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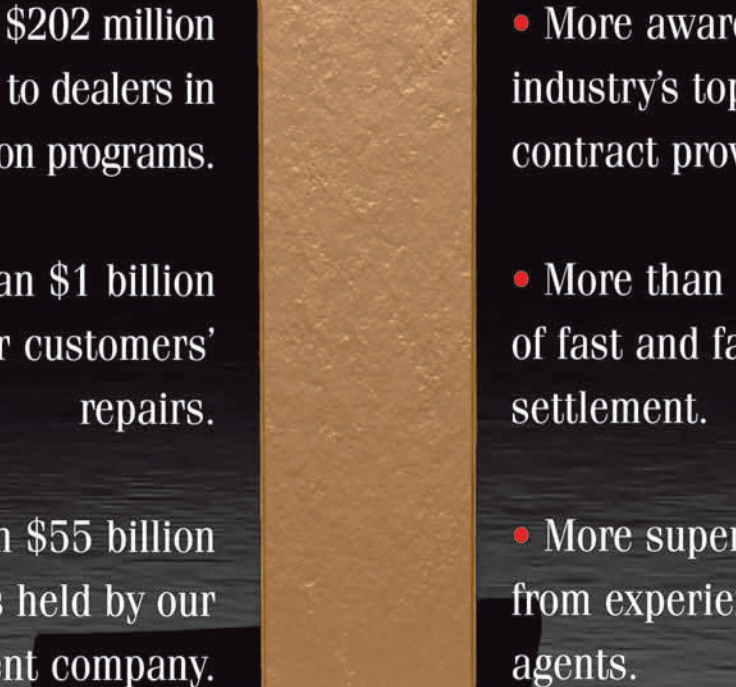
SHOW ME THE MONEY

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Also Inside: Capitol Hill Considers Trade
AIADA's Auto Summit Recap
Q&A with Transportation Secretary Ray LaHood

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#

- 
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The Magazine of the
**American International
Automobile Dealers®**

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**VICE PRESIDENT OF PUBLIC
& INDUSTRY RELATIONS**
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From the Chairman's Desk

As the summer heats up, many of America's international brand dealers are being squeezed by tight inventory, high gas prices, and a weak economy. Even so, the dealers I have spoken to are feeling optimistic — and for good reason.

Over the past few years, international brand dealers and manufacturers have streamlined their operations to maximize growth and minimize waste. We have turned a profit under some of the worst economic conditions imaginable, and we are uniquely prepared to grow and prosper in the coming months. As a community, we are more united than ever. In Washington, D.C., as we saw during AIADA's 5th Annual Summit (page 11), dealers and manufacturers have grown their influence and involvement. On Capitol Hill we have banded together to promote the legislative policies that will benefit small businesses and drive our recovery — and protect against those that will impede growth.

While inventory of certain models may be tight in the wake of Japan's March earthquake, international brands are ahead of schedule when it comes to getting production back on track. Until then, dealers know how to sell both the cars they have, and those they will have in the near future. As for fuel economy, I see a silver lining. After all, it's us international nameplate dealers who sell the fuel efficient vehicles that allow Americans to save big bucks without sacrificing safety or style.

Finally, the economy may be weak, but it is improving. Consumer confidence has been steadily rising since March of 2009. Unemployment has been on a downward track since November 2009. Auto sales are climbing, and as the average age of cars on our roads hits record levels, consumers are finally prepared to buy.

Does summer 2011 hold challenges for dealers? It does. But remember, what hasn't killed us has made us stronger. As dealers, we have learned from the past and are better equipped than ever to meet those challenges head on. Momentum is on our side, and I fully expect this summer to end on a high note.



Jim Smail
AIADA CHAIRMAN

The American International Automobile Dealers Association is the only national lobbying force in the United States dedicated exclusively to the economic and political interests of America's international nameplate automobile dealers. AIADA was founded in 1970 in order to increase awareness of the international nameplate automobile industry's value to the U.S. economy. The association serves as an advocate for the industry before Congress, the White House, and federal agencies. It focuses its lobbying efforts on trade and anti-competitive restrictions that limit the availability of international nameplate automobiles, full repeal of the Death Tax and other tax measures, affordable health care, labor issues, energy, fuel economy policies that constrict consumer choice, and other industry-related matters.

AIADA Affinity Partners



Rep. Mike Kelly on the South Korea-United States Free Trade Agreement

In April, I visited South Korea and met with government and military leaders to promote vital U.S. interests in East Asia. Among those priorities is the long overdue passage of the South Korea-United States Free Trade Agreement (KORUS), which has been stalled in typical Washington fashion since 2007.

If ratified, KORUS will stimulate America's economic recovery — without government spending — by increasing U.S. exports and creating jobs in the U.S. According to analysts in the Democrat-led Senate Finance Committee, data taken from the independent, nonpartisan U.S. International Trade Commission (ITC) suggest that KORUS could create up to 280,000 jobs in the United States. While conservative estimates from the Office of the U.S. Trade Representative show a more modest increase of 70,000 jobs, either way you cut it, KORUS means more jobs for Americans, and that's great news for a nation that's suffered one of the longest periods of high unemployment rates since the Great Depression.

Yet KORUS isn't only about job creation — it's about free and fair trade. Right now, American workers and farmers, and the products they produce, are currently at a disadvantage against Korean-made products. The average Korean tariff for U.S. exporters is more than four times the average tariff that Korean products face in the U.S. market. While South Korea has been and will continue to be one of America's strongest allies, we simply cannot continue this unjustifiable and unfair trade imbalance.

In order to level the playing field for American businesses and manufacturers, KORUS would quickly reduce Korean tariffs on U.S. exports. ITC estimates that by addressing



We have nothing to lose in advancing trade relations with South Korea and everything to gain.

this trade imbalance, full implementation of KORUS would increase U.S. exports to Korea by nearly 30 percent more than imports from Korea would increase in the U.S., an amount equaling more than \$10 billion. In plain English:

America would gain, not lose, from this trade agreement.

Unfortunately, time is not on our side. While Washington sits on the sidelines, our global competitors have thrown their hats in the ring, working to ensure increased access to South Korea's \$1 trillion economy — the twelfth largest in the world — and reap the many benefits that this important market has to offer. In fact, just last month, South Korea gave the green light on its trade agreement with the European Union, which is set to take effect on July 1. This agreement is one of many other agreements, including one with Australia, that are in the works, tightening an already competitive global trade field with South Korea.

Since KORUS upholds key U.S. laws, such

as our strong protection of property rights and labor rights, it is a model for free trade that is also fair. In addition, our nations share a strong economic partnership, a vital strategic alliance, and a close friendship based on mutual democratic values. KORUS only strengthens these bonds that unite us.

We have nothing to lose in advancing trade relations with South Korea and everything to gain. Throughout our fragile economic recovery, U.S. exports have been one of the strongest drivers of economic growth and job creation. KORUS' implementation is critical to our continued recovery, and any efforts toward its further delay should be seen as nothing less than economic self-sabotage. **AD**

Rep. Mike Kelly (R) is a dealer from Butler, Penn., currently representing Pennsylvania's Third District in the U.S. House of Representatives.

This article originally appeared on June 12, 2011 on The Heritage Foundation's Foundry.org.

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Making an Impact on Capitol Hill

Dealers Participate in More Than 100 Meetings During May's Auto Summit

AIADA Grassroots is proud to announce that attendees of AIADA's 5th Annual International Auto Industry Summit attended more than 100 meetings with their elected officials on Capitol Hill.

Over 20 states were represented as attendees shared with senators, representatives, and their staff members about the good things they are doing in their communities and discussed urgent issues such as ratifying the U.S.–South Korea Free Trade Agreement and setting one national fuel economy standard.

The time each dealer spent in these meetings is valuable to AIADA's mission of representing international nameplate automotive dealers before Congress. Andrew DiFeo, General Manager of Hyundai of St. Augustine and first-time attendee of the Summit, encourages other AIADA dealer members to meet with their members of Congress. "I highly encourage AIADA members to meet with their members of Congress to stress the importance our business plays in job creation in their respective districts. Keeping in touch will ensure that AIADA members will stay at the top of their minds for issues related to the continued success of our busi-



(Left to Right) Joseph Connolly of Capital Automotive Real Estate Service, Mark Angelacos of Toyota Motor Sales, Melissa Miller of Toyota of Seattle, and Tim Miller, Honda of Seattle at AIADA's Auto Summit.

Melissa Miller, Co-General Manager of Toyota of Seattle and Honda of Seattle, took meetings in the offices of Representatives Jim McDermott (D-Wash.) and Jay Inslee (D-Wash.), along with other members of the Washington delegation. In her third year attending the Auto Summit, Miller said of her meetings on Capitol Hill, "The Representatives we met with were accommodating and open to listening about the issues important to dealers across the nation."

nesses," said DiFeo.

Each minute dealers spend with their elected officials gives the international nameplate auto dealer industry a stronger and more united voice on Capitol Hill. AIADA hopes to see dealers back in Washington, D.C., next spring. Don't want to wait until next year? Then make an effort to get involved by reaching out to your legislators with the help of AIADA. **AD**

Thank You to the following dealers who visited Capitol Hill during AIADA's 2011 Summit

California

Dave Conant
Gary Fenelli
Howard Hakes
George Liang

Colorado

Dean Dowson

Florida

Andrew DiFeo
Frank Pena

Illinois

Tony Cassello
Kurt Mungenast

Indiana

Craig Kapson

Massachusetts

George Albrecht

Maryland

Robert Fogarty
Allen Roys

Michigan

Edward Pace

Minnesota

Kjell Bergh
Richard Sjoquist

Mississippi

John O'Neil Johnson

Missouri

Ray Mungenast

continued on page 8

continued from page 7

Montana

Jim Stanger

New Hampshire

James Boyle
Andy Crews
William Fenton

New Jersey

Adam Kraushaar
Peter Lanzavecchia

New York

Bruce Bendell
Joe Suresky

Ohio

Jenell Ross

Oklahoma

Jim Norton

Oregon

Babak Mohammadi

Tennessee

Brian Griffith
Chris Hill
James Kaiser

Pennsylvania

Rob Cochran
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Kevin Reilly

Washington

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Tim Miller

Wisconsin

Russ Darrow
Pat Donahue
Mary Ann Gerrard
Mark Olinyk
Bill Sepic



Host a Dealer Visit

The year may be half over, but throughout the rest of 2011 there are still ample opportunities to meet with your member of Congress without traveling all the way to Washington, D.C. Members spend much of their time in their states and congressional districts, which is known as a Congressional Recess Period.

Maybe you missed the chance to meet with your legislators in Washington, D.C., during AIADA's Summit, or maybe you visited with your member of Congress and would like to follow-up with him or her later this year. Hosting an AIADA Dealer Visit during an upcoming Congressional Recess Period is the perfect way to introduced your dealership and employees to your legislators and educate them on the issues affecting you. Reaching out to your legislators and inviting them to your store gives them the opportunity to learn more about your business, meet your employees, listen to your concerns, and inform you of what they are doing in Washington to help and protect the international nameplate auto dealer industry.

The process is easy. Simply contact Shannon Scott, Manager of Grassroots and Government Relations, at 1-800-GOAIADA or at grassroots@aiada.org. Many AIADA dealer members have conducted a Dealer Visit in recent years, and they all find the benefits of hosting their member of Congress to be beneficial. Take a look at the upcoming Congressional Recess Period dates and be sure to sign up soon. **AD**



Congressional District Work Periods

- July 18-22
- August 8 – September 2
- September 26-30
- October 17-21
- November 7-11
- November 21-25
- December 9-30

Capitol Hill Heats Up

Issues Impacting Dealers Experience Ongoing Debate

In recent months, the House and Senate have spent much of their time focusing on the budget, for both the current fiscal year as well as 2012. Debate has also taken place over whether to raise the federal debt ceiling, which the U.S. Treasury predicts it will reach August 2.

House Speaker John Boehner is opposed to voting on a debt increase without cutting spending and overhauling the federal budget. Democrats continue to assert the need for tax hikes. Vice President Biden is chairing a group of bipartisan members from the House and Senate to resolve both issues.

Although budget issues continue to capture much of the media and public attention, other issues important to AIADA's dealer members are developing below the radar.

Trade and the Global Economy

The House and Senate have each held several hearings on the U.S.-South Korea Free Trade Agreement (KORUS), as well fellow pending agreements with Panama and Colombia. Throughout the spring, both the President and House Ways and Means Committee Chairman Dave Camp (R-Mich.) said they hoped to pass all three agreements concurrently before July 1. The Administration has begun technical discussions with key congressional staff on the draft implementation bills and draft Statements of Administrative Action.

Recently, however, opposition to the agreements surfaced due to a desire by some to tie Trade Adjustment Assistance (TAA) to the free trade agreements. During a recent Senate Finance Committee hearing, Chairman Max Baucus (D-Mont.), indicated his support for TAA, which provides subsidies to workers who lose their jobs due to international trade. The Obama administration has also been a strong proponent of passing TAA either as a stand-alone bill or as a segment of another agreement.

At this time, it appears likely that TAA will be a pre-condition for moving the three pending FTAs towards a vote in Congress.

AIADA continues to watch the issue closely and act where needed.

Fuel Efficiency and the EPA

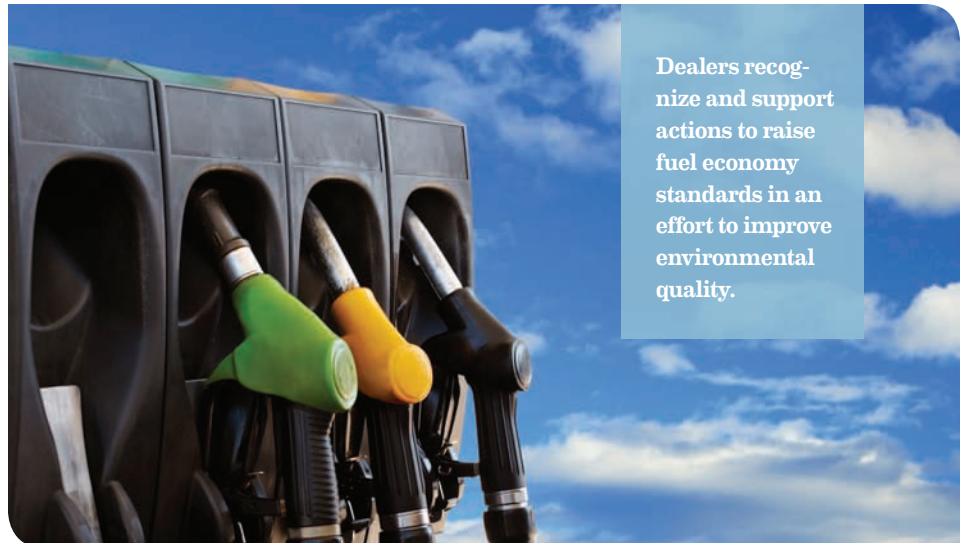
AIADA supports legislative efforts favoring one national fuel efficiency standard, which was Congress' original intent. Recently, the Environmental Protection Agency (EPA) sought to increase regulatory power in setting greenhouse gas emissions standards.

The Energy Tax Prevention Act of 2011 (H.R. 910) was introduced by Chairman Fred Upton (R-Mich.). Its companion legislation in the Senate, S. 482, was introduced by Ranking Member Jim Inhofe (R-Okla.). The legislation has strong bipartisan support in both

Consumer Financing and the FTC

In the spring, the Federal Trade Commission (FTC) convened a panel in Michigan to discuss motor vehicle financing. Last year's Dodd-Frank legislation gave the newly-formed Consumer Financial Protection Bureau oversight over many facets of lending, but exempted dealers who opted to remain under the jurisdiction of the FTC. With that authority, the FTC is focusing on the many aspects of auto lending.

Also in the last month, the FTC released a review they had conducted on 50 randomly selected dealerships regarding dealer-assisted financing. The report gave dealers a favorable review, and the FTC said they



the House and the Senate and would amend the Clean Air Act to prohibit the EPA Administrator from promulgating regulations concerning greenhouse gas emissions to address climate change. Dealers recognize and support actions to raise fuel economy standards in an effort to improve environmental quality. However, standards should take into account other issues like safety protocol, automaker feasibility, the effect on job stability, and environmental issues. The legislation has passed through the House but is currently sitting in the Senate waiting for debate.

found "broad compliance" with an agency rule that is in place to protect customers who have problems with their vehicles. The study went on to say that dealerships were following due diligence and notifying customers of their rights under the "Holder in Due Course Rule." The study appears to be good news as the FTC looks to amend the rules governing dealer-assisted financing.

Visit AIADA's website for the latest news on these and other issues that are affecting international dealers. **AD**



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ENGAGED & IN GEAR

Dealers Travel to Washington for
AIADA's 5th Annual International
Auto Industry Summit

BY AIADA STAFF

INSET PHOTO: Former Minnesota Governor Tim Pawlenty spoke to dealers Wednesday evening.

RIGHT: NAMAD President Damon Lester and NADA President Phil Brady.



BELOW: Toyota's Jeff Bracken, Subaru's Tom Doll, VW's Michael Lohscheller, and Kia's Tom Loveless participated in Thursday morning's automaker panel discussion.



Dealers, including AIADA Board Member Jenell Ross of Ohio, traveled to Capitol Hill to visit with their elected officials.

Over 200 of AIADA's dealer members descended on the Capital Hilton in Washington, D.C., on May 25 and 26 for the association's 5th Annual International Auto Industry Summit. The two-day event focused on the theme of "Engaged and In Gear," merging the perspective of political, media, and industry leaders in order to equip and inform international nameplate dealers on how they can make a positive impact on the political and legislative process.

On Wednesday afternoon, May 25, dealers attended a briefing, sponsored by AFIT-PAC, with Charlie Cook of the *Cook Political Report*. As one of Washington's most respected political analysts, Cook provided dealers with his take on what they can expect as the 2012 presidential race begins to take shape and Congressional races heat up.

The Summit kicked off later that evening with a reception and dinner honoring Pennsylvania dealer and U.S. Representative Mike Kelly as the recipient of AIADA's 2011 Legislative Action Network Grassroots Advocacy Award.

AIADA President Cody Lusk took the stage to open the evening by noting some of the successes of the international dealer community over the past year, while emphasizing that there are always legislative issues that require the ongoing involvement of dealers. "Washington needs to hear from dealers more than ever before. Despite the fact that international brands operate



Cody Lusk explained the importance of AIADA's work in Washington during Wednesday night's dinner.

21 manufacturing plants in cities and towns across the U.S. that employ over 92,000 Americans, some in Washington continue to label our brands as 'un-American.' Nothing could be further from the truth." Lusk said, encouraging attendees to check out AIADA's new website, www.whatisanamericancar.com.

The evening was headlined by Former Minnesota Governor Tim Pawlenty. Earlier that week, Gov. Pawlenty had announced his presidential candidacy. During his eight-year stint as Minnesota Governor, Pawlenty is credited with protecting dealer rights, rejecting tax increases, and reducing the state's spending. He spoke to dealers on what he sees as the most pivotal issues facing America today, including the need to rein in federal spending, increase accountability in Washington, and implement policies that will help American businesses.

Thursday morning's events began bright and early with breakfast and remarks by Congressional leaders. House Energy and Commerce Committee Chairman Fred Upton of Michigan discussed some of the pressing regulatory issues facing the House of Representatives. Sen. Scott Brown of Massachusetts joined dealers to share his perspective from the Senate side of the Capitol. Both Rep. Upton and Sen. Brown were adamant in their support of AIADA's dealers and

the need for pro-business legislation and policy.

Cody Lusk and Global Automakers President Mike Stanton then

briefed dealers on several topics that affect dealers, including trade, fuel economy, and the Estate Tax. Although AIADA continues to monitor these and other issues, they stressed the need for dealers to remain apprised of these and other items as they continue to build relationships with their elected officials.

Pulitzer Prize winning auto journalist and author Paul Ingrassia was next on the morning's agenda. He is a leading authority on the industry, authoring *Crash Course: The American Automobile Industry's Road from Glory to Disaster* and also preparing to publish a second book in 2012. Ingrassia explained to dealers what he sees as some of the events shaping the auto industry today before taking questions from the audience.

The always-popular automaker panel was the last stop on Thursday morning's program. *Automotive News* Editor Jason Stein moderated the panel, which was composed of Toyota Motor Sales, U.S.A. vice president of division sales, Jeff Bracken; Subaru of America vice president and CEO Tom Doll; Volkswagen Group of America executive vice president and CFO, Michael Lohscheller; and Kia Motors America vice president of sales, Tom Loveless. Stein queried the panelists on a variety of topics, including the impact of Japan's recent earthquake and tsunami on their vehicle production, the post-bailout auto market, fuel economy regulations, and the ongoing threat of increased government regulation.

Each panelist expressed optimism at the recovery that is evident across the industry. "I think overall the industry is in a good place," said Subaru's Tom Doll. Lohscheller echoed Doll, saying "We are in good shape."

When Stein asked panelists about the impact of Japan's natural disaster on their company operations, executives acknowledged the difficulties associated with getting supply and production back on track, but remained optimistic that long-term effects would be minimal. Toyota's Bracken said that for Toyota, the picture had improved. Doll said, "We will work through it and come back stronger than ever."

On the topic of government intervention — specifically "Buy American" sentiment — and what it means for their companies, each panelist highlighted the contributions their companies are making to the U.S. economy. "What is an American car?" questioned Doll, pointing out the vehicles being manufactured right here in the U.S. by several international nameplate automakers. Loveless said, "What is good for America is good for Kia . . . We are job makers, not job takers." Volkswagen's Lohscheller noted the recent opening of a new plant in Chattanooga, Tenn., where the automaker will build its new Passat midsize sedan, which is 85 percent sourced in the U.S.

Following Thursday morning's Summit program, dealers headed to Capitol Hill to participate in meetings prearranged by AIADA. But before they left, AIADA's Incoming Chairman and Missouri dealer Ray Mungenast offered his closing thoughts. "Each of our dealerships plays a pivotal role in our communities and in the overall economy. We provide jobs and tax revenue and support countless community events and charities — all things your elected officials need to know about," he said

For more information on how to remain Engaged and In Gear, check out AIADA's Legislative Action Network at www.AIADA.org/get-involved. **AD**



LEFT: Pulitzer Prize winning journalist and author Paul Ingrassia provided his unique take on the U.S. auto industry.



BELOW: Toyota's Jim Lentz, Toyota Government Relations Director Charlie Ing, and Global Automakers President Mike Stanton.



AIADA Board Member Larry Kull, Jack Hollis, Mike Smith, and Alex Hagey.



Hyundai Motor America President John Krafcik, Cody Lusk, and Florida Hyundai dealer Scott Fink.



AIADA Presents Grassroots Advocacy Award to Rep. Mike Kelly

Each year, AIADA presents its Legislative Action Network Grassroots Advocacy Award to an outstanding dealer who displays an unrivaled commitment to advocating the message of AIADA's dealer members in Washington, D.C. This year, AIADA recognized Pennsylvania dealer and Representative Mike Kelly of Butler, Penn., with the award during the Summit's Wednesday evening dinner.

Rep. Kelly is a 53-year resident of Butler, Penn. A former Notre Dame football player, today he employs over 100 people from his community at his dealership that includes Hyundai and Kia franchises. Previously, he served as chairman of the Hyundai Eastern Region Dealer Council, vice chairman of the Hyundai National Dealer Council, and secretary and treasurer of Hyundai's "Hope on Wheels" program which has donated over \$14 million to combat childhood cancer.

In 2010, Rep. Kelly successfully campaigned to represent Pennsylvania's third congressional district. In this role, he has played an exceptional part in advocating on behalf of America's dealer community and has been an outspoken proponent of decreased government spending and policies that will help America's small business owners.

"Rep. Kelly has taken dealer involvement — which is the cornerstone of AIADA's work in Washington, D.C. — to a new level. His leadership in the dealer community, and now in the halls of Congress, has shed light on the federal policy and legislative issues that impact dealers' ability to serve as economic engines in their local communities," said AIADA President Cody Lusk. "I can think of no one more deserving of AIADA's L.A.N. Advocacy Award."

For more information on how you can get involved in AIADA's Legislative Action Network (L.A.N.) and help educate Washington on your dealership, visit www.AIADA.org. **AD**

CAPTIONS (TOP TO BOTTOM): AIADA Board Member Jack Fitzgerald, Former Chairman Russ Darrow, and Indiana dealer Craig Kapson at Wednesday evening's reception. Massachusetts auto dealers with Sen. Scott Brown.

Former AIADA Chairman Rick DeSilva and his sons with Former Minnesota Governor Tim Pawlenty.

AIADA President Cody Lusk, American Honda Vice President John Mendel, and AIADA Board Member Dave Conant at Wednesday evening's reception.



SHOW ME THE MONEY

Automotive Advertising in the Information Age



BY MARTY BERNSTEIN, AIADA Contributing Editor

IN the dynamic world of automotive advertising, marketing and communications are constantly shifting to keep up with economic conditions, escalating gasoline prices, and a changing industry landscape.

This advertising environment is compounded by a diverse assortment of new social mediums that have altered how brands and dealers spend their marketing dollars on the internet; the incredible growth of cable television with a wide array of demographic and lifestyle options; the decline of newspapers and magazines; and the rise of mobile phones, iPads, and other mobile devices.

Kantar Media — a marketing intelligence firm — has conducted research on the advertising methods chosen by automotive brands. Their data points to television as the biggest item in advertising budgets, while print has dropped dramatically. Internet advertising spending is on a strong growth spurt, but all other categories remain stable.

Seeking to measure advertising impact, Ace Metrix, a respected authority in television advertising research, compiled its 2010 Ace Score Top Television Ads for automotive advertising on television. Commercials were scored by a random national sample of approximately 2,000 consumers. The Nissan/Infiniti brand, whose commercials are created and produced by TBWA/Chiat/Day of Los Angeles, dominated the rankings, occupying two of the top three spots and eight of the top 20. International brands — including Honda, Toyota, Daimler, and Volkswagen — occupied all of the top ten ad spots.

Peter Daboll, chief executive of Ace Metrix, said, “Overall Ace Scores for automotive [brands] increased roughly 17 percent for 2010 vs. 2009. This can be attributed to the overall improvement in creative quality led by companies such as Nissan. In addition, we continue to see consumers more receptive to auto ads as the economy and their personal financial situations improve. As we have seen in past quarters, an increasing Ace Score is a good predictor of future auto sales.”

Daboll’s analysis points to the fact that the future holds plenty of potential for international nameplate brands. As the array of commercials in Ace Metrix’s survey demonstrates, the creative messaging and media tactics employed by these automakers are as diverse as their vehicle lineups. Surveying several respective international brands for their advertising methods provides insight into the factors and messages currently driving car buyers into showrooms.



NISSAN



Nissan recently secured a contract to provide NYC taxis.

Robert Downey, Jr.’s voiceovers for Nissan USA declare “Innovation for All,” as the brand focuses on fuel-efficiency. When the brand secured a contract to provide New York City taxis over the next several years, it touted “Innovation for NYC.” The brand has continued its newest, and, arguably, most aggressive ad campaign featuring the all-electric Leaf with the question, “What if everything ran on gas?”

“Leaf’s new campaign is more direct, using the graphic symbolism to convey the ‘no gasoline needed for the Leaf’ message.” said Jon Brancheau, the company’s marketing vice president, during the New York Auto Show.

Nissan’s ad media expenditure in 2010 was \$463,075,000 for 908,570 vehicles, or \$509.67 per vehicle.





2010 AD MEDIA EXPENDITURES

Brand	Units Sold	Ad Budget 2010	Per Car Ad \$	Rank
Mercedes	225,007	\$260,764,000	\$1,158.92	1
Kia	356,628	\$277,646,000	\$778.53	2
Hyundai	538,228	\$313,225,000	\$581.96	3
VW	360,179	\$209,350,000	\$581.24	4
BMW	266,269	\$136,772,000	\$513.66	5
Nissan	908,570	\$463,075,000	\$509.67	6
Audi	101,629	\$50,243,000	\$494.38	7
Toyota	1,763,595	\$759,597,000	\$430.71	8



RANK	COMPANY	PRODUCT	AD TITLE	AIR DATE	ACE SCORE
1	Nissan Motor Co., Ltd.	Nissan Full Line	Wouldn't It?	8/18/2010	671
2	Nissan North America, Inc.	Infiniti M	Infiniti M Blind Spot	4/5/2010	664
3	Daimler AG	Mercedes- Benz SLS AMG	Triumphant	5/29/2010	651
4	American Honda Motor Co., Inc.	Acura MDX	Man Keeps From Hitting Santa & Sleigh	12/5/2010	645
5	American Honda Motor Co., Inc.	Acura MDX	The Ace Body Structure	1/10/2010	643
6	Nissan North America, Inc.	Nissan Full Line	We Make Them Better	2/12/2010	642
7	Daimler AG	Mercedes Benz Full Line	What Is Performance	4/15/2010	641
8	Daimler AG	Mercedes Benz E-class	Trust Car In World You Can't Predict	8/5/2010	640
9	Toyota Motor Sales, U.S.A., Inc.	Lexus Auto & Truck Division	Most Advanced Driving Simulator	10/9/2010	636
10	Toyota Motor Sales, U.S.A., Inc.	Lexus HS Hybrid	Lexus Responded To Challenge	3/15/2010	628

Source: Kantar Media

TOYOTA

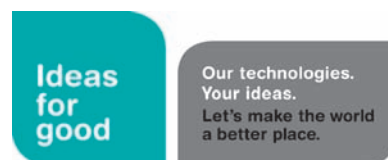


As Toyota continues to move forward after a string of setbacks — March's earthquake and tsunami being the most recent — advertising will play a key role. Bill Fay, group vice president of marketing at Toyota, told AIADA, "Toyota focuses on brand building using product advertising of core vehicles that make up the majority of our sales and revenue. Additionally, Toyota is leveraging social media to provide consumers with greater access and two-way communication with us."

The best-selling Prius recently sold its one-millionth vehicle, and Toyota is planning to release three new models to the Prius family in the next few months. Consumers can expect to see a greater focus on the Prius lineup. The brand has also made waves with its "Ideas for Good" campaign, which features several innovative ideas beyond its vehicles. As part of the campaign, the automaker recently hosted a competition that sought out top inventions that seek to impact the greater good.

Toyota spent \$759,597,000 in advertising in 2010 for 1,763,595 vehicles, or \$430.71 per vehicle.

Toyota's "Ideas for Good" campaign encourages innovative thinking.



KIA



Kia's popular "This or That" ad campaign has received numerous accolades.



One of Kia's popular hamster-themed commercials for its Soul crossover captured Nielsen's "Best Automotive Ad of the Year" for the second year in a row. The "This or That" ad campaign also received the "Gold Effie" award in the "David v. Goliath" category at the 2011 North American Effie Awards.

The ads, created by the brand's long-time advertising agency, David&Goliath, have been a slam dunk for the brand, driving record sales for the funky Soul crossover. Kia reports that the vehicle logged milestone sales in May and was up 50.8 percent for the year-to-date. According to Kantar Media, the brand spent \$277,646,000 on advertising in 2010.

BMW

**ROARS LIKE A LION.
EATS LIKE A BIRD.**

With award-winning performance and remarkable fuel efficiency, the BMW 5 Series is a new standard. Delivering both legendary power and up to 32 mpg highway, few of its rivals can keep up. Stop, drive and look, and see why it's the iconic, modern, Ultimate Driving Machine.

THE BMW 5 SERIES.

BMW EfficientDynamics
Less emissions. More driving pleasure.

Model	MPG City	MPG Highway	MPG Combined
520i	24	32	27
528i	24	32	27
530i	24	32	27
535i	24	32	27
550i	24	32	27

Ads like this one for the BMW 5 Series are part of the brand's attempt to be upbeat and product-focused.



BMW's iconic tag line as "The Ultimate Driving Machine" resonates with drivers across the globe. Over the past couple of years, however, the brand's advertising strategy has undergone some distinct changes, including the passing of its well-respected marketing vice president, Jack Pitney. Last year, it spent \$513.66 on advertising per vehicle it sold, for a total of \$136,772,000.

The brand's creative work is currently dispersed among several advertising agencies, although it reports that it is reviewing potential agencies. During a recent interview at the New York Auto Show, BMW's vice president of marketing, Dan Creed, said, "Going through an agency is not an ordeal — it has been an interesting experience, because we want our new advertising to be more up-beat and product focused."

One of the brand's new ads shows a 5-Series convertible being refueled with a cup of coffee from a tanker airplane. Whether this is a precursor to future advertising remains to be seen.

In recent years, Audi has stepped-up its advertising communications with some unique creative concepts and executions. According to Kantar Media, the brand spent over \$494 in advertising on each of the 101,629 vehicles it sold in 2010 for a total advertising expenditure of \$50,243,000.

A prime example of Audi's creative advertising strategy is visible in Times Square, where a digital interactive billboard for its new A7 proclaims, "A boldly designed car deserves a boldly designed world" and, "Bold Design Lives Here." Further information on the vehicle is available by scanning a QR Code on the billboard, SMS, or the vehicle's website.



VOLKSWAGEN



Over the years, Volkswagen's ads have been recognized as some of the best in the industry. The brand has switched advertising agencies over the past several years and is currently using Deutsch LA. All new advertising, according to a VW spokesperson, is, "To focus on VW's commitment to delivering better engineering, technology, fit, finish, handling, and driver experience." During this year's Super Bowl, its "The Force" commercial for its all-new 2012 Passat was one of the most popular, generating top views on YouTube. New commercials were launched in May for the Tiguan, CC, and Jetta TDI. This fall Americans can expect to see ads for the new Beetle.

VW's reputation for memorable ads continued with its 2011 Super Bowl "The Force" commercial featuring the all-new Passat.

AUDI



Audi's Times Square billboard for its new A7 features several interactive elements.

HYUNDAI

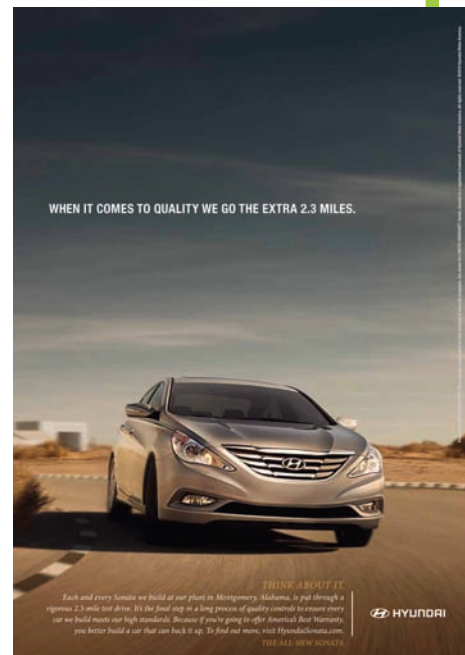


Over the past several years, Hyundai has made strides in consumer perception. Although this is attributable to its move toward 40 mpg fleet fuel efficiency and programs like its 100,000 mile guarantee, Assurance Plan, and Guaranteed Trade-

In Value, a strong marketing strategy has played a role that is just as pivotal. Its advertisements, featuring voiceovers by actor Jeff Bridges, have been a staple during sporting events like the Super Bowl and FIFA World Cup and have helped fuel the brand's winning streak. In May, the brand was up 21 percent over May 2010, selling 59,214 units, making it the fifth consecutive month of best-ever sales records.

Hyundai spent \$313,225,000 on media in 2010, or \$581.96 for each of the 538,228 vehicles it sold.

Hyundai has made strides in customer perception with ads that emphasize the brand's quality and value.





**TRANSPORTATION SECRETARY
RAY LAHOOD DISCUSSES
THE PROBLEM AND WHAT
DEALERS CAN DO TO HELP**

BY AIADA STAFF

THE TRUTH ABOUT DISTRACTED DRIVING



Transportation Secretary Ray LaHood has been at the helm of efforts to educate drivers on the dangers of distracted driving.

As cell phones have become widespread, their use behind the wheel has increased as well, leading to a steep increase in driver-distraction-related accidents and deaths. The problem has become so severe, in fact, that Transportation Secretary Ray LaHood is leading a campaign to educate the public on the dangers of texting and talking while driving and encouraging states to implement tough penalties for those who do so. He recently spoke with AIADA to explain the problem, what influenced his decision to draw attention to the issue, and how dealers can play a role in curbing distracted driving on America's roadways.

Explain distracted driving. Does it involve more than just cell phone use behind the wheel?

There are three main types of distracted driving behavior: visual, when you take

your eyes off the road; manual, when you take your hands off the wheel; and cognitive, when you take your mind off what you're doing and are primarily focused on another task. There are many potential distractions behind the wheel, but I'm targeting cell phone use and texting because these distractions are so dangerous and have become so widespread. In 2009, nearly 5,500 people were killed and half a million injured as the result of a distracted driver.

What is the significance of this problem? How has it increased in recent years?

Distracted driving is an epidemic on America's roadways. According to the DOT's National Highway Traffic Safety Administration, the proportion of distraction-related fatalities increased from 10 percent in 2005 to

continued on page 22



DISTRACTED DRIVING: THE FACTS

» In 2009, nearly 5,500 people were killed and half a million injured as the result of a distracted driver.

» The proportion of distraction-related fatalities increased from 10 percent in 2005 to 16 percent in 2009.

» In 2009, the highest proportion of distracted drivers in fatal crashes were under the age of 20.

» 33 states, the District of Columbia, and Guam have banned text messaging for all drivers, while eight states, the District of Columbia, and the Virgin Islands prohibit all drivers from using handheld cell phones while driving.

Dealers can help.
Visit www.distraction.gov
today to learn more.

statistics showed that the problem was growing. That prompted my decision to launch a national campaign against distracted driving, as had been done in the past to combat drunk driving and improve seat-belt use. More than two years later, we've made a great deal of progress but have a long way to go.

Is there a specific demographic of drivers who are most guilty of distracted driving? If so, can you describe it?

People of all ages are guilty of distracted driving, but statistics show that young people are the most at risk. In fact, in 2009, the highest proportion of distracted drivers in fatal crashes were under the age of 20. While we're working to put a stop to distracted driving across the board, we've joined with groups like the National Organizations for Youth Safety and Consumers Union to increase awareness and education efforts specifically among teens.

How is the Department of Transportation working to curb distracted driving? What kind of results have you seen?

We have taken a four pronged approach to combat distracted driving: increasing public awareness, promoting good anti-dis-

continued from page 21

tracted driving laws, stepping up enforcement, and urging the driving public to take personal responsibility behind the wheel. We've hosted two national Distracted Driving Summits to bring together legislators, academics and researchers, law enforcement, safety advocates, and victims to get organized behind a broad national anti-distracted driving effort. Our official government website — Distraction.gov — provides the public with a comprehensive source of information on distracted driving, tools to talk to your teens and students, and houses our "Faces of Distracted Driving" series featuring family members of distracted driving victims. President Obama has also led by example, issuing an Executive Order in 2009 that banned four million federal employees from texting behind the wheel. The Department of Transportation has further banned commercial drivers from texting while driving, train operators from using mobile devices while in the driver's seat, and has proposed rules to broaden bans for commercial drivers and hazmat carriers.

What forms of distracted driving are the most problematic at this point in time?

The bottom line is that your primary focus should always be on safe driving. We're focused on eliminating texting and talking on cell phones while driving because it is such a widespread and dangerous behavior. Almost everyone has a cell phone, and almost everyone thinks they can drive safely while using it. But research and experience tells us that this just isn't true.

What personally influenced your decision to give the issue such prominent attention?

This became a personal crusade for me shortly after I became Secretary of Transportation in 2009. I saw a number of heartbreaking stories about tragic crashes caused by drivers who were texting and talking on cell phones, and alarmingly, our

traced driving laws, stepping up enforcement, and urging the driving public to take personal responsibility behind the wheel. We've hosted two national Distracted Driving Summits to bring together legislators, academics and researchers, law enforcement, safety advocates, and victims to get organized behind a broad national anti-distracted driving effort. Our official government website — Distraction.gov — provides the public with a comprehensive source of information on distracted driving, tools to talk to your teens and students, and houses our "Faces of Distracted Driving" series featuring family members of distracted driving victims. President Obama has also led by example, issuing an Executive Order in 2009 that banned four million federal employees from texting behind the wheel. The Department of Transportation has further banned commercial drivers from texting while driving, train operators from using mobile devices while in the driver's seat, and has proposed rules to broaden bans for commercial drivers and hazmat carriers.

How are you working with automakers to combat this growing problem?

I have met with every major automaker to ask for their help in our fight against distracted driving. Companies like BMW and Subaru have already stepped up and launched national anti-distracted driving ad campaigns to help raise awareness, and I'm hoping we can continue to work cooperatively to put a stop to this deadly epidemic.

What can dealers do to get involved in efforts to stop distracted driving?

Our website, Distraction.gov, has a great deal of information and tools for promoting safe driving. For example, we have a downloadable brochure to help parents and educators talk to teens about distracted driving, as well as heartbreaking videos of victims' family members that demonstrate the tragic consequences of taking your focus off the road. I encourage dealers to visit our website and check out our materials to find ways they can spread the word that no text message or phone call is worth the risk.

Will state laws that make texting and driving and/or talking on a cell phone and driving illegal help reduce instances of distracted driving?

To date, 33 states, the District of Columbia, and Guam have banned text messaging for all drivers, while eight states, the District of Columbia, and the Virgin Islands prohibit all drivers from using handheld cell phones while driving. Having good laws on the books is an important first step, but we know it will take tough enforcement of these laws to affect change. That's why, over the last year, the National Highway Traffic Safety Administration conducted a pilot enforcement program called "Phone In One Hand, Ticket in the Other" in Hartford, Conn., and Syracuse, N.Y. to test whether increased law enforcement efforts combined with public service announcements can get distracted drivers to put down their cell phones and focus on the road. Early surveys indicate the program is a success: in the first six months, hand-held cell phone use dropped 56 percent in Hartford and 38 percent in Syracuse, and texting while driving declined 68 percent in Hartford and 42 percent in Syracuse. **AD**

Dealer Spotlight

JUDITH M. KRUPNICK >> Dealer Principal, Cherry Hill Volvo, Cherry Hill, N.J.

Judith Krupnick began selling Volkswagens in 1984 after leaving her work in high school special education. Like most dealers, she is deeply involved in her community. In 2007, she was chosen as an “Ayshet Chayel,” or a “woman of valor,” in her community. In 2009, she was honored with the Community Builders Award. She currently sits on several boards, including the Jewish Community Foundation and the New Jersey Coalition of Automotive Retailers and recently completed her term on the Volvo Retailer Creative Forum. She runs a successful dealership that was chosen in 2010 as one of the top 100 employers in the Philadelphia job market, ranking number two out of 40 in the small business category.



Judith M. Krupnick

Please describe how you and your dealership are involved in your local community.

Annually, at Christmas, we have partnered with the Sun newspapers for donations to the local animal shelters. Since 2004, our store has donated, along with assistance from our community, hundreds of pounds of



items for the shelters. Since 2005 we have partnered with the U.S. Marines Toys for Tots drive. In 2009, the South Jersey Food Bank became a passion of ours. The Cherry Hill Volvo team helped the South Jersey Food Bank raise 180,000 pounds of food. We have partnered with The Little Rock Foundation, a national blindness awareness group. Previously, we have partnered, along with Volvo Cars of North America,

with Alex's Lemonade Foundation. We assisted The Christian Clinic Ministries in a fund raiser for Haiti. The Cherry Hill Volvo team is immensely proud of our philanthropic philosophy.

Who or what initially sparked your interest in the car business?

My father, of blessed memory, encouraged my interest and

love for what I do. I have a pair of my father's shoes in my office to remind me that I am following his legacy.

What do you believe is the most important factor(s) in running a successful dealership?

In my humble opinion, the most important factor in being successful is the passion of the employees. Delegating responsibility and creating a genuine team mentality is essential. Clients visiting our store often mention how comfortable they are. Our employees understand for whom they work—the customer. Although I sign the checks, I am not “the boss.” “The boss” is that person walking into our store.

What is one thing you would like lawmakers to know about your business?

Being a “small” business owner, I would appreciate any and all tax cuts and allowances. The small business owner is being squeezed out of existence

in this country; yet, this is the very type of business which made our country great.

What are some ways you're "greening" your dealership operations?

The Cherry Hill Volvo store has earned the New Jersey Green Automotive Repair Program certificate. We have a new down draft, water-borne paint booth. Our guest bathrooms have automatic water, motion-sensitive lighting, and automatic hand towels and soap dispensers. Our lot lights come on at dusk and turn off at 10:00 p.m. We have a very enthusiastic recycling program to which almost everyone adheres. Our 45-year-old floor is terrazzo, our shades are 100 percent recyclable, and our outside plants are both heat resistant and low maintenance.

What is your personal "dream car"?

I absolutely love my new 2012 Volvo S60T6 AWD. This is an amazing Volvo. **AD**

Dealer Spotlight

MELISSA MILLER >> Assistant General Manager/Service Manager, Honda of Seattle and Toyota of Seattle, Seattle, Wash.

A 16-year veteran of the auto retail industry, Melissa is the third generation of her family in the business. She says, "It's in our blood!" She has been involved with AIADA for the past several years. You can read about her participation at AIADA's 5th Annual Auto Summit in Washington, D.C., on page 7. In her opinion, being with AIADA "is a great way for state leaders to hear about our unique business from the dealer point of view."

Please describe how you and your dealership are involved in your local community.

As with so many dealers, we support several local non-profit organizations. We are most passionate in supporting Harborview Medical Center, the region's only Level 1 Trauma center. By contributing to Harborview's Mission of Caring Fund, we are helping children, the working poor, and people no longer eligible for third-party assistance.

We are also involved with Autism Speaks as well as sponsor of "The Family 4th at Lake Union" fireworks show, a Seattle tradition.

What do you believe is the most important factor(s) in running a successful dealership?

Our co-workers! We are blessed with an amazing group of individuals that care about our customers.

As a dealer, what has been your biggest challenge?

Since we are located in a downtown metro area, it is always a challenge to get customers to come into the city. We are constantly thinking of innovative ways our customers would be most enticed to come into the city with their business.

What is one thing you would like lawmakers to know about your business?

Like any other business, we try to sort out how new devel-

opments in health care, tax, and compliance regulations affect us. Even seemingly straightforward changes, such as parking rules and traffic revision could have great impact in our business. We hope that our lawmakers are always focused on simplicity, and take into account the ripple effect that a change could have to the bottom line of a business.

In your opinion, how have events in Washington, D.C., impacted your business and employees?

We have seen some interesting developments. From the one side of the spectrum we had the "Cash for Clunkers" program, which brought a lot of traffic to our business. This was very helpful in a time where the economic situation was very tough. On the other hand, interpreting healthcare reform has been challenging. This is a case where simplicity and clear direction would allow us to make better projections about the future.



Melissa Miller

What is the smartest choice you have made as a dealer?

Going to work for a family business.

How do you find and retain the best employees?

We have been very fortunate to have co-workers who have been with us for many years. In fact, our Ambassador, Mr. Wescott has just celebrated his 49th year with us. To start with, we want our employees to feel part of a family. We hire people that tend to form a deep connection with our customers and are willing to maintain it through the years. We create an environment that this is a priority and we incentivize people to prioritize that relationship over everything else. We also invest in their development through training and through mentoring. Our employees take pride in the quality of their peers and that has been a great motivator.

What is your personal "dream car"?

A GMC Yukon XL Denali — but I think that's cheating. **AD**



Toyota of Seattle

Dealer Spotlight

RICHARD (DICK) K. OLSON AND JAMES (JIM) BLAKE STANGER

>> Chairman and President, Helena Motors and Helena Auto Center, Helena, Mont.

Dick Olson and Jim Stanger have over 50 years of combined experience in the auto industry. Together, they run Helena Motors, which includes a Toyota franchise, and Helena Auto Center, which contains a Honda franchise. Helena Motors is a four-time recipient of the Toyota President's Award and has been recognized as the "#1 Dealership in Helena." The two serve in a variety of roles. Jim is the Northwest Toyota Dealer Advertising Association President and President of the Helena Chamber of Commerce. Additionally, Dick has received the 2011 Montana Time Quality Dealer award. Their community involvement spans several local causes, including the Race for the Cure, Little League, and support for school sports and activities.

Who or what initially sparked your interest in the car business?

Dick's Father started the Ford store in 1937. Jim joined a dealership as a Controller.

Are there any new additions to your business that you'd like to highlight?

We recently remodeled Helena Motors and purchased Helena Auto Center.

When did you first get involved with AIADA and why?

10 years ago, we purchased Helena Motors and became involved with Toyota. We could see the advantages of AIADA then.



Helena Motors and Helena Auto Center



Dick Olson

What do you believe is the most important factor(s) in running a successful dealership?

Having a vision all employees tie into, with clear expectations of what everyone's job/part is, and holding everyone accountable for what they agreed to accomplish. Our tagline is "The Way It Ought to Be."

What is one thing you would like lawmakers to know about your business?

We have too many restrictions and regulations which remove resources from areas



Jim Stanger

where we could be more productive. Auto dealers are a big part of their communities and have a huge impact.

What are some ways you're "greening" your dealership operations?

We recently remodeled and added new energy efficient lighting. We use waste oil heating. We recycle everything we can

What is the smartest choice you have made as dealers?

Be prepared to take advantage of opportunities when they come. We purchased Helena Motors, an underperform-

ing Toyota/Ford dealership on Sept. 11, 2001, and we purchased Helena Auto Center, an underperforming Honda/GMC Buick dealership in September of 2009. They were both very difficult times for our industry, but times when we were able to purchase the dealerships for good value and turn them around.

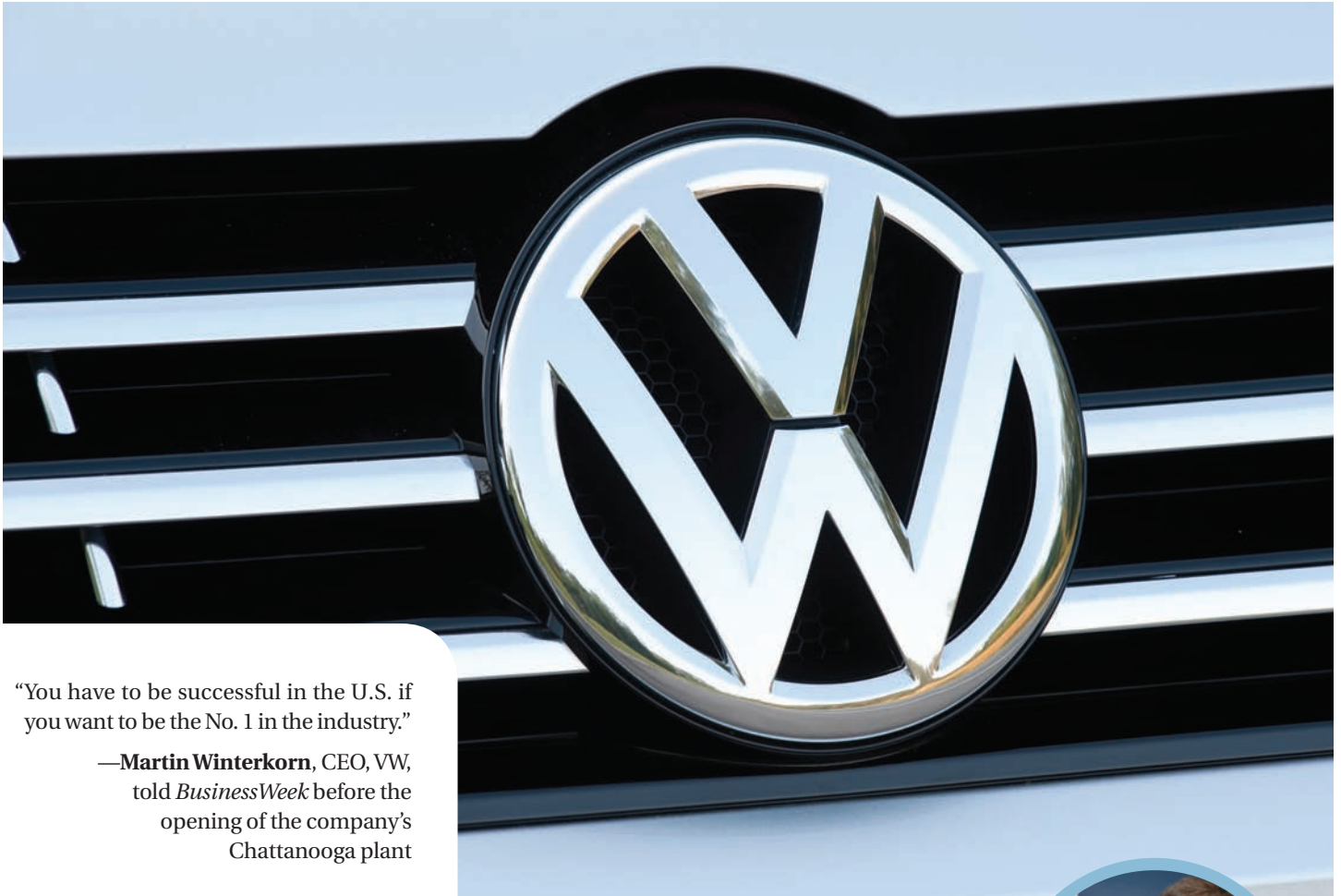
How do you find and retain the best employees?

Always be looking for good people. It is best to have a pool of good, qualified people available all the time. Then you are not forced to hire someone who really doesn't fit because you are in a hurry. We have been very fortunate to have extremely low turnover, so we keep our people a long time. People in the community see that and we have become a desirable place to work.

What is your personal "dream car"?

Mustang Convertible. AD

The Final Word



“You have to be successful in the U.S. if you want to be the No. 1 in the industry.”

—**Martin Winterkorn**, CEO, VW, told *BusinessWeek* before the opening of the company’s Chattanooga plant



“We are job makers, not job takers.”

—**Tom Loveless**,
Vice President of Sales,
Kia Motors America,
at AIADA’s 5th Annual
Auto Summit

“The next two months or so are very important for both Korea and the United States to get this agreement put into effect.”

—**Korean Trade Minister Kim Jong-hoon**, quoted in *The Wall Street Journal* on the pending KORUS FTA



“The rapid production recovery proves once again that Toyota’s manufacturing team members in North America and around the world are the best in the business.”

—**Bob Carter**, Group Vice President and General Manager, Toyota Motor Sales, U.S.A., Inc.



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- Hyundai Motors
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- Mercedes-Benz Financial Services
- Mitsubishi Motors
- Porsche
- Saab Financial Services
- Subaru Acceptance Corp.
- Toyota Financial Services
- Volkswagen Credit

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