable financial information that a dealer collects about an individual in connection with providing a finance contract, lease or insurance, unless that

information is otherwise publicly available."

The NPI data you collect for customer transactions affects work orders, service invoices, parts invoices, and other typical dealership documents - any upon which non-public customer information will appear. You must safeguard these private details, and keep them from public view and public access.

**"The NPI data you collect for customer transactions affects work orders, service invoices, parts invoices, and other typical dealership documents - any upon which non-public customer information will appear."**



To this end, some essential questions to discuss with staff:

- Do we have in place a checkout log for NPI records?
- Do we have a procedure for a Blocked Transaction?

- Have we set up indemnification provisions with current and future third-party providers who might receive and use NPI obtain from us? Who will have the time to chase these things?

- Do we have a system in place to train all the new hires to comply with Gramm-Leach Bliley and Patriot Act?

- Who is going to do it? Who has time?

- What is our current method for destroying our customers' NPIs - and does it meet federal requirements?

- Do we have secure NPI receptacles?

- Do we have a policy requiring all customer information to be kept secure at all times, and not stowed away in the bottom left-hand drawer of a sales desk? Yes, leads contain NPI and must be maintained safely.

I'd like to be able to report, after nearly two decades of advising new and used car dealers on NPI safeguard best practices that the industry has mastered this regulation. I cannot say the industry has, though many dealers have taken compliance to NPI record keeping correctly and consistently follow its requirements. Too often, however, I step into a showroom where deal jackets are left in manila files piled on a desk, often a desk within the showroom itself. I also notice repair orders and invoices atop advisors desks or off to the side at cashier stations.

Given most everyone today carries a camera-equipped smartphone, capturing NPI details from these paper documents is just too tempting for anyone bent on extorting another's private information for themselves.

### CREATING A CULTURE OF COMPLIANCE

Creating a culture of compliance at a dealership takes everyone from the dealer principal on down to buy in. Employees should know why your information security policies are necessary, be vigilant in making sure customer documents are not left out, and follow all protocols to store customer information before they leave their work area securely.

This all sounds simple enough, but too often we

**"Given most everyone today carries a camera-equipped smartphone, capturing NPI details from these paper documents is just too tempting for anyone bent on extorting another's private information for themselves."**

become complacent and don't follow through. "Oh, that door is almost always locked," we hear after collecting an armful of deal jackets unbeknownst to dealership personnel. There is nothing like a third-party information audit to remind everyone at the dealership there is more work to be done.

Americans are getting tired of having their information hacked and stolen. Class action attorneys have been making headway the past couple years to get over the damage hurdle in claims brought, and quite honestly, Judges are people too, and they are getting tired of hearing about data breaches or

information theft that was just too easy.

If you are an owner principal, do yourself a favor and come in some morning at 7:30, see who is not in the showroom, sales, and F&I offices, and discover what you can walk off with. Kudos to you if you find nothing. Alternatively, maybe you will find your compliance situation is not as sound as you thought. [CBT](#)



**TERRY DORTCH**  
President, Automotive Compliance Consultants, Inc.

Former auto dealer and operator, Terry Dortch is president of Automotive Compliance Consultants, Inc., which provides dealerships with complete compliance solutions. Reach him at [terry\\_dortch@compliantnow.com](mailto:terry_dortch@compliantnow.com)

# THE TRUE COST OF EDUCATION

## Ongoing Training is a No Brainer

BY GLENN PASCH

In every dealership or business, mine included, leaders analyze and wonder how an investment in ongoing education for employees impacts our bottom line. We debate internally with our top staff on if what we will spend

up front can be tracked to a true ROI in expected improvement to our performance.

Before we dive in further, let me share a few statistics.

- U.S. Bureau of Labor statistics found companies with fewer than 100 employees delivered approximately 12 minutes of manager training every six months.

Most dealerships fall into this category in terms of employee size. If you truly looked at the training your leaders deliver, beyond the initial on-boarding, what would your statistic be?

- A 24x7 Learning Survey shared this: only 12% of employees know how to apply the skills from any training they receive.

My feeling is many dealerships have the wrong trainers in place. Just because someone is a top performer does not make them a great trainer. They may not have the correct skills to communicate not only what needs to be learned but the process to help with implementation from the classroom to front lines.

- 7 out of 10 employees say job related training directly influences their decision to stay with a company.

The cost of replacing an employee usually runs three times what it costs to keep an employee. From recruiting costs, new training to lower productivity, the decision to have more ongoing training to retain your employees seems a no brainer.

I share these statistics because upfront costs can be the initial hesitation for leaders to engage with training. What is not being discussed are the long term negative effects may not show themselves so quickly.

What if the hesitation on spending any upfront cost blurs the leaders vision so they don't even discuss the potential improvement to results? They choose not to invest because their impression is performance will remain static which is acceptable and safe. Fear of the unknown creeps in so staying the current course wins out.

In this scenario, the problem I see with this leader's philosophy is they are gambling their employee's performance remains static. I believe two factors will impact performance in a negative way over time leaders may have not considered.

### THE "WE ARE DOING OK" FACTOR

New education or training is not injected into a business because the feeling amongst leaders is current production levels are ok, begins to take hold. Lack of education or training will allow current skills to begin to lose their sharpness. Even the greatest athletes train continuously to keep skills sharp. Status Quo never stays the same.

Without new training, leaders just keep repeating the same training over and over to check the box that training is being delivered. The problem here is human nature allows our minds to convince ourselves we know this information and can skip this training occasionally or even for longer periods of time. Our confidence in our current skillset allows us to feel we can produce better results when called upon. This seldom is the case.

As an acting teacher once told me, "How you practice every day is how you will perform. If your diction is sloppy offstage, you cannot expect it to be perfect onstage, just because you wish it to be."

My feeling is over time, confidence changes into comfortability. Comfortability leads to lack of preparedness and performance drops. At first, not drastically, and this slight dip can be explained away as "having a bad day" or week. We can blame outside forces, not ourselves for this underperformance.

Over time, comfort makes everyone rusty and it is not easy to bounce back when are skills are no longer sharp. Soon performance is static, but at a lower performance level and leadership is convinced it will bounce back soon, yet it never does.

### THE "MY COMPETITOR IS NOT DOING THIS" FACTOR

The second aspect leaders often miss is the "Competition is not Doing This" Factor. I hear this from some dealers when they return from a 20 Group meeting or a conference. They have compared themselves with their peers and have decided if others are not investing, then why should they.

**"All training or technology that can improve the performance of your team should be viewed as an investment, not a cost."**

I ask these dealers if they are truly aware of what their competition is doing in terms of consistent training and education? If their competition is investing in skills training or education one would expect their competition's performance improves. This now leads to a situation where the first dealer's standard of performance is no longer acceptable in the market place.

You may not recognize the shift, or excuses arise for your competition's slight increase which supports your decision for inactivity. One must understand inaction can be just as costly as investing up front for education.

Imagine you have come to accept your company's performance is now below your competition in the market place. Panic can begin to set in. Leadership rushes to implement training or education which now may be costlier.

Higher costs to get trainers in on short notice, of taking internal leaders away from producing themselves, trying to jam in the education to your staff and to enflame the situation further, there now arises an overall feeling of stress due to new

levels of increased performance demands.

Long term change does not work well under duress. Getting employees from rusty/comfortable performance back to high performance takes time. It is always easier to improve the performance of someone who is already practicing and learning in a consistent manner.

With so many cost-effective opportunities for training, either live or online, there is no excuse for not investing in your team consistently.

A good way to think about this type of an investment is to look at the cost versus the budget this training will impact. For example, if the cost of an education program for your sales or marketing team was less than 2% of your marketing budget, not including salaries, would you think spending 2% to increase the performance of the 98% was worth it?

I think so. And on the flip side, saving 2% by not investing will impact the 98% in a negative fashion. Thinking this way, would you think this strategy was acceptable for long term success? I do not.

Training or technology can improve the performance of your team if used correctly and should be viewed as an investment, not a cost. Don't allow the fear of upfront cost cause your team to fall prey to these two silent factors. Success is a daily habit that comes with continual education and training of your team. [CBT](#)



**GLENN PASCH**  
CEO of PCG Digital Marketing

*Glenn is a trainer at heart. He is a highly sought-after speaker, writer, coach and operations strategist, as well as a customer service fanatic. He has spoken throughout the U.S. and Canada, educating audiences on a variety of topics including business leadership, change management, digital marketing and the impact of this new technology on culture, business and society. Visit the website [www.pcgdigitalmarketing.com](http://www.pcgdigitalmarketing.com)*



# NO Commissions, Negotiations

At Grappone, Transparency is Key

BY MARY WELCH

Step into any of the showrooms at Grappone Automotive Group of Concord, N.H., and you just might see a woman singing and playing a banjo. No, it's not the latest in keeping customers engaged while waiting for service. It's actually Amanda Grappone Osmer, the fourth-generation owner of the dealership, which sells Toyota, Honda, Mazda, Hyundai and Ford vehicles.

Grappone's impromptu performances are just one instance of how this 40-something has not only drastically changed the company's culture, but

how her employees' and customers' view of the dealership and the entire car business itself.

"The car business has a terrible reputation because we've earned it," she says. "Younger people have no idea about buying a car the old-fashioned way and what a pain it was, especially for women. We were never the type of business that would keep you high and dry. We stood by our product but I'm sure we had some swarmy salesmanship going on over the years."

#### KEEPING IT REAL

Grappone is all about authenticity and taking the pain out of buying and servicing a car. For instance, she eliminated commissions and price

negotiations. "What I hated about the commission model was that you couldn't control your income. Plus, it's adversarial from minute one. The salesperson is trying to make as much money by running up the price and the consumer is trying to save as much money as possible. There's automatic tension. I felt we had more potential for sustainability by doing away with commissions."

Her team didn't quite feel the same way. She lost 70 percent of her sales force within three months of the switch. "It was a very long summer of intensive hours but the ones who stayed behind bonded together and nothing can stop us, and that's very valuable"



Photo Credit: Geoff Forester

"The car business has a terrible reputation because we've earned it. Younger people have no idea about buying a car the old-fashioned way and what a pain it was, especially for women."

- Amanda Grappone Osmer | Owner, Grappone Automotive Group

The switch was "like ripping the Bandaid off." She upfront told her team that, while she understood it was a "big risk, this is where we're heading and we're not going to reverse it."

She was very cognizant of the repercussions. "We knew it was going to be painful at first. We have 340 people and they have families who rely on them and us for their health care, paychecks, vacations. We didn't want to mess with that and went above and beyond to protect it."

Her salespeople are called product specialists. Initially, she took each person's 12-month pay and guaranteed a percentage of it for several months. Now all specialists who work 45 hours a week get a flat fee of \$15 an hour. They are expected to sell 12 cars a month and make more money with volume, not the total cost of the cars sold. They get paid more for leases and also a flat fee for selling one of four finance products.

#### NO NEGOTIATIONS

She did away with the finance department. "That's where we lost a lot of money straight off

the bottom line," she says. "The finance manager has the highest skills. If someone bought a car and then had it taken back, we haven't done well by them. We didn't educate them or care enough," she says. "I don't want phone calls saying that our finance people didn't tell them something. Again, it's adversarial; it's the customer said, we said. It never ends well."

Customers have four finance options, again with no negotiations. "That whole finance area in dealerships can get real murky. People still don't understand how badly they can be taken advantage of, especially those with poor credit. They're over a barrel. There's so many little extras and shell games that go into it," she says. "We're very straight up. Totally transparent. I sleep well at night and one reason is that I don't have federal regulators breathing down our necks. Our customers see this, appreciate it and find it refreshing that no one is incentivized to be selfish or motivated by selfish reasons."

Another important part of her transparent philosophy is that there is no price negotiation. Cars are priced based on availability, demand, factory incentives, rebates and how long it's been on the lot. Used vehicles are separated into three categories: certified, quality and value.

The dealership "shoots" for 7,000 new cars sold each year; 2,000 used. They have more than 2,000 customers in its wholesale parts operation. Revenues are in the low \$200 million range.

"We live by our mission statement that we build relationships with our team members, guests [customers] and our community, in that order. I always found it disrespectful to the salesperson that you had to wait for a manager to weigh in on the price. Did they not think you were smart enough to sell a car at the right price? It was wasted time and our focus groups said they hated — hated — it. So we turned the model upside down."

#### SELLING THE LOWEST PRICE CAR

At Grappone, with five brands, the sales team is tasked with selling the customer the lowest priced car they need, especially on the used car side where the inventory is combined. When a customer enters a showroom, the product specialist does a needs analysis of what they like, don't like and absolutely need. "A customer can come in and a Mazda may be a perfect fit for their needs but the brand isn't on their radar," she says. "We make sure you buy what you need and again, because there's no commission involved, the customer isn't wondering why they were switched to

## DEALER PROFILE

this car or that car. We take away every variable that might make a customer suspicious. With no commission, there's no incentive to sell a higher priced car, and the customer gets it."

Grappone's out-of-box thinking can be traced to two sources: her personal story and the realities of New Hampshire. With a rural state having a car is a necessity but it also is an area with a 2.9 percent unemployment rate and a "big chunk" of the younger population undereducated. "As a business with 340 team members, we're a fairly large business in New Hampshire and as a result we have a voice that is unique. The business community can make a significant impact on policy here on things such as affordable housing, child-care, drug treatments. There are a lot of people under toxic stresses, just trying to get by in New Hampshire."

She feels it is part of her mission to attend to the personal and professional needs of her staff as well as the community. "You can't ask people to perform at peak levels if their kids are sick. New Hampshire doesn't necessarily support things like other states that focus on people's well being. We're trying to do that."

She is challenging herself to tackle some of the big human resources issues. "We're trying to figure out if we can make short-term disability to be

more like a paid family leave plan. Do they need to take time for mental wellness? I understand that if you do nothing but change oil over and over and over it can be boring and you burn out. You need to know that you're part of something bigger."

### THE BIGGER COMMUNITY

That "bigger" is community service and giving. In 2016, 9.5 percent of its net profit went to 85 charities. Employees are given a day for charitable work. When going through the hiring process, applicants are asked about their community service. The dealership doesn't rely heavily on advertising and some of their ads don't even mention cars. In a small community, it's word of mouth and reputation.

"A lot of the people we've hired recently have been by referral. We have been able to successfully transition people from totally different industries — teachers, hairdressers, firemen — and our work in the community is a factor." Turnover is under 20 percent; her goal is 7 percent. Forty percent are women, which is four times the national dealership average. Employment benefits are on the website.

In the next 10 years, 20 percent of her team will be of retirement age. "That's a huge flow of out-migration of institutional memory and knowledge and we must prepare for that," she says. "How do

we create team members for life? How do we keep them engaged even after retirement?"

Her brother, Greg, used to think she was a "lunatic" because she would ask people so many personal questions. "I care deeply about wellness; I can't not care. I want our team to love what they do and I want our customers to like us and form lifelong relationships."

Her father, whose office she turned into a meditation room, sent birthday cards to employees and customers. Today, she does. "That was when I knew there really was a transfer of power," she laughs.

### IT STARTED IN 1924

The other part of Grappone's personal and professional journey dates back to 1924 when Rocco and Emmanuela bought a Gulf service station in Concord. A year later they started selling Oldsmobiles, and in 1929, Pontiacs. In 1930 he added Desoto and Plymouth franchises, and, thanks to World War II shortages, established a tire retread business. In 1948 a John Deere farm and industrial equipment franchise came on board.

Son John took over; Pontiac of Nashua was sold and a Ford franchise added. Eventually John added an AMC/Jeep, Toyota and Subaru franchises, and in 1965, Mazda and Honda. In 1980

## "When going through the hiring process, applicants are asked about their community service"

a family reorganization took AMC/Jeep and Pontiac franchises out of John's control but in 1982 he added the Ford Heavy Truck franchise and Suzuki in 1989. The dealerships relocated to what is now known as Grappone Auto Junction.

In 1990 Allen and Bob Grappone took over. Two Saturn dealerships as well as Volkswagen and Hyundai came into the mix. During the early 2000s Amanda and her brother, Greg, became involved in the day-to-day operations. Well, not exactly Amanda.

"Heck no. I didn't want any part of the business,"

she says. She studied humanities in North Carolina and worked with Outward Bound there. "I didn't study business. Humanities really forces you to pull things apart and look at them from different angles and perspectives. Sometimes in our business you can be too narrow in your focus."

After 9/11 she settled in San Francisco and sold Lexuses. "It was a good experience and very different from our family-run dealership." She turned 30; her father, 60, and he was thinking seriously about transition. "There were five of us and only two were interested, me and Greg."

She returned home and ran the body shop and fixed opps — anything but sales. They did an intensive national search for a sales manager. "We have a tradition that, after a year, we give you a mug with your name on it. We gave him a mug and he gave us his notice." She took the job.

The other life-changing event came when Greg, while in his mid thirties, developed a debilitating and ultimately fatal form of cancer.

"It hit me in a certain way. You recognize you don't know if you have another day. It sparked something in me."

### DRIVEN TO AMAZE

With this renewed zest for life, she challenged her

director of accounting Lynda Krieger, ("a larger than life personality") who talked about singing and playing the guitar to perform at a dealership event. Krieger, a 30-year veteran at Grappone, while still at the dealership, now plays in a band. "That's the type of spirit and creativity we hope to draw out of people," she says. "Creativity is the lifeblood of any good project."

To Grappone's surprise, the next year, Krieger challenged her. She took up the banjo and singing. "I want our customers and team to see who we are rather than someone trying to manipulate them into buying something they don't want."

It's years away from a potential fifth generation but she thinks about the future and her customers. Grappone's children, Mary, 11, Henry, 10 and Abigail, 9, hang around the dealership. "Right now, they're cute accessories," she says. "If we go into the fifth generation, they'd have to be adaptable, nimble and learn never to assume what the business would be like in the future. For instance, if we don't understand what the Millennials want or understand their perspectives, it'll be painful."

The dealership's slogan is "Driven to Amaze." Grappone is determined — driven, if you will — to do what it takes to put the fun back into the car buying experience — even if it means strumming a new tune. **CBT**



Grappone guest Chris Wright speaks with Sean Snow, Toyota service advisor, a 25-year Grappone team member, and the dealership's resident Ironman. He's done 25 Ironman to date.

Amanda Grappone Osmer speaks with Marcel Mauldin, who has worked at Grappone Automotive Group for 45 years — before Amanda Grappone was born.



Elvis Osorio, a Toyota technician, confers with a client.

Lynda Krieger and Amanda Grappone Osmer entertain customers.

# BECOMING A MASTER COMMUNICATOR

## Learn to Speak Their Language

BY CHRIS ROLLINS

**Y**our dealership puts a large amount of effort in helping to ensure your teams can communicate with each other and with your customers so you can increase your conversions. The mistake that is often made here is that too many people believe that practicing speaking and negotiating skills will automatically make them a better converter. From a leadership perspective, the same thing applies. Leaders often work on their presentation and motivation skills, but they tie them directly to the outcome they are trying to achieve.

### COMMUNICATING TO CONVERT

What is the essential element being overlooked in that equation? Communicating to convert might be able to help you achieve some results, but if you add a third element to the equation, it becomes a much sturdier base, which you can build upon. I refer to this as the 3C Model, which stands for: Communicate, Connect, Convert.

Master communicators understand that the goal of communication is to connect. Only after you have achieved a connection can you reach for the next level, which is to ultimately convert someone. Others have found that converting people, whether selling an automobile or selling your ideas and leadership direction, is more effective when your communication is focused on achieving that all-important connection.

What is the difference between communicating to connect versus communicating to convert? Communicating to convert is often a one-sided monologue. However, communicating to connect is a two-way dialogue.

Are good speaking and presentation skills important? Absolutely! This is something that is practiced and trained on (hopefully) in your dealership on a constant basis. The best communicators understand that, no matter how fluid their presentation or how skilled they are at negotiating, not everyone speaks the same language. Just ask anyone who has ever been in a relationship. We can all tell stories about the time we said one thing and the other person seemed to hear the complete opposite. Well guess what? Your employees and customers face the same challenges. As a master communicator, you can help overcome that potential roadblock and your retention and sales will thank you for it.

### WHAT MAKES A GREAT COMMUNICATOR?

Much has been said about speaking skills through the years. Let's fill in the gap that separates good communicators from the great ones though. The great ones understand that a certain percentage of the people they speak with, whether in a group or one on one, will naturally connect with them. This is because they share similar communication

styles. They also know that there is no "one style" that will connect with everyone. Because of this, they learn to assess the current situation they are in, identify the other person's preferred style of communication, and then they respond accordingly. These are the people who simply seem to have a knack for connecting with anybody. When speaking to a group, they are the ones who have the entire group walking out saying "I felt like they were talking directly to me."



### MODEL OF HUMAN BEHAVIOR

While some consider this an art, the truth of the matter is that it is just applying a proven science known as the Model of Human Behavior. Apply this concept and you will find that you are immediately able to connect with people at a higher rate. There are two things to look for:

**1.** Let's assume you needed to connect with someone quickly, so your goal is to find out how to best communicate with them as fast as possible (sounds like a typical day on an auto lot, right?). Observe the person you are speaking with and determine if they seem more outgoing or more reserved. Outgoing people are much more open and also tend to operate with a higher motor of activity.

Some people are just wired to be on "Go" all the time. Others seem more steady and even keel in their approach. When observing someone who is outgoing, raise the energy level when you speak. For someone who is reserved, you need to lower your pace so you don't overwhelm the other person.

**2.** Some people are more process focused while others are focused more on the people side of the scale. For example, shopping is a task to me. I want in and I want out, preferable as fast as possible. On the other hand, shopping is an experience for my wife. A simple question such as, "What are you looking for out of your next vehicle?" can help you determine which way someone leans. A process-oriented person tends to answer in terms of specs, details, etc., while a people oriented person is already visualizing their new vehicle and telling you the story they have in their mind. Note: Too many salespeople rushing to make the sale try to by-pass the story. The more you let them complete the story in their mind, the more they start taking ownership of that new car.

Consider each option as two halves of a circle. Put an outgoing person at the top and a reserved person at the bottom. Then consider the process-oriented person as a left circle and the people-oriented person as the right circle. Place the two together and you have four quadrants. While people are not "one or the other," science has shown that everyone falls into a basic area with their primary communication style.

### LEARN THE PRIMARY COMMUNICATION STYLE

An outgoing and process-driven person wants results. This group is not usually a "tire kicker". If they are on your lot, they want to make a

purchase. This is often the group that responds most positively to the "Can we make this happen today?" question. Let's face it, they want to get it done in one stop whenever possible.

An outgoing and people-oriented person is all about the experience. They aren't buying a car; they are buying recognition. Funny enough, that's why the "Puppy dog close" works so well with this group. They park the car in their driveway and then a neighbor walks out and says "Hey! Did you buy a new car?" Instant recognition. Yep, the paperwork may not be done, but they just made the decision to purchase. Priceless!

Someone who is reserved, but people-oriented is often the one most turned off by a salesperson they feel is attacking them. Because they value security, you have to slow down and help them lower the barrier of risk in their mind. Focus on everything your dealership does for them AFTER the sale. It calms them and makes them feel safer about the decision they are making.

A reserved, but process-oriented person is one who has probably already done all the research. They value the research they did on their own and being right. Instead of telling them everything, let them tell you what they know and affirm their decision. Because they are critical thinkers, help them see that the purchase is simply the next logical step in the process.

We sell everyday, whether on the sales floor or with the people we are leading in the dealership. Determining the way to communicate to each individual in order to connect with them faster and at a deeper level will inevitably help us to convert at a higher level. It is the most effective path to achieving consistent and predictable top and bottom line growth. **CBT**



**CHRIS ROLLINS**  
President of Rollins Performance Group

Chris has more than 19 years of sales and operational leadership experience and is a Founding Partner of the global John Maxwell Team. His expertise in Communication, Sales, and Leadership helps teams to achieve exceptional top- and bottom-line growth by building sustained momentum. Visit his website at [www.RollinsPerformanceGroup.com](http://www.RollinsPerformanceGroup.com).

# ask THE pros

**A**t CBT News, we are fortunate to partner with the best trainers in the industry. Whether it's information on sales, F&I, marketing, management or fixed ops, our contributors are the go-to professionals for reliable, relevant advice for dealership personnel. You have access to the foremost authorities in the retail automotive industry. Need a new closing technique? Wondering what's the best way to increase sales in the service lane? **Send us your questions at AskThePros@cbtnews.com. We'll forward your inquiries to our ensemble of experts.**

**Q:** I'm looking to increase my digital signage in my showrooms. What are the latest "wow" factors in digital signage that will also yield results?

Sam R., Syracuse, N.Y.

**A:** **Kris Konrath, Director of Marketing for Convergent**



While there are many potential digital signage applications for car showrooms, here are three of the most current that will help dealers sell cars, add-ons and options:

- Large video walls made up of multiple screens help customers visualize themselves enjoying their new vehicles in particular environments and settings. A great video wall draws them in, makes them feel like they're in the right place and puts them at ease with their potential purchase.
- Self-guided, small-form factor screens, such as tablet computers, at each car allow customers to explore a particular model in more depth and on their own terms.
- Sales assist tools loaded with dynamic content help salespeople explain unique features and show comparisons or options that aren't viewable on the show floor, while at the same time allowing them to remain mobile and available to buyers. They can easily and effectively communicate with customers and increase exposure to add-ons and options.

**Q:** I keep hearing about cross-channel integration. What is that and why should I pay attention to this?

Vince W., Seattle, WA.

**A:** **Valerie Vallancourt, Vice President of Marketing, Outsell**



Nearly every industry has been utilizing cross channel marketing long before 2017 and automotive dealers are finally catching up. Integration takes that concept

further. It recognizes that true success with consumers comes from understanding them at every stage in their shopping lifecycle, and marketing to them accordingly.

Forbes stated that in "this year alone successful marketers are nearly 35 times more likely to use cross channel marketing with their customers vs. under-performing teams who struggle to use this tactic at all." In that same article, they called out the four key principles that summarize why it's a necessity, along with the need for integration of those channels for the full picture of each customer.

Cross-channel integration increases visibility - having a presence across more channels means more customers will see you where they prefer to spend their time whether it is scrolling around on Facebook, or watching TV or more than likely - both.

Precise measurement on cross-channel touch points is vital to marketing success. But more important is the ability to tie those measurements together for a full view of the customer that better informs where they are in their buying lifecycle. The most successful cross-channel experience for a customer comes from personalization, when marketers take both online and offline behavioral data and integrate that into automated communications to keep customers engaged.

All of the above allows marketers to better optimize their programs for the best results, creating a constant lifecycle that keeps customers and prospects engaged by always taking into account what they really want across every digital channel and any device.

**Q:** What is the one greatest missed opportunity dealers have today to improve their used car operations in light of an expected downturn in new-car sales and the influx of CPO vehicles into their inventory mix?

Ann A., Ames, Iowa

**A:** **Steve Greenfield, founder and CEO, CompetitorPro**



The greatest opportunity that today's dealers have in the used car segment is being aware of their local marketplace and using those insights to source and merchandise their vehicles.

Used car shoppers are critically focused on inventory (selection, condition, and price to market). What we've been seeing in these local markets is that, while dealers have a very keen understanding of their local competition and manage their inventory at a macro-market perspective, they lack the competitive insights to stay effective in winning the local "2014 Rubicon" or "2012 Sentra" shopper.

Now more than ever, dealers are equipped with a suite of tools to help them more intelligently stock vehicles and more effectively merchandise and price those vehicles in the local market. With the introduction of pricing analytic tools, dealers no longer worry about being the lone VIN priced 115 percent of market and now possess the power to effectively price their entire fleet to be competitive.

The next generation of intelligence tools needs to get much more specific and granular - to enable a dealer to "dial-in" to local market supply/demand/pricing in their micro-region. They also need a monitoring tool to help them understand if they're optimizing their operations and to alert them when they're starting to slip, and what to do about it. With the sea of data that dealers are swimming in, the potential is there to really help them stay on top of their operations. But we need to see more innovation in the software space around translating all of this data into actionable insights and recommendations to stay ahead.

**automotive conference & expo 2017**  
ATLANTA • MARCH 7-9

**DON'T MISS**

**GARY VAYNERCHUK**  
World-renowned Digital & Social Marketing Expert

**LEARN HOW TO DRIVE MORE SALES USING DIGITAL & SOCIAL MARKETING IN 2017**

Gary Vaynerchuk took his family business and grew it from a \$3M to a \$60M business in just five years using social & digital marketing. Gary now runs VaynerMedia, one of the world's hottest digital agencies. A four-time New York Times best selling author, Gary provides guidance on social media, entrepreneurship, and family businesses based on a lifetime of building successful, multi-million dollar companies.

## SALES • DIGITAL AND SOCIAL MARKETING • LEADERSHIP

**SCOTT STRATTEN**

Author of 4 Best Selling Marketing Books

**JON ACUFF**

New York Times Best Selling Author

**DR. NICOLE LIPKIN**

Organizational Psychologist & Author

**PETER LETO**

Google Automotive Team Lead

**MARCH 7 -9**  
**ATLANTA, GA**  
**HYATT REGENCY**

## LEARN FROM THE BEST IN THE INDUSTRY!

**BRIAN PASCH**

Digital Marketing Expert

**TOM STUKER**

BDC Expert

**DAVID KAIN**

BDC & Internet Expert

**MARK TEWART**

F&I and Leasing Expert

**CORY MOSLEY**

Sales & Management Trainer

**DAVID LEWIS**

Sales & Service Trainer

**GLENN PASCH**

Service Marketing Expert

**BECKY CHERNEK**

F&I and Leasing Expert

The CBT Automotive Conference & Expo is the most comprehensive and information-packed event in retail automotive. Hosted by CBT News, The Official News Source of the Retail Automotive Industry, this must attend conference for auto dealers addresses every aspect of the industry including Digital Marketing, Social Media, Sales Strategy, F&I, Fixed-Ops, Leadership, Management, Customer Experience and much more.

#CBTConference

**CBTCONFERENCEANDEXPO.COM**

# USE DATA DRIVEN INFO TO DRIVE SUCCESS

## Key Metrics Offer Competitive Advantage

BY STEVE GREENFIELD

If you are one of those rare dealerships that conducts competitor monitoring daily, you are ahead of more than 95 percent of the other dealers – an enormous tactical advantage.

Dealerships mostly continue to rely on personal experience, manual tracking, and gut feel to make critical operation decisions.

This approach is no longer practical or feasible in today's intensely competitive, data-driven and highly dynamic market.

Other industries get this. Hotels, airlines, and e-commerce business today all use sophisticated competitive intelligence software. These tools gather information, spots trends, and develop insights so management can drive the most effective strategies and tactics to win more business.

As an automobile dealer, if you're not outsmarting

the competition, they're outsmarting you. In this environment of shrinking margins, dealers can't afford to leave opportunities undiscovered.

### CURRENT STATE

Dealers do have access to a basic level of competitive intelligence today. This is typically focused on new car volumes (via the regional and zone data your OEM provides) and is far less than real-time, lagging 30 to 45 days.

Pricing and inventory software tools for used vehicle management generalize at a "market" level. This view does not permit the scrutiny of individual competitor's operations. These tools do help dealers stock and trade inventory and

price their vehicles. Unfortunately, they cannot provide benchmarking insight into the specific tactical decisions being used by same-brand or other-brand top competitors in your local geography. Nor do they allow you to track operations at individual leading stores across the country.

### EXPLOITING DATA

Progressive, early-adopter dealers find ways to exploit data (and the insights they provide) to their advantage. A great industry example is CarMax, that early on learned to leverage data analytics to implement superior operational processes. The MIT Sloan Management Review noted, "CarMax's business model relies upon a proprietary information system that captures, analyzes, interprets and disseminates data about the cars CarMax sells and buys."

CarMax took a data-driven approach towards decision-making, and it has enabled them to grow into their position as the largest used car retailer in the U.S.

### THE IDEAL TOOL

The ideal competitive intelligence tool would allow dealers to:

1. Define the specific competitive dealers they want to monitor.
2. Compare one or more competitors' metrics relating to:
  - New/Used car inventory stocking
  - Sales
  - Pricing strategy
  - Website traffic and quality (bounce rate, time on site, pages viewed)
  - Advertising (sources, organic keywords, paid keywords)
3. Customize "push alerts" to notify them when competitors are improving across specific, targeted metrics.
4. Provide a roadmap for how the dealer can close gaps between their performance and their competitors.

Such a tool would collect and process an enormous amount of data to identify complex patterns that are not obvious, distilling this complexity down to clear actionable priorities for the user.

To do this effectively with human intelligence alone would require substantial people resources. Competitive intelligence software enables a single user to deliver the equivalent output of an in-house team of data scientists.

### BETTER DECISIONS

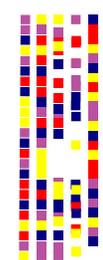
One of the primary goals of a competitive intelligence tool is to ensure that you don't miss any strategic insights from your competitive landscape. Examples might include:

1. **Calculating Optimal Pricing.** It's accepted that a dealership must have the right price on their vehicles for optimal sales and inventory turnover – but how does a retailer arrive at that ideal number? Sophisticated pricing intelligence provides insights gained as it analyzes the data and aids you in making tradeoffs between price and turnover calculations.
2. **Benchmarking.** Benchmarking is the ability to compare your performance versus others on the main operating metrics to improve performance. Your competitive intelligence tool shows you how often your competitors stock new inventory, change prices or change their advertising strategy; and you can chart your progress against them.
3. **Knowing Competitors' Inventory Cycle.** How often do competitors cycle through their inventory? Have the intelligence to raise prices when competitors are out of stock on specifically equipped vehicles.
4. **Knowing Competitors' Pricing Strategies.** Sophisticated pricing intelligence gives insight into all of your competitor's prices. Collecting data on the most competitive price they offer allows you to react in real-time with a more attractive price to their consumers.
5. **Determining Most Efficient Marketing Spend.** Sophisticated competitive intelligence helps dealers spend (not waste) their marketing dollars:
  - Know to stop advertising when the demand for a particular vehicle is high, i.e. you're likely to sell it without the advertising (avoid the pay per click fee).

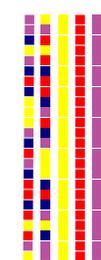
## COLLECT BIG DATA



## PERFORM ANALYTICS



## MAKE DECISIONS



- Know to stop advertising when your vehicles are priced higher than the competition (and get a signal to adjust your prices).
- Avoid advertising when a competitor is out of stock; reduce your search keyword bids.

### 6. Feeding Competitive Pricing Data to Your Salespeople.

Equipped with pricing data on other vehicles offered in your local market, your sales people are better prepared to help their customers and negotiate sales. Today's customers know a lot about local market supply and prices. Providing salespeople with the local inventory at their fingertips enables them to diffuse tough conversations with consumers, handle objections in real time, and be better informed and prepared to close more deals.

### 7. Plugging Competitive Data into Your Own Algorithms to Update Prices.

Whatever your current pricing process for new and used vehicles, having all competitor inventory and pricing at your fingertips equips you to respond to market shifts and more attractively price for customers. Better pricing intelligence means more leads and the conversion of those leads into sales.

### 8. Making Better Stocking Decisions for both New and Used Vehicles.

Know what is selling quickest in your market, and which vehicles are being discounted most/least.

Order and stock hotter vehicles that are likely to turn faster and deliver higher profit per unit.

### 9. Sharing Better Intelligence with Your Marketing Personnel/Agency.

Having visibility into each of your competitor's monthly website visitors and engagement metrics (bounce rate, time on site, pages per visit) and keywords purchased to drive traffic, allows you to have a much more sophisticated conversation with your marketing personnel or agency.

In summary, a dealer's use of advanced competitive intelligence solutions provides these advantages:

- Real-time access to data
- Information distilled down to actionable insights that drive business results
- Objective decision-making based on fact
- Valid, confident choices; not guesses
- Improved operational metrics
- Improved allocation of your employee resources
- A real edge over the competition

The accelerating pace of industry change means automotive dealerships are increasingly challenged to keep up. It can be challenging to stay on top of all your competitors, but it pays dividends to understand the moves they're making. **CBT**

**"As an automobile dealer, if you're not outsmarting the competition, they're outsmarting you."**



**STEVE GREENFIELD**  
Founder and CEO of CompetitorPro

*CompetitorPro is the auto retail industry's first competitive intelligence solution, providing automobile dealers with actionable, in-depth performance metrics on their top competitors. He is also the founder of AutomotiveVentures, a developer of business intelligence products for the automotive OEM and retail industries.*  
<http://www.competitorpro.com>. Contact him at [steve@competitorpro.com](mailto:steve@competitorpro.com).



SALES

BEST PRICES

CAR SALES

# 37 ITEMS ON WOMEN BUYER'S WISH LIST

## A Little Goes a Long Way

BY ANNE FLEMING

Here are 37 items on women's New Year's list when it comes to car dealerships, service visits, and features for 2017. Here's an opportunity to add some new options to market and engage to the growing car drivers and buyers and expand your business.

### AT THE DEALERSHIP

1. Car dealerships that women enjoy visiting —complete with work out facilities, snacks, cappuccinos, and play areas for the kids.
2. A no-games approach to buying a car in a relaxed, zero pressure environment.
3. Child care made available during the test drive and negotiation process.

4. A three-day return program, which instills a boost of buyer confidence.
5. Sales advisors with high emotional intelligence who have the capacity to recognize buyers' emotions and guide their behavior accordingly.
6. Privacy when buying a vehicle. Preferably one that doesn't include old grey cubicles.
7. A warm sales environment with aesthetics including artwork, paint, plants, and graphics portraying a balanced demographic.
8. A more balanced demographic among sales and service advisors.
9. Current, easy-to-find, authentic reviews showcasing how the dealership interacts with women buyers and clients.

10. Dealers that offer seminars on the latest car technology, insurance savings, mobile apps, and other useful information.

11. Home and workplace test drive delivery.

12. Complimentary child carseat seminars and fittings. Some dealerships have certified car seat installers, which parents find quite helpful and appreciate. Talk about building customer loyalty.

### IN VEHICLE

1. Heated steering wheels and seats.
2. On the flip side: coolant seats for those in warmer climate areas or summer time.
3. American Family Insurance's Teen Safe Driver Program installs a camera as a learning tool, as well as a recording and reporting tool

for inappropriate or bad driving. Discounts available.

4. Apps to keep in touch with newly driving teenagers.
5. Space for a trashcan.
6. More hands-free, kick-open trunks that allow drivers with loaded arms to open by foot. Or, in some minivans, to kick open the two sliding doors.
7. Waterproof, easy-to-replace, affordable key fobs.
8. Stow and go storage made available in SUV's and CUV's. More than a minivan feature.
9. Automatic headlights that shut off in vehicles to help prevent dead batteries.

10. High beam feature that automatically goes back to low beam when it senses headlights are approaching.

11. Built-in car seats that can be easily "stowed" when an adult needs to sit there.

12. A visor with an extension to flip down so it actually blocks the sun. Some OEMs come close.

13. Car that doesn't accidentally lock the driver out of a car — this can very possibly be a dilemma, we know.

14. A Flip switch on side mirrors to reduce bright lights and glare, like the ones on rear view mirror.

### IN THE SERVICE DRIVE

1. Longer service hours to accommodate working women.
2. Having a clean, attractive lounge area.
3. Yoga or work out room while waiting for car to be serviced.
4. Free rides to/from work or home. One that will pick you and baby up, with the car seat already installed.
5. Service centers with zero tolerance for

patronizing women or any customer.

6. Mobile repair dealership that will come into the community to customers homes to do oil changes, put snow tires on, etc.
7. Service centers with a critical mass of female employees. Many dealers making strides here.
8. Loaner vehicles for women. This is the #1 requested item by women.
9. Kid-friendly play areas, café areas, and wi-fi are all huge perks.
10. A stop-in-anytime pass for free car washes. Great loyalty builder.
11. No unnecessary upselling. [CBT](#)

"Here's an opportunity to add some new options to market and engage to the growing car drivers and buyers and expand your business."



**ANNE FLEMING**  
Founder and CEO of Women-Drivers.com

Anne Fleming developed Women-Drivers.com for car dealers to publicly showcase their trust and transparency, resulting in greater sales from women buyers. When a woman visits a Certified Trusted Dealer she can expect that whoever assists her will be respectful, trustworthy, and knowledgeable, each and every time. We are committed to improving the car buying and service drive experience for women by helping to shift the traditional visit and help create a new paradigm. Additionally, we help dealers foster trust and grow market share with this buying segment by providing rating and engagement solutions.





# ASSOCIATION news

## FORMER MADA BOARD MEMBER DIES

The Minnesota Auto Dealers Association announced the unexpected passing of Mike Dockendorf, president of St. Cloud Toyota. Mr. Dockendorf was a Toyota dealer for 45 years, and during his career, served MADA as both a board member and officer, and more recently as director of MADA Services.



## RECORD YEAR BEATS EXPECTATIONS

Automakers, in 2016, sold a record high of 17,550,351 vehicles to beat analysts' expectations and mark the seventh consecutive year of gains. Honda's sales rose 6.9 percent; Nissan's sales were up 8.3 percent. Toyota saw an improvement of 2.6 percent. The brands with the biggest improvements for the year were Audi, up 4 percent; Honda, up 4.8 percent; Nissan, up 5.5 percent; and Volvo, up 18.1 percent. Sales last year were driven in large part by low gas prices and interest rates, as well as increased consumer demand to replace an aging national fleet (currently averaging 11 years old).

"The industry outperformed expectations in 2016, and international brands outperformed the industry as a whole," said AIADA President Cody Lusk. "Dealers are feeling confident going into 2017 that they have the vehicles and service consumers want."

International brands ended 2016 with sales of 9,657,687 vehicles and held a 55.1 percent share of the U.S. auto market during the year. Asian automakers ended the year with sales of 8,083,727 units and 46.1 percent of the market up from 45.5 percent in 2015. European automakers finished with sales of 1,573,960 units and 9 percent, down from 9.2 percent in 2015.

The Toyota Camry remained the best-selling car overall for the year with sales of 388,616 reported units, followed by the Honda Accord with sales of 345,225 units.

## NADA PREDICTS "STABLE" 2017



Steven Szakaly, chief economist of the National Automobile Dealers Association, predicts sales of 17.1 million new cars and light trucks in 2017. "We are headed toward a stable market for U.S. auto sales, not a growing market," Szakaly said. "The industry has achieved record sales, and pent up demand is effectively spent."

The vehicle segment mix will continue to favor light-truck sales, which are expected to account for 60 percent of the market in 2017, and continuing the upward sales trend.

"It's important to recognize that there are some political unknowns, but the economic outlook for 2017 looks extremely positive for auto sales, particularly light trucks," Szakaly said.

"New-car shoppers can expect a year with slightly higher interest rates on auto loans, but those increases will likely be offset by rising automaker incentives," Szakaly added. "Rising interest rates could also increase pressure on leasing, which for many car segments is already suffering from declining residuals and used-car values. Leasing is still expected to rise in 2017, but not at the same pace we have seen over past few years."

In addition, NADA forecasts that new-car dealerships will retail 15.3 million used vehicles in 2017, compared to an expected 15.1 million used sales in 2016. The total used-vehicle market will exceed 40 million retail sales in 2017.

## AIADA APPLAUDS TRUMPS TRADE REPRESENTATIVE

The American International Automobile Dealers Association President Cody Lusk said that Robert Lighthizer, President-Elect Donald Trump's nominee for U.S. Trade Representative, is an "outstanding choice. AIADA looks forward to working with Mr. Lighthizer, whose experience as a trade official under President Ronald Reagan uniquely qualifies him to shape America's trade policies and work to ensure that our nation continues to lead in the global marketplace."



## VA. AUTOMOBILE DEALERS BACK IN COURT AGAINST TESLA

The Virginia Automobile Dealers Association is going to court to appeal a recent decision by the Virginia Department of Motor Vehicles that would allow electric automobile maker Tesla Motors Inc. to open a company-owned dealership in the Richmond area.

Virginia DMV Commissioner Richard D. Holcomb ruled that Tesla is eligible to operate its own dealership in the Richmond area. Under state law, that decision can be appealed to circuit court.

The association has filed notice that it will appeal the decision to Richmond Circuit Court. Tesla applied to the DMV to open its second company retail store in Virginia. Its only store in Virginia, near Tysons Corner, opened in February 2015 after the company reached a legal agreement with the DMV and the dealers association.

The dealers association opposed Tesla's petition for a second location, arguing that under state law the company must sell its cars through independent, franchise dealerships.

State law prohibits automobile makers from owning dealerships except under certain circumstances, such as when there are no independent dealers available in a community to sell an automaker's cars "in a manner consistent with the public interest." retail sales in 2017.

## NADA WANTS EPA REVERSAL

NADA President and CEO Peter Welch, in response to the Obama Administration's issuance of a final midterm evaluation of light-duty greenhouse gas standards for model years 2022-2025, said the gas standards made it more expensive for Americans to buy cars.

"The Obama Administration today just made new cars and trucks thousands of dollars more expensive for America's working men and women. Expensive and unaffordable new cars will drive Americans into less efficient, less clean and less safe used cars – undermining the very goals of this policy," he said in a statement. "We urge the incoming Trump Administration to withdraw today's action, and we look forward to working with the new Administration to ensure that working families can choose the cleaner, safer new cars and trucks they need at prices

## WYOMING BILL SUPPORTS TESLA

The Wyoming Senate is considering a bill that would allow car manufacturers, such as Tesla, to sell vehicles directly to consumers within the state. The bill, which would allow manufacturers to open wholly owned stores, would require Tesla to obtain a state license that permits it to sell directly to consumers.

The Wyoming Automobile Dealers Association is reviewing the proposed legislation. Marsha Allen, WADA's executive vice president said the association is reviewing the bill.

## OHIO AUTOMOBILE DEALERS HELP SAVE LIVES

The CPR Training Program of the Norwich Township Fire Department was greatly enhanced when Jim Keim Ford, in partnership with the Ohio Automobile Dealers Association and the National Automobile Dealers Charitable Foundation, presented a Little Anne Four Pack CPR training unit.

The Norwich Township Fire Department is an accredited CPR training site through the state of Ohio that offers both Advanced Cardiac Life Support (ACLS) and Basic Life Support (BLS) courses. The fire department anticipates an additional 500 to 1000 people having the opportunity to be trained thanks to this donation.

OADA, through the NADA Charitable Foundation, has been involved with member dealers in CPR equipment donation for over ten years now. The organization has donated hundreds of these training kits across the state to worthy groups through member dealers in order to train more people and help save lives.



# Turn CUSTOMER NIGHTS Into Actionable Insights

## Build Relationships While Earning Loyalty

BY MIKE ESPOSITO

Customer Nights hosted by auto dealerships have always been around, but recently there seems to be resurgence in their popularity. Many customer loyalty advocates recommend hosting these events as a way to connect with and show appreciation for customers.

True loyalty is created when your customers:

1. Have a great experience when they visit your dealership
2. Continue having a relationship with your dealership after they leave

The second part of this equation is where many dealerships fail. Sending customers a series of

automated emails after they purchase from you does not qualify as building a relationship. This is where Customer Nights come in.

After purchasing a car or after getting a car serviced, select customers are invited back to the dealership to meet with senior management and staff. Typically some educational aspect is involved, perhaps a tour of the service department, or seminar or workshop of some kind.

Many dealers go all out and offer dinner, drinks, prizes or raffles and even music.

These are all great things to do and fun for the customers. But for all the money spent on Customer Nights, dealers should be asking themselves what, if anything, the dealership is getting out of it!

The primary purpose of a Customer Night is to build relationships with customers and therefore

win their loyalty.

And what is at the root of every great relationship? Anyone... anyone?

If you said "listening," congratulations! What greater way is there to make your customers feel appreciated than to ask them questions and actually

listen to their answers? I believe many dealers are overlooking the integration of this important relationship-building process into their Customer Nights.

When I was a general manager of a large dealership, I hosted Customer Nights but I also went a step further and turned them into focus groups.

I would typically invite around a dozen customers for Customer Night. We'd order pizza, sit around the conference table and I would ask questions about their purchasing or servicing

experience at the dealership.

I made it clear before we began that all dealership employees needed to check their egos at the door and no finger pointing was allowed. I also told our customers that nobody would be fired as a result of anything they said. The purpose of the focus group is to identify areas where there is room for improvement.

Before the group met, I'd develop a list of ten questions or so. What did they like about the process? What didn't they like about the process? What did they think of the test-drive process? What did they think about our waiting room?

I did a series of these focus groups every few weeks. We tracked all the suggestions and feedback. If we heard the same thing from three or four different customers, we knew that was an issue we should address.

We ended up getting a lot of great feedback from our customers, especially concerning issues that we had never even thought about. One example was that there wasn't an obvious designated spot for car shoppers to park their cars. Another example was that many of our customers did not enjoy the test drive experience, not because of the cars or the salespeople, but because of the route we took them on! It wasn't the most attractive route, so we created a new one.

Sometimes the small things can really make a difference. And our customers were thrilled that we actually listened to them and made changes based on their suggestions. Do you think they became loyal customers after that?

Another opportunity I believe some dealers are missing during Customer Nights is on the educational front. Some dealers are doing this. They teach the basics of maintenance, such as what needs to be done when, how to check oil levels, how to change a tire, etc.

When I recently leased a new vehicle, the only thing I really needed help with was how to operate my radio. You can't just push a button any more! Today's infotainment systems have become so complicated that my dashboard looks like a spaceship. My dealer friend and I had a few good laughs as he tried to show me what to do--and then had to recruit someone to show him what to do!

My new car also has a feature that nudges me to the center of the lane if I drift towards the edge. The wheel actually moves! I have to admit the first time it happened was a little unsettling. My car also sends me emails telling me how it feels on a daily basis (as if I don't get enough emails already).

I believe that educating customers about these new technologies, including how to select what emails you'd like to get or not get, would be hugely helpful to customers.

Again, ask your customers what they want to know, or wished they knew, when they purchase a vehicle. Then create and offer those classes for future Customer Nights.

I encourage dealers to add a focus group and educational 'how to' sessions to their Customer Nights. The insights gained are valuable for the dealership and will go a long way towards building relationships and loyal customers. **CBT**





**MIKE ESPOSITO**  
President and CEO of Auto/Mate Dealership Systems

*Auto/Mate Dealership System is a leading dealership management system (DMS) provider. During his tenure at Auto/Mate, Esposito has grown the company's auto dealer client base to more than 1,200 rooftops. Auto/Mate has the highest customer retention rate in the retail automotive industry and is the number one DMS in customer satisfaction. Its DMS was "Designed by Car People, for Car People™." Find out how Auto/Mate does business differently at [www.automate.com](http://www.automate.com).*

# ON THE SET WITH



Sandy Ware of Penske Honda



Eric Johnson of ESPN



Zach Klempf of Selly Automotive



David Martin of Mar-Ke Group



J.C. Baker of Jake Sweeney Chevrolet



Jeremy Acevedo of Edmunds



Don Reed of DealerPro



Jonathan Dawson of Sellology



Chip King of CallRevu



Aaron Schinke of DealerSocket



Kerry Weise of TrueCar



Andrew Gordon of Dealer Science



Cody Lusk of AIADA



Vernon Marable of Kia of Rainbow City



Denise Chudy of Lottini

You buy with our history.  
Now **connect with consumers**  
who shop the same way.

## With CARFAX Used Car Listings

- Consumers start their search with vehicle history
- They find the cars they like with the history they want
- They arrive on your lot confident and ready to buy



**CLOSE FASTER  
WITH CONFIDENCE.**

Call **855.701.7996** or visit  
**CARFAXforDealers.com** for more information.





**automotive  
conference  
& expo 2017**  
ATLANTA • MARCH 7-9

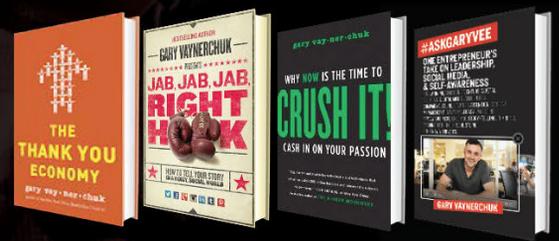
**DON'T MISS**

**GARY VAYNERCHUK**  
World-renowned Digital & Social Marketing Expert



**LEARN HOW TO DRIVE MORE SALES USING DIGITAL & SOCIAL MARKETING IN 2017**

Gary Vaynerchuk took his family business and grew it from a \$3M to a \$60M business in just five years using social & digital marketing. Gary now runs VaynerMedia, one of the world's hottest digital agencies. A four-time New York Times best selling author, Gary provides guidance on social media, entrepreneurship, and family businesses based on a lifetime of building successful, multi-million dollar companies.



**SALES • DIGITAL AND SOCIAL MARKETING • LEADERSHIP**



**SCOTT STRATTEN**

Author of 4 Best Selling Marketing Books



**JON ACUFF**

New York Times Best Selling Author



**DR. NICOLE LIPKIN**

Organizational Psychologist & Author



**PETER LETO**

Google Automotive Team Lead

**MARCH 7 -9  
ATLANTA, GA  
HYATT REGENCY**

**LEARN FROM THE BEST IN THE INDUSTRY!**



**BRIAN PASCH**

Digital Marketing Expert



**TOM STUKER**

BDC Expert



**DAVID KAIN**

BDC & Internet Expert



**MARK TEWART**

F&I and Leasing Expert



**CORY MOSLEY**

Sales & Management Trainer



**DAVID LEWIS**

Sales & Service Trainer



**GLENN PASCH**

Service Marketing Expert



**BECKY CHERNEK**

F&I and Leasing Expert

**#CBTConference**

**CBTCONFERENCEANDEXPO.COM**