

Greater

# LOS ANGELES NEW CAR DEALERS ASSOCIATION

E-NEWSLETTER ISSUE #3 – 2016



## GLANCD A ANNUAL MEMBER LUNCHEON - HUGE SUCCESS!

**O**n Tuesday June 14, GLANCD A hosted its annual Dealer Member luncheon at the Sheraton Universal in Universal City. Over 250 Dealer members and industry partners gathered to go over the work of the association, and the impact of its dealer members in the communities they serve. GLANCD A board member Bert Boeckmann was awarded the inaugural Lifetime Service Award for years of dedicated service to the association. He was joined by family members and fellow employees who have been with the Galpin organization for many years. The keynote speaker was Charlie Cook who entertained guests with his insight into the national and state elections we are watching closely this year.



### Table of Contents

New Training Seminars.....	3
GLANCD A Announces Education Partnership.....	5
Dealer Claim Victory after U.S. Supreme Court Vacates Service Adviser Overtime Ruling.....	6
LA Auto Outlook.....	7

# Thank You To Our Luncheon Sponsors!



COLLEGE OF AUTOMOTIVE MANAGEMENT  
The World's Premier Automotive Management & Lending School



# Receptionist & Cashier Telephone Skills Training



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Receptionist and cashiers are arguably the most important, yet poorly trained staff who answer incoming dealership calls. When was the last time yours attended any professional telephone skills training? That Long?

In these sessions, your receptionists and cashiers will learn the "good", "better" and "best" word tracks to use with customers on the phone. This training isn't about merely sounding nice, but a no-frills discussion of which greetings and responses maximize customer conversion rates and improve CSI.

Interactive workbooks are included.

Registration deadline: *Monday, July 25 - Walk-ins on a space available basis only*

<p><b>Monday, August 8, 2016</b>          San Gabriel Valley – <i>Toyota Pasadena</i>          3600 E. Foothill Blvd, Pasadena, CA 91107          10:00 am to 11:30 am  <b>OR</b> 1:30 pm to 3:30 pm</p>	<p><b>Monday, August 22, 2016</b>          San Fernando Valley - <i>TBD</i>          10:00 am to 11:30 am  <b>OR</b> 1:30 pm to 3:30 pm</p>
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**Volume discounts for multiple attendees per dealership: *If you are registering multiple people with one payment, submit form and please send list of names via email to Natalie at [Natalie@camgmt.com](mailto:Natalie@camgmt.com)***

**1-5 Attendees @ \$99.00 each    6-10 Attendees @ \$89.00 each    11+ Attendees @ \$79.00 each**

Attendee Name \_\_\_\_\_

Selected Date \_\_\_\_\_

Selected Time \_\_\_\_\_

Attendee Email: \_\_\_\_\_

Amount \_\_\_\_\_

Cardholder's Name \_\_\_\_\_

Credit Card Number \_\_\_\_\_ Exp Date \_\_\_\_\_

Billing Address \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Email Address \_\_\_\_\_

**Mail Form to: 2520 Venture Oaks Way, Suite 150, Sacramento, CA, 95833**

**Or Fax Form to: (916) 924-7323**

**Please contact Natalie Thurn at [Natalie@camgmt.com](mailto:Natalie@camgmt.com) with any questions, thank you!**

# Salespeople and Sales Managers Telephone Skills Training



Sponsored By:



Your dealerships salespeople need every possible tool to get names, numbers, and make appointments. When was the last time yours attended any professional telephone skills training? That long??

In these sessions, your salespeople and sales managers will learn the "good", "better" and "best" word tracks to use with customers on the phone. Targeted training will show them how to address difficult questions about price, financing, trade values, and vehicle availability. Interactive workbooks are included.

Note: Two identical sessions are held same day for maximum attendance:  
Registration deadline: *Monday, July 25 - Walk-ins on a space available basis only*

<b>Wednesday, August 10, 2016</b> San Gabriel Valley – Toyota Pasadena 3600 E. Foothill Blvd, Pasadena, CA 91107 10:00 am to 11:30 am <b>OR</b> 1:30 pm to 3:30 pm	<b>Wednesday, August 24, 2016</b> San Fernando Valley - TBD 9:30am to 11:30am <b>OR</b> 1:30pm to 3:30pm
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**Volume discounts for multiple attendees per dealership: *If you are registering multiple people with one payment, submit form and please send list of names via email to Natalie at [Natalie@camgmt.com](mailto:Natalie@camgmt.com)***

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# Greater Los Angeles New Car Dealer Association (GLANCD A) is excited to announce a new partnership with The College of Automotive Management (The College)



**S**ales compliance and ethics is no longer an option. With the FTC and other regulatory agencies pursuing enforcement actions against dealers, it is a necessity. It is now more important than ever to create a culture of compliance and ethics in the front end of your dealerships. It is time to step up and make a difference, and one that will separate us from others in our industry.

The Greater Los Angeles New Car Dealer Association (GLANCD A) is excited to announce a new partnership with The College of Automotive Management (The College), who has been successfully training auto dealer's personnel in the areas of Compliance and Ethics, Sales, Sales Management and Finance & Insurance, since 1992. Through our relationship with The College, we are able to provide GLANCD A members a significant discount on their training programs.

All of The College's sales and management training courses are focused on employees choosing to love others, as their primary purpose. By choosing to serve and love others, positive results are achieved, including a compliant, ethical, transparent sales

and finance process, void of deception, capable of achieving a 100% customer satisfaction with the sales and F&I process. The net result is a dramatic increase in CSI ratings, closing ratios, gross profits per sale, more referrals and repeat sales. This is not only a claim; it's what their Students and Dealers say about their experience with The College.

Please watch this short video (Loving Your Customer) taken from their Compliance & Ethics Course. This video will demonstrate how choosing to love others is the best solution to begin the process of achieving increased closing ratios, gross profits, more referrals, repeat business and happy customers and employees.

"Loving Your Customer"  
Watch the video at the link below:  
[www.youtube.com/watch?v=0VsfOjVgG-A](http://www.youtube.com/watch?v=0VsfOjVgG-A)

The following are examples of comments from GLANCD A Dealer's employees after taking The College Compliance & Ethics course:

"This course is excellent—Best Compliance training we've had. The 2 that stand out

that I felt were inferior to yours was Zurich and the AFIP certification course. This course helps build trust." – **Mike Schwartz**, General Manager Galpin Premier Automotive Group

"I have been involved with AFIP and JMA certification and find this certification the best in its delivery and presentation with content being better and increased retention of material. Appropriate for all dealership employees." – **Brian Murphy**, GM of F&I Operations, Sullivan Automotive Group

"Compliance & Ethics has already been beneficial to my career and is a mindset that everyone at the dealership must share. This has been a great course to emphasize it's magnitude. I 100% agree it needs to be a "customer first" mentality which will only increase longevity and growth. It needs to be reviewed often and everyone must adhere. This will protect the dealership and more importantly, promote a friendly environment that will grow. Excellent information. Thank you." – **Steve Baldassano**, General Sales Manager, LaCarGuys Pacific Volkswagen

# Dealers Claim Victory after U.S. Supreme Court Vacates Service Adviser Overtime Ruling

Auto dealers claimed victory today after the U.S. Supreme Court rejected a lower court's decision that dealership service advisers are eligible for overtime pay under U.S. labor law.

In a 6-2 vote, the high court today vacated a 2015 ruling by the 9th U.S. Circuit Court of Appeals that service advisers are eligible for overtime pay because they are not covered by an exemption to the overtime requirements in the Fair Labor Standards Act that applies to dealership vehicle salespeople, mechanics and parts department workers.

The high court found that a 2011 Department of Labor rule upon which the lower court based its decision lacked the force of law, and ordered the lower court to revisit its earlier ruling.

FROM OUR ARCHIVES: Service advisers and the Supreme Court?

The decision marks a victory for auto dealers, many of whom pay service advisers on commission without overtime eligibility, a practice that other appeals courts had upheld until the 9th Circuit's 2015 decision.

The Supreme Court's decision stopped short of answering the broader question of whether service advisers should be eligible for overtime nationwide. A ruling in favor of overtime would have created a potentially major disruption to the way service advisers are compensated at many of the more than 16,000 new-car dealerships in the United States. A ruling that service advisers are eligible for overtime would have required dealers to retool those compensation plans.

National Automobile Dealers Association spokesman Jared Allen said in a statement that the trade group was pleased with the court's decision. NADA filed a brief with the high court arguing that the overtime exemption should apply to service advisers in addition to salespeople, mechanics and parts workers, which previous appeals courts have upheld.

"We are still reviewing the decision, but we are pleased that the Supreme Court expressly rejected a 2011 U.S. Department of Labor interpretative regulation that service writers/advisors are not 'salesmen' exempt from overtime, and that the Court vacated the Ninth

Circuit's ruling and sent the case back for a more appropriate review of the statute," Allen said.

Justice Anthony Kennedy wrote the majority opinion to remand the case, and was joined by Justices John Roberts, Ruth Bader Ginsberg, Stephen Breyer, Sonia Sotomayor and Elena Kagan.

Justices Clarence Thomas and Samuel Alito dissented on the decision to remand the case, arguing that the overtime exemption does apply to service advisers.

The case before the Supreme Court originated with five service advisers from Mercedes-Benz of Encino near Los Angeles, who sued the dealership in 2012 for refusing to pay them overtime.

In their complaint, the five said they were paid solely on commission and were "mandated" to work from 7 a.m. to 6 p.m. at least five days a week. They were also required to be "on call" during their lunch breaks and on vacation.

A California district court dismissed the case, citing the Fair Labor Standards Act's

Continued on next page



# Dealers Claim Victory – continued from page 4

overtime exemptions. But the 9th Circuit reversed that decision, breaking with previous appeals court decisions, which paved the way for the Supreme Court to weigh in on the dispute.

The overtime exemption in the Fair Labor Standards Act applies to “any salesman, partsman or mechanic primarily engaged in selling or servicing automobiles” at a dealership.

After years of back-and-forth on the issue, the Labor Department in 1978 issued an opinion letter that service

advisers were included in the exemption. The department interpreted the law that way until reversing its position in a 2011 rulemaking.

The high court’s majority found that the 2011 change by the Labor Department failed to adequately explain the about-face on its decades-long interpretation of the exemption, and lacked the force of law as a result.

“The retail automobile and truck dealership industry had relied since 1978 on the Department’s position that service advisors are exempt from the FLSA’s

overtime pay requirements,” Kennedy said in the majority opinion. “Whatever potential reasons the Department might have given, the agency in fact gave almost no reasons at all.”



**J.D. POWER**

**NADA**

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# AutoConference LA

November 15, 2016 • The L.A. Hotel Downtown

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**A**TTEND the AutoConferenceLA! A half-day event co-hosted by J.D. Power and NADA.

**C**ONNECT with over 400 attendees: Manufacturers, Dealers, Suppliers, Marketers, and Advertisers.

**L**EARN what's trending in the western United States.

**A**PPLY and **SUCCEED!**

**REGISTER NOW!!**

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# Los Angeles Auto Outlook™

Comprehensive information on the LA County new vehicle market

Sponsored by:



## Quick Facts

New retail car and light truck registrations in the county increased by less than 1% in April 2016 versus a year earlier.

The county market was up 6.8% for the first four months of this year. Light trucks were up 14.2%, versus a 2.8% increase for passenger cars.

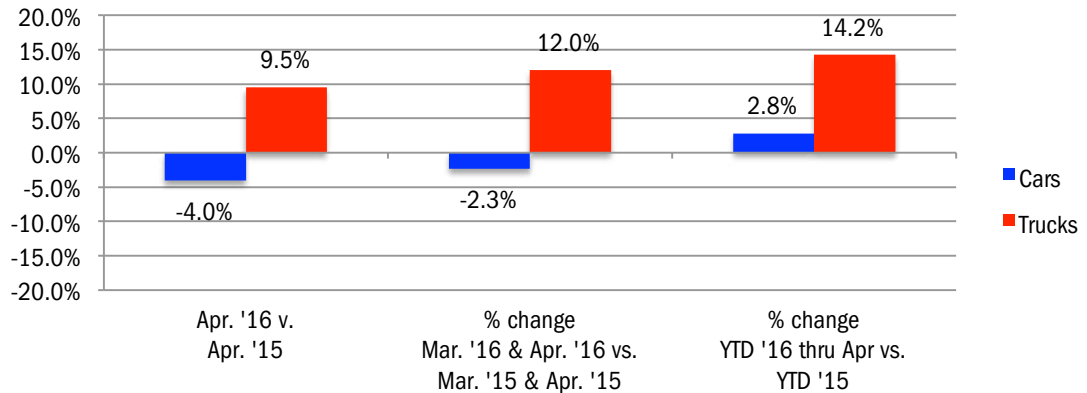
The three month moving average of new vehicle registrations increased for the 52nd consecutive month in April of this year.

Volvo, Buick, Lincoln, Land Rover, Chevrolet, Kia, and Mitsubishi new vehicle registrations have increased sharply this year.

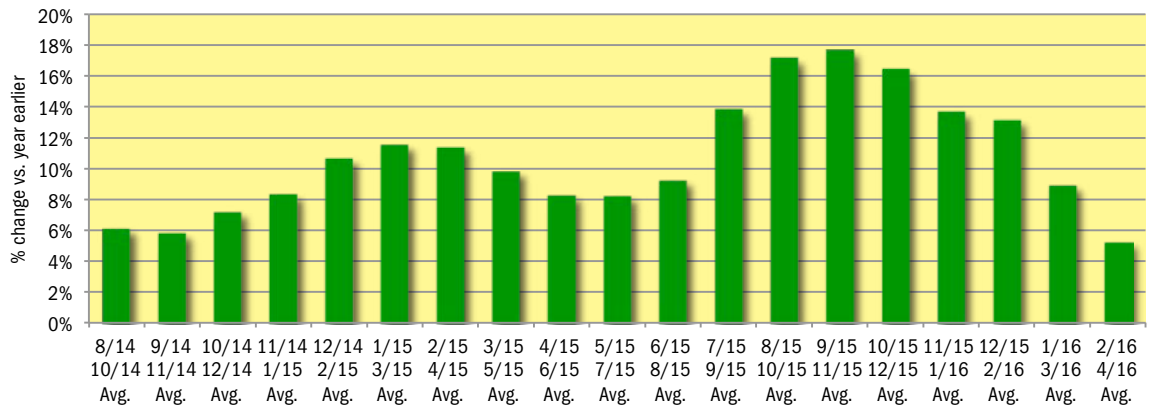
Data measures new vehicle registrations in the county. Monthly recording of registrations occurs when the data is processed by the DMV.

	April			Mar. '16 and Apr. '16 Combined			Year to date thru April		
	2015	2016	% chg.	Previous	Current	% chg.	2015	2016	Chg.
Industry Total	41,489	41,738	0.6%	87,515	89,808	2.6%	162,997	174,096	6.8%
Cars	27,284	26,182	-4.0%	57,374	56,043	-2.3%	106,033	109,028	2.8%
Light Trucks	14,205	15,556	9.5%	30,141	33,765	12.0%	56,964	65,068	14.2%
Detroit Three	7,511	8,230	9.6%	16,296	17,950	10.1%	29,979	34,131	13.8%
European	8,783	8,298	-5.5%	17,966	17,690	-1.5%	35,022	35,672	1.9%
Japanese	21,499	21,562	0.3%	45,772	46,583	1.8%	84,818	89,816	5.9%
Korean	3,696	3,648	-1.3%	7,481	7,585	1.4%	13,178	14,477	9.9%

### Percent Change in Los Angeles County New Retail Light Vehicle Registrations



### % Change in Three Month Moving Average of New Retail Registrations vs. Year Earlier



The graph above provides a clear picture of the trending direction of the LA County market. It shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average is less erratic than monthly registrations, which can fluctuate due to such factors as the timing of manufacturer incentive programs, weather and title processing delays by governmental agencies.

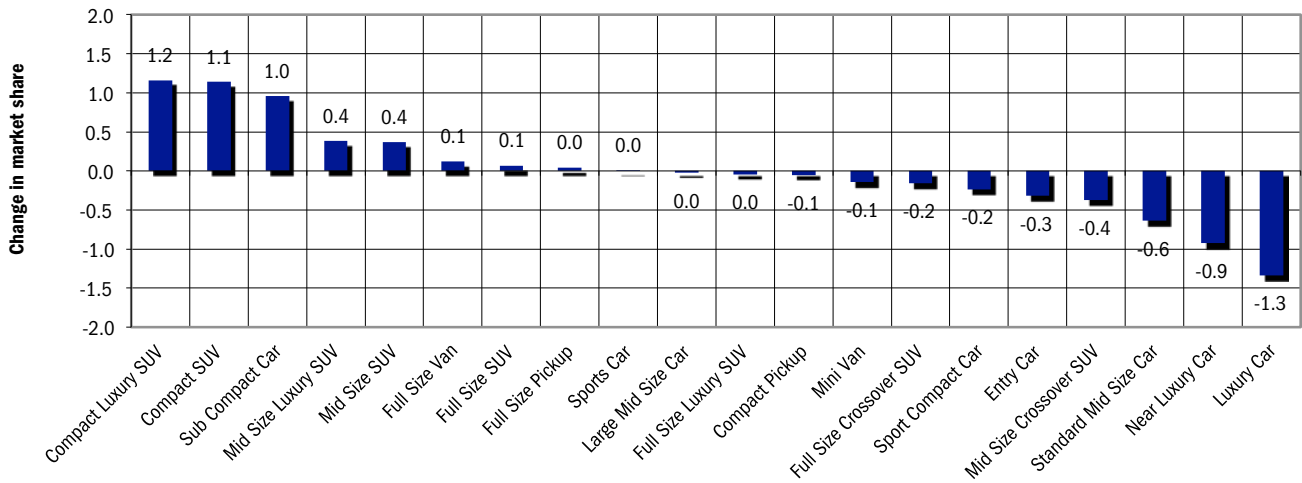
## Data Information

All data represents new and used vehicle retail registrations in Los Angeles County and excludes fleet. Please keep in mind that monthly registration figures can occasionally be subject to fluctuations, resulting in over or under estimation of actual results. This usually occurs due to processing delays by governmental agencies. For this reason, the year-to-date figures will typically be more reflective of market results. Green shaded areas in tables represent the top ten ranked brands. Data Source: AutoCount data from Experian Automotive.

New Vehicle Market Brand Registrations

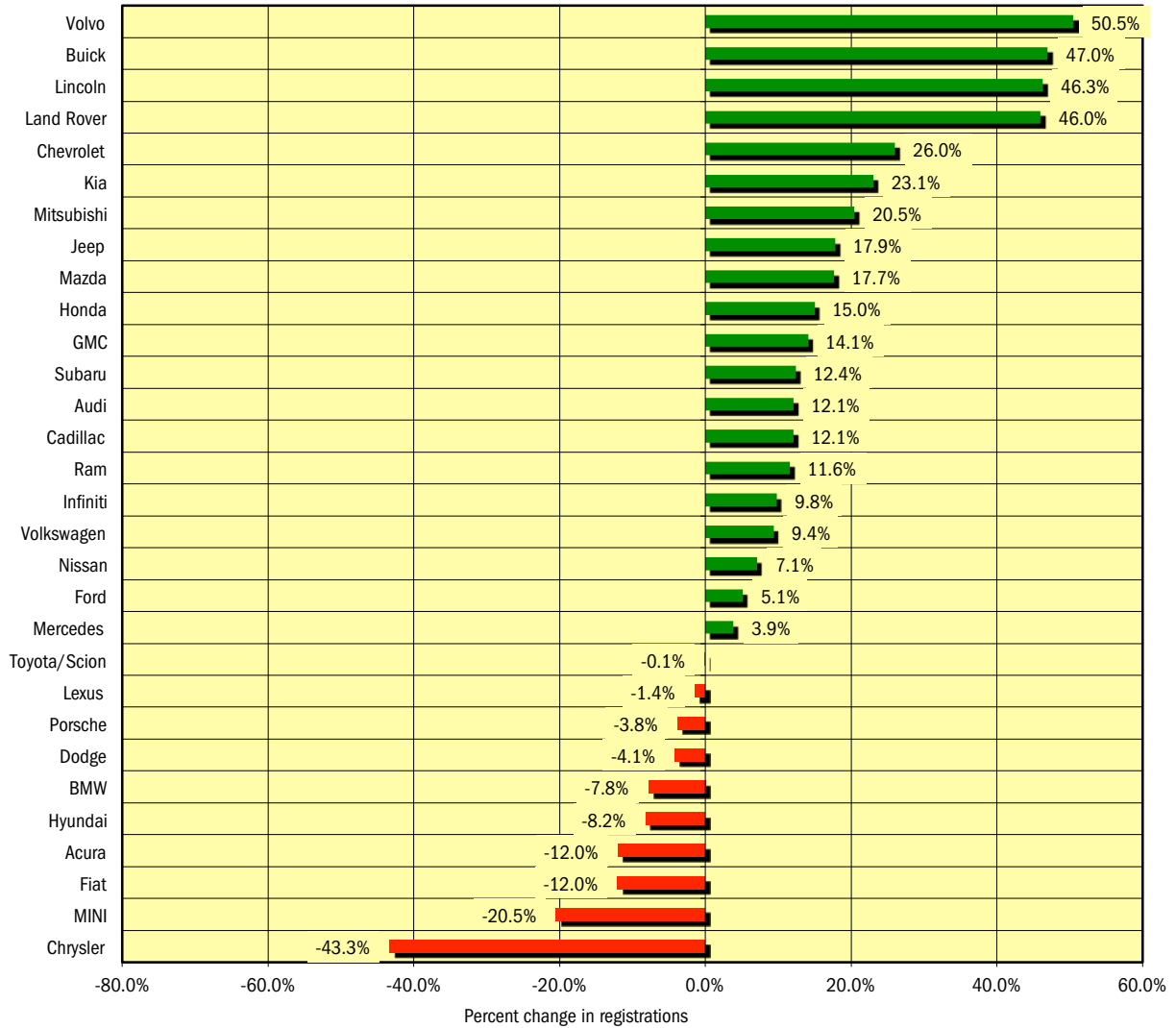
Los Angeles New Retail Car and Light Truck Registrations												
	April			Mar. '16 and Apr. '16 Combined			Year to date thru April			YTD Market Share (%)		
	2015	2016	% chg.	Previous	Current	% chg.	2015	2016	% chg.	2015	2016	Chg.
TOTAL	41,489	41,738	0.6%	87,515	89,808	2.6%	162,997	174,096	6.8%			
Acura	493	464	-5.9%	1,135	961	-15.3%	2,194	1,931	-12.0%	1.3	1.1	-0.2
Audi	1,033	1,122	8.6%	2,084	2,483	19.1%	4,269	4,787	12.1%	2.6	2.7	0.1
BMW	2,385	1,987	-16.7%	4,778	4,197	-12.2%	9,851	9,084	-7.8%	6.0	5.2	-0.8
Buick	102	142	39.2%	243	362	49.0%	445	654	47.0%	0.3	0.4	0.1
Cadillac	194	224	15.5%	444	520	17.1%	924	1,036	12.1%	0.6	0.6	0.0
Chevrolet	1,998	2,189	9.6%	4,187	4,922	17.6%	7,736	9,750	26.0%	4.7	5.6	0.9
Chrysler	235	102	-56.6%	498	239	-52.0%	914	518	-43.3%	0.6	0.3	-0.3
Dodge	573	518	-9.6%	1,274	1,153	-9.5%	2,290	2,195	-4.1%	1.4	1.3	-0.1
Fiat	519	279	-46.2%	841	613	-27.1%	1,246	1,096	-12.0%	0.8	0.6	-0.1
Ford	2,458	2,510	2.1%	5,531	5,778	4.5%	9,914	10,424	5.1%	6.1	6.0	-0.1
GMC	362	366	1.1%	847	870	2.7%	1,602	1,828	14.1%	1.0	1.0	0.1
Honda	5,477	6,388	16.6%	11,656	13,419	15.1%	21,765	25,031	15.0%	13.4	14.4	1.0
Hyundai	1,648	1,284	-22.1%	3,305	2,693	-18.5%	5,569	5,114	-8.2%	3.4	2.9	-0.5
Infiniti	637	603	-5.3%	1,297	1,296	-0.1%	2,331	2,559	9.8%	1.4	1.5	0.0
Jaguar	82	88	7.3%	185	220	18.9%	396	393	-0.8%	0.2	0.2	0.0
Jeep	831	932	12.2%	1,805	1,979	9.6%	3,297	3,886	17.9%	2.0	2.2	0.2
Kia	2,048	2,364	15.4%	4,176	4,892	17.1%	7,609	9,363	23.1%	4.7	5.4	0.7
Land Rover	335	454	35.5%	658	1,008	53.2%	1,255	1,832	46.0%	0.8	1.1	0.3
Lexus	2,381	2,233	-6.2%	4,797	4,660	-2.9%	9,501	9,365	-1.4%	5.8	5.4	-0.4
Lincoln	128	146	14.1%	259	403	55.6%	538	787	46.3%	0.3	0.5	0.1
Maserati	157	109	-30.6%	267	222	-16.9%	477	397	-16.8%	0.3	0.2	-0.1
Mazda	832	864	3.8%	1,679	1,844	9.8%	3,019	3,553	17.7%	1.9	2.0	0.2
Mercedes	2,196	2,070	-5.7%	4,838	4,430	-8.4%	9,016	9,365	3.9%	5.5	5.4	-0.2
MINI	391	354	-9.5%	759	633	-16.6%	1,538	1,223	-20.5%	0.9	0.7	-0.2
Mitsubishi	137	152	10.9%	327	365	11.6%	557	671	20.5%	0.3	0.4	0.0
Nissan	3,139	2,960	-5.7%	6,647	6,701	0.8%	11,715	12,545	7.1%	7.2	7.2	0.0
Porsche	402	305	-24.1%	724	655	-9.5%	1,344	1,293	-3.8%	0.8	0.7	-0.1
Ram	318	342	7.5%	693	758	9.4%	1,272	1,420	11.6%	0.8	0.8	0.0
smart	34	25	-26.5%	82	51	-37.8%	163	92	-43.6%	0.1	0.1	0.0
Subaru	879	926	5.3%	1,936	2,118	9.4%	3,582	4,027	12.4%	2.2	2.3	0.1
Tesla	312	757	142.6%	515	964	87.2%	1,047	1,631	55.8%	0.6	0.9	0.3
Toyota/Scion	7,524	6,972	-7.3%	16,298	15,219	-6.6%	30,154	30,134	-0.1%	18.5	17.3	-1.2
Volkswagen	1,048	1,251	19.4%	2,319	2,622	13.1%	4,584	5,013	9.4%	2.8	2.9	0.1
Volvo	112	198	76.8%	264	437	65.5%	543	817	50.5%	0.3	0.5	0.1
Other	89	58	-34.8%	167	121	-27.5%	340	282	-17.1%	0.2	0.2	0.0

Change in New Vehicle Segment Market Share - YTD 2016 thru April vs. YTD 2015

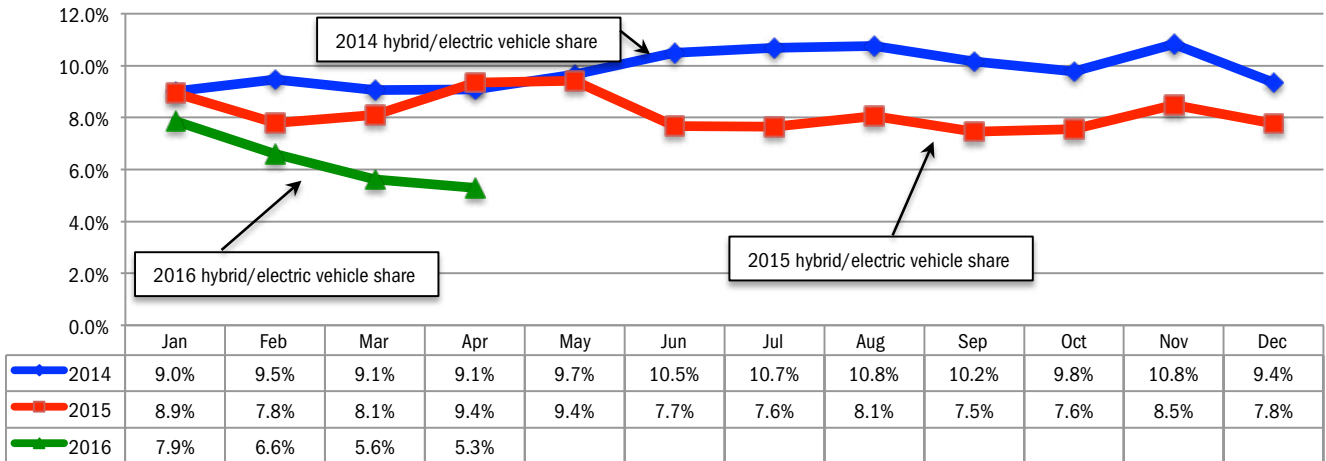


Data Source: AutoCount data from Experian Automotive.

**Percent Change in Brand Registrations  
YTD 2016 thru April vs. YTD 2015  
(Top 30 selling brands)**



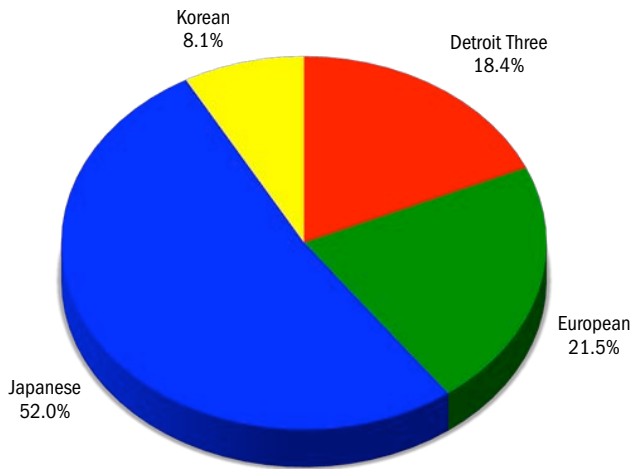
**Combined Hybrid and Electric Vehicle Market Share in LA County**



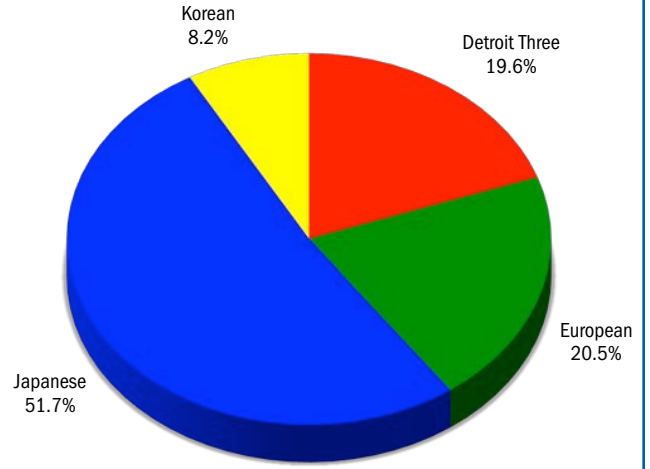
Data Source: AutoCount data from Experian Automotive.

**Market Share for Japanese, Detroit Three, European, and Korean Brands - YTD '15 and '16**

**YTD 2015 thru April**

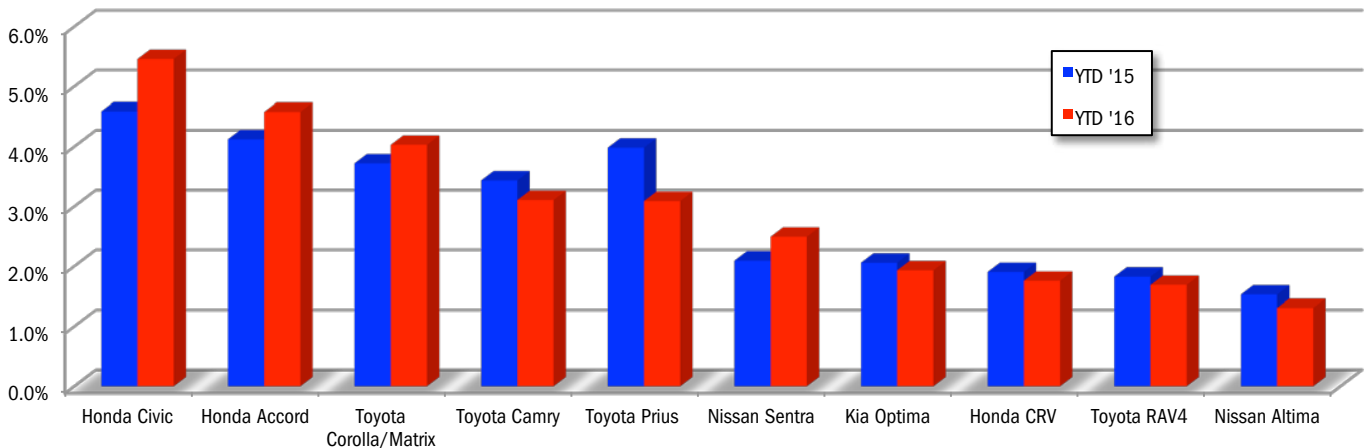


**YTD 2016 thru April**



Data Source: AutoCount data from Experian Automotive.

**Market Share for Top 10 Selling Models in LA County - YTD '15 and '16, thru April**



**Los Angeles Auto Outlook**

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**WHO ARE MY TOP COMPETITORS?**  
-BY MARKET AREA?

**WHAT NEW AND USED CARS SELL WELL IN MY MARKETS?**

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