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NEWS

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Troy Graff • troy@niada.com

EDITORS

Jacinda Timmerman • jacinda@niada.com
Andy Friedlander • andy@niada.com

MAGAZINE LAYOUT

Jeffrey McQuirk • jeffrey@niada.com

PRINTING

Nieman Printing

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OHIO'S SALVAGE PROBLEM

Help Us Fight This Issue

Over the past year, you may have noticed something funky happening with your titles. You purchase a clean title vehicle at the auction, sell it to a customer, and attempt to transfer the title to the consumer only to learn the vehicle is salvage. In other instances, the vehicle is deemed salvage after the consumer pays off his/her loan and applies for a lien-free title.

If this situation has happened to you, you are not alone. It is happening all over Ohio.

In July 2017 the BMV updated its computer software to pull new fields from the National Motor Vehicle Title Information System reports. The new fields show the vehicle's entire history, including whether the vehicle incurred hail damage, was sold at a salvage-focused auction, or was reported by insurance as a total loss.

The BMV is using this information to brand clean title vehicles as salvage. If any of the vehicle's history is determined, by the sole discretion of the BMV, to be salvage, it is branding the vehicle salvage. This is done without ever looking at, let alone inspecting, the vehicle.

Ohio defines a "salvage motor vehicle" as a vehicle "which is in a wrecked, dismantled, or

worn out condition, or unfit for operation as a motor vehicle" (R.C. 4738.01(B)). Further, Ohio does not require a title to be branded until "the motor vehicle is dismantled, destroyed, or changed in such a manner that it loses its character as a motor vehicle, or changed in such a manner that it is not the motor vehicle described in the certificate of title" (R.C. 4505.11(A)).

The vehicles the BMV is branding as salvage have been driven on Ohio roadways safely for years. The vehicles are in no way "unfit for operation" or "changed in such a manner that it is not the motor vehicle described in the certificate of title." Frequently, the vehicle being branded as salvage is a really nice car!

As you can imagine, the BMV's new policy is creating a nightmare for OIADA members.

Once a title is branded as salvage, the vehicle cannot be driven on the roadways (R.C. 4505.11(G)). To legally operate the vehicle on Ohio's roadways, the owner must obtain a rebuilt salvage title (R.C. 4505.11).

To obtain a rebuilt title, the owner must provide proof of repairs to the Ohio State Highway Patrol. This cannot be done because the vehicle was not damaged while in the possession of the prior owner – the damage occurred years ago and several owners ago.

And, unless you have a salvage dealer's license, you are not permitted to resell this vehicle (R.C. 4738.02).

The BMV's actions are affecting every dealer and consumer in the state of Ohio. It



creates doubt that anyone who buys a car in Ohio will receive a clean title. It also creates significant economic loss by rendering thousands of vehicles valueless.

OIADA does not support the BMV's position and is working with key stakeholders to change it. OIADA has met with the BMV several times in the last year to address this issue. The BMV has refused to make any change to its current policy. OIADA has sent letters to the governor, lieutenant governor, attorney general, and lawmakers to elicit a change in policy.

To date, none of OIADA's efforts have yielded results.

Without the typical avenues available, OIADA has consulted with legal counsel to pursue legal recourse against the BMV.

If you are able to help OIADA in the fight to stop the BMV's actions, please contact OIADA at (614) 863-5800. 🚗

Attorney Allison Harrison of Allison Harrison Law, LLC focuses on retail automobile and marketing. Wendy Rinehart is executive director of OIADA.



COMPLIANCE MATTERS | By Wendy Rinehart

FTC COMPLIANCE SWEEP INCLUDES OHIO

Dealers Must Use Newest Version of Buyers Guide

I hope by now you're all familiar with, and using, the newest version of the FTC Buyer's Guide. If not, please know the FTC already came to Ohio once for a compliance sweep and I'm sure they'll be back.

From the FTC website:

All dealers are required to display a revised Buyers Guide on used vehicles for sale.

The Federal Trade Commission, working jointly with 12 partner agencies in seven states, conducted the first compliance sweep of car dealerships since the amended Used Car Rule took effect earlier this year. Under the amended rule, dealers must display a revised window sticker called a "Buyers Guide," which contains warranty and other important information for consumers, on each used car they offer for sale.

The compliance sweep was conducted between April and June 2018 in 20 cities nationwide. The inspectors found buyers guides on 70 percent of the more than 2,300 vehicles inspected, with almost half of those displaying the revised buyers guide. Of the 94 dealerships inspected, 33 had the revised

buyers guide on more than half of their vehicles, and 14 had revised buyers guides on all of their used cars.

Following the sweep, the FTC sent letters to each dealership detailing the results of the inspections and providing material to help them come into full compliance with the amended rule. Over the coming weeks, dealerships that were not displaying the revised buyers guide can expect follow-up inspections to ensure they have brought themselves into compliance with the amended rule.

Under the FTC Act, dealers who fail to comply face penalties of up to \$41,484 per violation. State and local law enforcement agencies also enforce the recently amended rule.

Dealership Locations and FTC Partners

Through this sweep, the FTC and its partners inspected dealerships in: Burbank, North Hollywood, Richmond, San Bruno, San Jose, San Pablo, and Van Nuys, California; Jacksonville, Florida; Chicago, Illinois; New York, New York (Queens); Brooklyn Heights, Cleveland, East Cleveland, and Cleveland Heights, Ohio; Arlington, Dallas, and Grand Prairie, Texas; and Lakewood, Puyallup, and Tacoma, Washington.

I can't imagine why some dealers still think this is an unnecessary form or that using them is optional. Can you really afford to be non-compliant? 🚗

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SAVED TIME IS MADE MONEY

Maximize Time in the F&I Office

F&I is the final step in a long car-buying process for your customers. The quicker you can provide value, get a signature and make the sale, the better your chances are for growing your profit potential on the back end of deals.

Just like every second of your time equates to dollars and cents in your pocket, wasted time in the F&I office can cost you a valuable service contract sale. Maximizing the time you spend with customers in the F&I office helps them be more receptive to the value of a service contract and helps you make the most of every sale's final moments.

With a few small tweaks to your sales and F&I processes, you can save your customer's time while simultaneously saving your bottom line.

F&I Videos in Your Showroom

You can start planting the seed about a service contract sale even before a customer steps in the F&I office.

If you have a monitor in your showroom, put it to use. Turn off the news and run some videos that help explain the value of a service contract. Doing so gets the customer thinking about protection from out-of-pocket repair bills and understanding why it's important to them.

Electronic Tools

Modern online and electronic tools help speed along the process to get your customers out of the F&I office just as quickly as they got into it. When customers can sign electronically, view educational information on the fly and navigate the process without leafing through papers and signing or initialing multiple places, it makes the entire process simple and painless.

Self-Service Post-Sale Tools

Having a service contract provider that provides customers with on-demand resources that answer common questions can help you save time in the F&I office. You can save time explaining certain details if your customers have a place to get the answers they need once they leave your dealership. Information like how to file a claim, where to find a shop and looking up coverage details are just a few examples of information your customers should be able to find on their own whenever they need it.

Quality Follow Up

Reminding your customers of the coverage they have, where to find answers to questions and how to utilize their service contract coverage may be common practice, but there may be ways you can do it more effectively.

Tools like Covideo can add a personal touch to the routine email or phone call commonly used in sales and F&I follow ups. Giving your message a better chance to be heard only increases the likelihood that it resonates with customers and results in the experience you desire for them. 🚗



AUCTION NEWS |

RACHEL BALLARD JOINS AMERICA'S AUTO AUCTION

National Accounts Manager

Rachel Ballard recently joined America's Auto Auction as the national accounts manager. As the newest member of America's national sales team, she will represent the company's 21 independent auto auction locations.

National sales and marketing director Tammy Swofford said, "Rachel brings with her a strong background in vehicle remarketing, a valuable understanding of and appreciation for the independent auction culture, and a history of exceptional relationships with national remarketing managers. We know her experience and skills will prove a great asset to the sales team at America's Auto Auction and to the customers we serve."

Rachel's career in vehicle remarketing began in 2012 when she joined the sales force at Capital City Auto Auction, working as an account representative for both dealer and national accounts. Her skill and accomplishments were quickly recognized, and she was honored by the industry as one of the 2016 Women in Remarketing.

Ballard credits much of her success in the industry to the training she received at the Pyle family of auctions where she was mentored by both Charlotte and Joe Pyle. "My work with the Pyles taught me a great deal about the process of buying and selling at auction, instilled in me the importance of communication and service, and put me in touch with some of the very best people in the industry. That training has been invaluable to me and will serve me well as I represent the America's Auto Auction to the national remarketing community," Ballard said.

President and CEO Ben Lange said, "We pride ourselves on never losing sight of what drives that success: our clients. Rachel's emphasis on the importance of communication, her proven skills as a liaison, and her familiarity with the technology and innovation that are such an integral part of today's auto business make her ideally suited to handle the responsibilities of national accounts manager for America's Auto Auction."

Founded in 2005, America's Auto Auction, Inc. is the third-largest auto auction company in the United States with 21 locations. Additional information can be found at www.americasautoauction.com. 🚗



BHPH BUDGET AND EXPENSE OVERSIGHT

Plan to Increase Profitably

The tried and true formula to increase profitability is to either increase revenue or reduce expenses.

Is your dealership as profitable as it could be? Is there room to improve your BHPH budget? How do you know?

You could compare your dealership to other BHPH dealers and against industry benchmarks. If you discover you are receiving less gross profit per car than the industry benchmarks, you may be leaving money on the table. It could be time to reassess your plan, or your plans.

BHPH dealers need several plans to oversee their budgets because it is a very cash-intensive business. Your plans should include:

- Six to 12 month revenue plan.
- Expense plan.
- Profit plan.
- Cash flow plan.

In your cash flow, for example, if you are

budgeting for a \$1,500 average down payment but are really averaging \$700, you will run out of money to buy more cars. If you are budgeting your expenses based on this cash flow, your budget will quickly be off.

In your revenue plan, are you projecting net new account growth or is it going to shrink?

The more mature a portfolio gets, the harder it is to attain new growth (e.g. 20 paid off, 20 charged off, 40 loans a month = zero growth). Some dealers choose to chase aggressive sales without considering if the deal is a good one to put on the books. Charge-offs will eat up profitability more than any other expense, and it is usually a self-inflicted expense due to poor deal structures and underwriting.

Poor deal structures and underwriting sometimes stem from a lack of training for staff. Dealers should consider staffing and proper training as investments in gross profit rather than as expenses.

Too few or untrained staff leads to shortcuts and mistakes. As you gain productivity from staff and consistency in deal documentation and communication, you can increase your gross profit per sale.

Plan your expenses in advance as you do your revenue projections. You should know your expense per car sold, including closing and underwriting costs, staffing, service and follow-up care and collections. 🚗



Scott Bates is an assurance and business services partner for Cornwell Jackson. He supports the firm's auto dealership practice. Contact Scott at scott.bates@cornwelljackson.com or 972-202-8000.

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AUCTION NEWS

COLUMBUS FAIR PROMOTES PAIR

Columbus Fair Auto Auction has named a new director of operations and a new director of dealer sales.

Jeff Baerga, formerly director of dealer sales for CFAA, has been named director of operations and Josh Koronich has been named director of dealer sales.

Baerga has been with CFAA for four years in a variety of operational roles. Koronich, who was the strategic account manager, has been with CFAA for three years in various sales roles.

All of this movement comes about after former general manager Chuck Dearing's decision to move into semi-retirement. Dearing will take on a sales role within the company, traveling in the central Ohio area. 🚗

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LEGAL ALERT

An Overview of Key Legal Issues for Car Dealers

As a law firm that specializes in automotive dealership law, we have seen car dealers face a range of issues that may or may not end up in court. Dealerships potentially confront legal complications from multiple directions, including deals with vendors, customers, and real estate.

Based on this experience, we have compiled a list of the most common legal issues of which car dealers should beware. Take note of these potential problems, listed in order of priority and frequency of violations, with the highest priority issues at the top of the list.

Please note this is a high-level summary only. It is non-exhaustive in its description of specific requirements, and is not intended to provide legal advice for specific situations. Dealers should speak with an attorney to determine whether they are complying with the below rules and others applicable to their dealerships.

Transfer of Title

If a dealer sells a car prior to having the title, the dealer must complete the title transfer (have the title issued in the buyer's name) within 40 days of sale. R.C. § 4505.181(H).

For example, the floorplan lender may have the title or the dealer may have purchased a car wholesale and has not yet received the title.

Failure to transfer the title within 40 days is a CSPA violation. In addition, the remedy is an unconditional right to rescind the sale, as long as the buyer notifies the dealer within 60 days after the title actually transfers.

Application for Transfer of Title

Ohio dealers must apply for a certificate of title in the retail buyer's name within 30 days of sale. R.C. § 4505.06(A)(5)(b). Failure to do so is a CSPA violation.

Used Car Buyers Guide

The FTC's Used Car Rule requires dealers to post a filled-out buyers guide in every used car they offer for sale. 16 CFR 455.2(a).

The new Buyers Guide must be used as of January 2018! (Dealers: get rid of old stock.) The new form contains a section about manufacturer warranty and recommends a vehicle history report prior to purchase.

- Dealers must still post it conspicuously on the car window.
- Dealers must provide the original or a copy of it to the buyer. They cannot just print it at the time of delivery. This is a common mistake.
- Dealers must still check off if a service contract is being offered for purchase.
- The buyers guide warranty must be consistent with any other warranty documents.
- The back of the buyers guide should be signed by both the dealer rep and the buyer, and the dealership contact info should be listed.

Failure to comply with buyers guide rules is a CSPA violation under Ohio law.

Structural (Frame) Damage

Nondisclosure of prior material defects is a topic of many lawsuits. Plaintiffs have a tough time trading in a vehicle with prior frame damage, so they claim the dealer did not disclose it even though they specifically asked about accident history. Therefore, it is important to create and use a written structural damage disclosure.

Rebuilt Salvage Disclosure

The dealer must disclose a "rebuilt salvage" vehicle to the retail purchaser in writing prior to the execution of the purchase agreement. Failure to disclose is a CSPA violation and purchaser may demand rescission of the purchase. R.C. § 4505.181(B).

The dealer should use a specific disclosure form that (1) includes the vehicle information (year, make, model, and VIN); (2) contains a notice the vehicle has a title brand "rebuilt salvage;" and (3) explains the vehicle was once titled as a salvage but has been restored for operation upon the highways and has been properly inspected by the state highway patrol. The customer should read and sign this form prior to signing the vehicle purchase documents.

Odometer Statement

The dealer must complete an odometer statement at the time of sale to comply with both federal and Ohio law. If the title for the vehicle indicates the dealer has made an inaccurate odometer disclosure to the retail purchaser, the retail purchaser can demand rescission. R.C. § 4505.181(B).

Dealers should check Carfax to see if prior history shows higher mileage than on the vehicle – indicating a possible rollback.

Also, if you suspect an odometer has rolled over, such as a vehicle with an odometer that reads 80,000 miles but you suspect the true mileage to read 180,000 miles and the odometer only has five digits, mark "mileage in excess of mechanical limits" on the back of the title. This box can only be checked with a 5-digit odometer.

Spot Delivery (Conditional Financing)

This cannot be done without a proper (and fully completed) written spot delivery agreement. The way this should be drafted is that in case financing falls through, both the seller and buyer can cancel the sale and the agreement should be consistent with what the installment contract states. The problem is there is bad case law out there finding the dealers violated TILA with their spot delivery practices.

Repossession Notices

BHPH dealers need to comply with both the UCC and the Retail Installment Sales Act, R.C. § 1317, when repossessing vehicles. First, the dealer's RFC must send a timely and proper notice of right to cure. The cure notice must contain specific UCC-mandated info. This notice may be combined with the notice of public auction requirements. The auction needs to be advertised in a publication such as *Daily Legal News*.



8300 Reporting; Cash Sales Greater than \$10,000

Dealers must report cash sales of \$10,000 (either in a lump sum, or if received in a series of related transactions) to the IRS. The 8300 form must be submitted to the IRS by the 15th day after the date the cash was received. The penalty for noncompliance is \$25,000.

Completing Purchase Documents

Dealers' delivery personnel should be trained on delivery and sales documents. Common pitfalls include:

- Failing to incorporate ancillary agreements by reference (e.g., arbitration agreement, agreement to provide insurance, etc.).
- Properly documenting and having the customer initial negative equity on trade-in vehicles.
- Not realizing the dealer is overcharging for documentary service charge – Ohio law allows a max of \$250, but not more than 10 percent of price!

GPS Device - Disclosure/Privacy

It is not unlawful in Ohio to use a GPS device, at least for the time being. But BHPH dealers cannot prematurely disable a car to induce a customer to pay – this could constitute an illegal practice.

FTC is also stepping up enforcement of privacy violations. Ohio dealers should use a disclosure form that explains how the device may be used and a section on use of information obtained from the GPS for privacy reasons.

Salespersons

Only licensed salespersons listed as the salespersons of the dealership can sell cars for a licensed Ohio dealership. Consignment sales are illegal in Ohio. Dealers need to keep current the licenses of all of their current sales personnel and cancel the licenses of outgoing salesmen. Owners listed on the dealer license do not need a separate salesperson license. 🚗

This article is meant to be utilized as a general guideline for selling your business. Nothing in this article is intended to create an attorney-client relationship or to provide legal advice on which you should rely without talking to your own retained attorney first. If you have questions about your particular legal situation, you should contact a legal professional.

Gene Friedman is an attorney at The Gertsburg Law Firm. He can be contacted at ef@gertsburglaw.com or (440) 571-7778.

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COX AUTOMOTIVE

OUTSOURCING YOUR COLLECTIONS

Your Next Big Move?

If you offer customers Buy Here-Pay Here financing or are even thinking about it, you've probably heard the phrase, "The Buy Here-Pay Here business is not the car selling business; it's the collections business."

There are no truer words that could be spoken about this segment of the car selling industry. Those who fail to understand this fact will have a challenging road ahead of them to say the least.

Let's assume you already understand this. Good for you! You are already ahead of the game!

The reality, however, is that actually collecting payments from customers is often not an easy endeavor. Roughly 85 percent of your time will be spent collecting on 15 percent of your customers. While there are more tools available to dealers today than ever before to help you in this task, often those tools involve significant investments in technology and personnel.

I read an industry report recently that recommended a dealer dedicate at least four collectors for every 100 accounts. When you start to crunch the numbers, and realize the time and financial resources required to just collect your money, it is enough to make the average dealer turn and run the other way.

But there is a solution to this problem: Using a loan servicing company.

Experts Working for You

It is true that in many cases the collections personnel working at a loan servicing company have never sold a car in their life. Is this a bad thing? No. Their expertise is in collecting on accounts, not selling cars.

Of course it is a good idea to align your dealership with a loan servicing company that clearly understands the car business. They should not only strive to collect the payments, but also provide a great customer experience. Doing anything less is a recipe for failure.

Choosing a company that understands the importance of building relationships between the collector and customer is key. Being customer-focused should result in repeat business, and even new business, for both companies.

Just as important is understanding the need and ability for a dealership to have an open line of communication with the agency itself.

Even if a dealership elects to continue to enter payments into their own DMS, and uses reports from the agency to do so, there will be times when clarification of numbers or a specific report is needed that only the agency possesses. An agency that understands their role is to be an extension of the dealership, not to replace it, is one you can continue to grow with as your needs evolve.

Good Underwriting is Still Crucial

If you are considering outsourcing your collections, make sure you are working with a company that has stood the test of time and weathered economic storms.

They have no involvement in approving applications. And they are servicing loans, not purchasing them. As a result, they understand they're essentially at the mercy of the dealership to make smart selling decisions.

They have to be able to survive, just like you do, if the economy takes a turn for the worse.

That said, it would be a mistake on a dealer's part to assume they can be lax in their underwriting processes, believing the collections-minded agency can create miracles.

A bad deal is still a bad deal no matter who is trying to collect on it.

To recover inevitable losses, some companies provide enhanced services such as deficiency balance and collecting on civil judgments. Using a company that has the ability to collect both during and after contract expiration provides you with a safety net of sorts.

Will they be able to recover 100 percent of those deficiency balance collections for you? Most likely, no.

Most businesses would agree, however, that recovering any money is better than none. Collecting on civil judgments in particular can provide you with an additional revenue stream for years, especially if the contractual interest rate is also awarded in the judgment.

Making the Right Choice

If you decide to start exploring your options and research loan servicing companies, make sure you ask a lot of questions. It is a big decision to make the leap from an in-house collections department to trusting a third party with your customers and money.

Comparing key statistics such as repo rates and 30-day delinquency numbers will allow you to see how your operation stacks up. Number wise, you may be right in line with or even better than what they can offer. But even if that is the case, the elimination of the daily collections burden – including repossessions and liquidating cars at auction – could be very valuable to you.

Freeing up even a portion of your time and finances could allow you to concentrate on other initiatives that may be on the back burner, such as improving lot inventory, widening your market share through increased advertising, or providing a better customer experience for potential buyers who are visiting your lot for the first time.

Times have changed. An increasing amount of dealers are looking for a way to improve their bottom line, keep on top of compliance through a highly regulated industry, find cars faster that are out of repossession, decrease their delinquencies and collect on bad debt. If this sounds like your dealership, hiring a loan servicing company may just be your next big move. 🚗

Trisha Keiser is the president of Phoenix Financial Solutions, Inc. located in Shelby, Ohio. She has 15 years' experience in collecting auto receivables and deficiency balances. For more information contact her at 419-342-2178 or trisha@phoenixcompanies.biz.



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COX AUTOMOTIVE

I remember when I became the used car manager at the small Mazda store where I had been doing F&I. I took to used cars. I'm not sure why. I guess there was such a sense of accomplishment when one sold.

The salesperson won with commission. The store won with profits from the shop, parts, the retail sale and F&I. I won by adding revenue to the used car department. And the customer won because they got a dependable used car they could afford.

OK, so maybe I was young and hadn't been through the grind of wholesale loss, aged units, or getting buried in trades to make retail deals. Nor had I experienced being run up the pole at the auction, discovering a \$900 repair six days after the arbitration window closed. Nor had I dealt with the customer's car coming back on the hook 20 days later with a bad tranny.

That was a long time ago, more years than I care to admit. And it has only become harder to maintain a reasonable profit selling used cars! When was the last time you uttered the words "five pounder?"

Today more than ever, it's hard to find cars that meet your stocking needs. This is especially true when looking for those under \$12,000 (it's a payment thing).

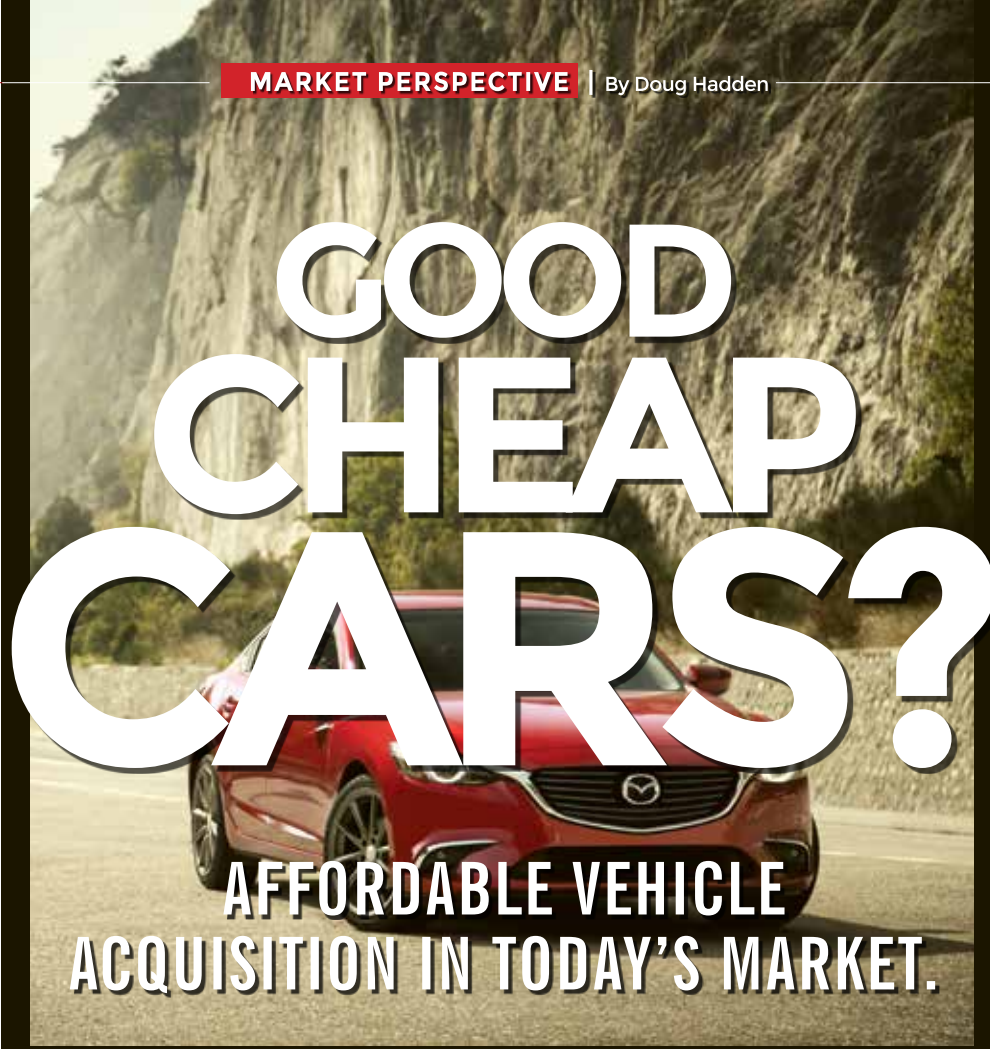
With the cost of new cars rising every year, long term financing and the number of off-lease cars in the market, the question becomes: How do you find good cheap cars?

In this three-part series, we will look at ways to acquire the vehicles you need to stock your lot that are affordable and customers want to buy.

Let's start at the higher end of the range, say \$12,000 to \$9,000. Hard to find? Yes. Impossible? No. But you must change your buying behaviors.

How many times have you gone to your local auction with the plan to buy four or five cars in that wholesale price range and come home with none? It's no fun and not very productive.

Even at larger auction facilities, there is a limited number of vehicles that fit your buy list.



What's that you say? Prices are too high, transport costs too much and only new car dealers buy those cars? Wrong!

As I write this today, I'm looking at an off-lease, 2014 Honda Civic 4-door LX in my Marketplace app on my phone. The photos of the car – taken by the third-party inspector – show the car sitting in the lessee's driveway. I can see every detail of the car – including seller, transmission type, mileage, trim, Autograde and even the number of scuffs or marks on the vehicle.

The bid now price is \$9,900. Like-mileage vehicles in the Market Report from Autoniq have sold wholesale in the last 18 days for

a low of \$8,600 and a high of \$11,500. The Profit Guide in Autoniq shows like vehicles have a 17-day turn and an average retail sold price of \$12,378. The average sold price and turn time is pulled from dealerships reporting actual retail transactions. Yes, actual DMS data: what the vehicles are sold for in your market.

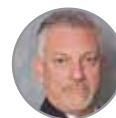
With a bid now of \$9,900 and an average retail price of around \$12,300, it looks like there is room for transport, fees and reconditioning. I know these are averages, but they are averages of real retail transactions.

Priced too high? Maybe not. Millions of vehicles are sold every year online. Can all of them be priced too high?

Again, I'm not saying you can buy all your cars online, although I know independent dealers who do. What I'm saying is, start looking and learning how to take advantage of what online auctions have to offer. Typically, you will find great vehicles (OLOCs) and enjoy lower fees – and, by the way, NAAA rules provide more buyer protection online than in-lane.

Next time we'll dive deeper into both online upstream and live online auctions. We will have tips and best practices to get you started finding the vehicles you need. You don't want to miss it!

Have fun and sell cars! 🚗



Doug Hadden is executive director of dealer consulting services for ADESA Auctions Inc.

Do the math. One auction will have x number of vehicles. Five auctions will have 5x. So how do you buy from five auctions at once? Online, of course.

Now don't get me wrong. I'm not saying don't go to your local auction. After all, I work for one of the largest auction companies in North America. I want you to buy from my auctions. All the technology in the world won't bring an end to physical auctions – but you need to learn how to use the technology offered by the auctions to make your purchase decisions more informed.

Alright, I can already hear the pushback: "I bought a car online once and it cost too much to transport, took too long to get to my lot and it had damage." I get it.

Let's back up a second and look at some ways successful, small and large independent used car dealers are buying cars upstream, which is a fancy way of saying "before the vehicle gets to or is offered at a physical auction," and live online at the physical auction.

Let's start with upstream, online auctions. These are what I call eBay-style auctions. You can shop and buy 24/7. Sellers range from new car franchise captive finance companies, national banks, and large fleet/lease operators to local or regional banks, among others.

The cream of the crop are the OLOCs. What's an OLOC, you ask? One owner, low mileage, off-lease car. Yes, I made that up and I use it all the time.

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SCHEDULE OF EVENTS:

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MONDAY
October 8, 2018

SCHEDULE	EVENTS
12:00 PM - 6:00 PM	Registration / Information Desk
4:00 PM - 5:00 PM	First Timers Reception
5:30 PM - 6:00 PM	BHPH Commission Meeting
6:30 PM - 9:00 PM	Cigars & Martinis Reception

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TUESDAY
October 9, 2018

SCHEDULE	EVENTS
8:00 AM - 6:00 PM	Registration / Information Desk
9:00 AM - 11:45 AM	Educational Sessions
12:00 PM - 3:00 PM	GRAND OPENING & EXPO LUNCH
3:15 PM - 5:00 PM	Educational Sessions
5:15 PM - 7:30 PM	Expo Reception

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WEDNESDAY
October 10, 2018

SCHEDULE	EVENTS
8:00 AM - 6:00 PM	Registration / Information Desk
8:30 AM - 11:45 AM	Educational Sessions
12:00 PM - 3:00 PM	Expo Hall & Networking Lunch
3:15 PM - 5:00 PM	Educational Sessions
5:15 PM - 7:30 PM	Expo Reception & Closing

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*SUBJECT TO CHANGE

2018 OIADA GOLF OUTING

Lucky Golfers

Friday the 13th didn't bring any bad luck to the golfers who attended the annual OIADA outing. Mother Nature gave us an incredible day. The course at York was in great shape, and the geese weren't a bother thanks to Potter, the course's K9 patrol dog.



Golfers enjoyed a full day of golf, competitions, prizes, and grilled steaks thanks to our awesome sponsors!



Congratulations to the Akron Auto Auction team of Mike Waseity, Bob Eddy, Tom Onesti, and Steve Harvey for coming in 1st place with a score of 55.

Thanks to everyone who attended, volunteered, and made the day possible!

THE FACEBOOK “SECRET FORMULA” TO GET MORE CUSTOMERS

Three Crucial Steps

It's a lot easier to sell to people who know you.

Over the years, Facebook has been a conduit for dealers and their customers to connect. However, as important as it is in the digital marketing process, connecting doesn't always equate to more sales.

Dealers must make their “connecting” count.

There's a solution that seems to elude a lot of vendors in the social media space. They sell you on the buzzwords but then deliver stingy results. Real results take a proven formula with the right key performance indicators to guide you along the path.

The Facebook “secret formula” I use to get more customers has three separate and distinct steps:

1. Attract.
2. Engage.
3. Convert.

Each of these three steps contains specific tactics that guide in-market buyers through your sales funnel and into your showroom.

Before we get into the formula, it's important to point out it's easy to waste time on Facebook. So, no matter what your business goals may be, it's crucial to start with a solid Facebook marketing strategy (i.e.: what do we want to achieve and how will we get there?).

Facebook has become a sprawling urban jungle and it's easy to get lost in the brush without a plan.

THE FACEBOOK “SECRET FORMULA”

Attract.

Attracting buyers in this highly competitive online landscape requires a deep understanding of your target market.

To attract your ideal customers, you must know who they are first!

Identify who your target customers are, what they care about, and what influences their purchase decisions. You'll start with your market area as a base point and then determine the attributes of your ideal customer – income range, credit worthiness, model of vehicles they purchase, etc.

Once you determine the audience you want to reach, you can then begin to design content for Facebook posts and ads.

It's widely known consumers purchase from dealers they know, like and trust. Facebook marketing allows you to consistently add value to your target customers' lives through relevant information, expert tips and insights, entertaining/creative content, and specials offers and discounts.

Engage.

Engagement drives everything on social media and here's where many dealers fall flat. They struggle with knowing what to do with

their fans once they become connected.

Fact: You really do need to be social on social media. To be social, you need a human.

The first step is to choose someone who can easily speak for you online, manage your ads and your content, answer Facebook Messenger inquiries, etc.

To engage successfully, create a “content strategy” that showcases your store and your personality. Post content and regularly review your results – then continue to post the types of content your target customers need and want.

Don't worry about being all things to all people. Focus on genuinely engaging customers and inspiring them to take action.

Convert.

The unique value of social media is its strength to attract and engage those customers who will most likely buy from you.

Selling to people who actually want to hear from you is far more effective than interrupting strangers who don't.

Your targeted content informs, educates and entertains. The next step in the secret formula is to deliver just the right offer (and value) that helps your customers finalize their purchase decision.

Once you've decided on the offers you want extend, use Facebook ads to promote them. Facebook ads have become the single most important way to be seen on social media.

Pro tip: Ad targeting is a highly-prized skill. If you advertise to people who don't know you, there's a wall that needs to be scaled, and without a large budget that's a tall order. Use Facebook ad targeting to bring in-market buyers closer to you so their decision is easier.

Bonus Secret: Retain

Social media is your secret weapon in customer service.

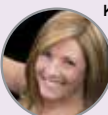
Currently, 92.5 percent of brands fail to meet customer expectations on social media and these failures can have big implications.

Quality customer service – regardless of channel – relies on a meaningful, efficient, solution-focused exchange between a dealership and its customers. The growing preference for social media as a preferred communication channel requires a “re-thinking” of your customer service strategy.

Stakes are high, and sloppy customer care is not a risk any modern dealer can afford to take.

Wrapping it All Up

Facebook is where your customers spend their time. Take advantage of my “secret formula” to explore the opportunities for your organization. 🚗



Kathi Kruse is an automotive social media marketing expert, blogger, consultant, author, speaker and founder of Kruse Control Inc., which coaches, trains and delivers webinars focused on integrating social media and online reputation management into dealership operations. She can be reached at kathi@krusecontrolinc.com.



GM RECALLS MALIBUS

Service Error Affects Air Bags

General Motors LLC is recalling 66 2016-18 Chevrolet Malibu vehicles.

During servicing, a passenger presence system may have been installed that was not correctly calibrated to the vehicle's seat type. As a result, the PPS may not properly identify an adult passenger from a child passenger in the front passenger seat, potentially causing the air bag to not deploy when it should, or causing the air bag to deploy when it shouldn't.

GM will notify owners, and dealers will replace the front passenger PPS seat service kit, free of charge. The manufacturer has not yet provided a notification schedule.

GM's number for this recall is 18208.

INDUSTRY NEWS |

ROUTEONE WELCOMES C&F FINANCE

Growing List of Available eContracting Finance Sources

C&F Finance Company is now an available eContracting finance source for dealers utilizing the RouteOne platform. eContracting enables the digital exchange of critical contract documents and data between dealers and finance sources to increase efficiency and reduce contracts in transit.

RouteOne is the industry leader in eContracting, booking more than 10 million eContracts to date. RouteOne has over 7,200 active eContracting dealers and 50-plus finance sources in its rapidly growing eContracting customer base.

C&F Finance is a leader in indirect auto financing, headquartered in Richmond, Virginia, and providing automobile loans in multiple states throughout the U.S. C&F benefited from a streamlined technical implementation process due to the eContracting certification their loan origination system, defiSOLUTIONS, had previously undergone with RouteOne.

“We strive to continually deliver our customers solutions that streamline and solve challenges in the auto finance industry,” said RouteOne chief operating officer Brad Rogers. “eContracting is a solution that benefits all parties involved: dealer, finance source, and consumer. C&F Finance is a welcome addition to our eContracting platform and we are pleased to offer their services to our dealer base.”

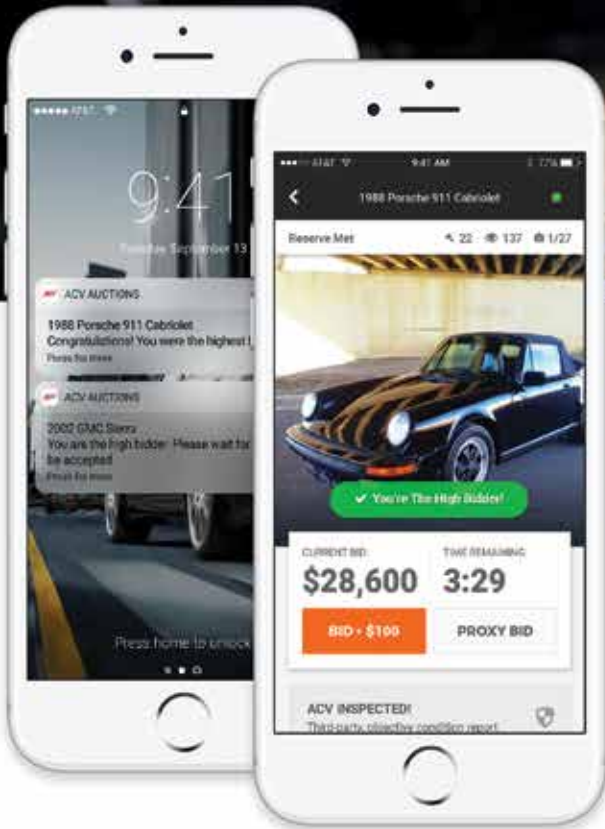
Dealers interested in eContracting should contact their RouteOne business development manager at 866.768.8301 or www.routeone.com/salesteam. 🚗

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