



LOS ANGELES NEW CAR DEALERS ASSOCIATION

E-NEWSLETTER ISSUE #1 – 2018

As we leave 2017 behind us, we hope that you (our dealer members, industry partners, and elected officials) are as excited and optimistic about what 2018 has in store for the retail automobile business, as we are!

The National New Car sales figures may have dipped some in 2017 from the previous year, but still are at levels that support strong and healthy projections for 2018. The challenges remain, and our work at the association is more important than ever. Dealers that come together with a unified voice in Sacramento and our nations capital, Washington D.C., do make a difference. With all eyes on autonomous vehicles, safety recalls, impacts of tax reform to name a few, staying engaged in the political process is more critical than ever.

Making the most of your membership simply means taking advantage of the opportunity to be heard. Throughout the year we will invite you to sit with elected officials and voice what our needs and concerns are. It's that simple!

Additionally we have some great training events planned with networking lunches built into those days that give you and your employees chances to better themselves and your organizations. The first event will be on March 14 at the Universal Sheraton in Universal City and there will be a morning and afternoon session with lunch in between, to allow the flexibility to send one or more people to whichever session works best. The topic will be on texting/mobile phones, and best pract-

ices in the sales and service departments of your dealerships. There is more information about the event and early bird registration in this newsletter.

We are proud of our partnership with the Los Angeles Auto Show! The 2017 show that concluded on December 10th, brought more people through the doors than ever before for both press and public days. The show was a positive contributing factor behind strong December sales figures in Los Angeles County.

We hope this continues on for all our dealer members in 2018 and hope to see you at some association events this year.

All the best,



Fritz Hitchcock
President



Bob Smith
Executive Director



The Greater Los Angeles New Car Dealers Association awarded the Greater Los Angeles Area Council, Boy Scouts of America a \$10,000 grant to help support Scouting for disadvantaged youth

John Symes (Center), President of Symes Automotive Group and Director of the Greater Los Angeles New Car Dealers association, presented the check to Jeff Hunt (Left), Scout Executive/CEO and Tim Greenleaf (Right) President Elect both from the Greater Los Angeles Area Council Boy Scouts.

The check presentation was made at Toyota of Pasadena, a member of Symes Automotive Group. Funds will be used to off-set the costs of registration, uniforms, summer camp and program materials for Scouts. Greater Los Angeles New Car Dealer Association Executive Director Bob Smith said “I believe in the Boy Scouts’ commitment to making sure that all young people have an opportunity to join Scouting, regardless of their circumstances, neighborhood, or ethnic background.” 



Dolores Mission Thanks the Greater Los Angeles New Car Dealers Association!

Grant from GLANCUDA will sponsor educational costs for two students

Boyle Heights, Los Angeles, CA: Dolores Mission, a Jesuit parish and elementary school, best known as the birthplace of Homeboy Industries, was thrilled and honored to receive a grant from the Greater Los Angeles New Car Dealers Association. The contribution will provide full scholarships for two students this year.

Dolores Mission School serves 250 students from low-income families in Boyle Heights, with the goal to empower children to rise out of poverty by becoming educated leaders in their community: “women and men for and with others.” Nearly 70% of

Dolores Mission School families earn less than \$24K each year and 94% of students qualify for a free or reduced breakfast and lunch program. The school primarily serves families living in three housing projects surrounding the campus. Although the true cost of educating each student is nearly \$7,000 annually, tuition assistance is offered on a need-based sliding scale and the average family pays about \$900 per year and no one is turned away for lack of funds. The generosity of individual donors, corporate partners and foundations, has made a huge impact on the lives of our students, paving the way to college and career success. We now have more than 80 students currently attending colleges and universities across the country. □



Learn more about Dolores Mission School at www.doloresmissionschool.org and follow us online at fb.com/doloresmissionschool.

Dealing with tech shortages at schools

By Alysha Webb, [Fixed Ops Journal](#)

The end-of-class bell has rung, but three boys still are tinkering with a car on a lift in the auto shop of the charter school run by Optimist Youth Homes and Family Services in this city's Highland Park neighborhood.

Finally, shop teacher Brian Kies tells the boys to leave so they won't be late for their next class. "It's hard to get them to stop working," Kies says.

Student Samuel Magana, 18, says he likes the "hands on" instruction. The class has whetted his interest in exploring a career as a service technician, he adds.

Optimist, a nonprofit corporation, works with at-risk young people. The auto repair program at the boarding school for boys teaches the basics of fixing vehicles.

The hope is that the students will enroll in a degree program at one of the many community colleges in the Los Angeles area that offer service tech training.

Income from fixed operations is increasingly crucial to the profitability of new-vehicle dealerships, but finding talented service techs can be hard. Dealerships and dealer associations are partnering with community colleges and other educational institutions to train tomorrow's techs.

That investment pays off for the dealerships, the schools and the students.

'Pay to play'

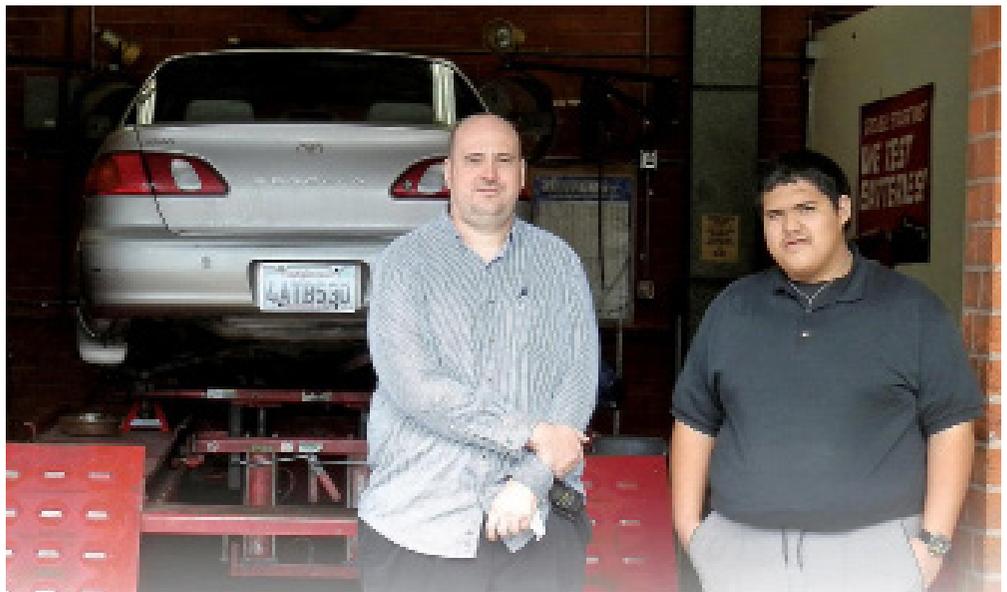
"The need for qualified technicians has never been greater," says Pete Smith, dealer principal at Bob Smith Toyota in La Crescenta.

Smith is offering to pay tuition for motivated and qualified graduates of Optimist's auto class to enroll in the Toyota T-TEN tech training program at Citrus College in nearby Glendora.

Schools that partner with Toyota agree to a specific curriculum that includes classes and internships. The schools must be certified by the National Automotive Technicians Education Foundation.

The Citrus College program has been "a great place for us to get technicians," Smith told Fixed Ops Journal. He says subsidizing students' tuition is a fair price.

"We need to pay to play," Smith says.



Teacher Brian Kies, left, and student Samuel Magana are part of a high school auto shop class subsidized by Los Angeles dealers.

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The Greater Los Angeles New Car Dealers Association, to which Pete Smith belongs, has donated \$35,000 over the past 2 1/2 years to pay for improvements to the Optimist school's auto shop.

"This was a very feel-good thing that we saw the value of," says Bob Smith, the association's executive director. Bob Smith, a former dealer, is Pete Smith's cousin and a grandson of the Bob Smith for whom the Toyota dealership is named.

Honda's PACT

Like Toyota, American Honda Motor Co. works with community colleges to train service techs.

Rio Hondo College in Whittier, Calif., is one of the many colleges with which Honda partners. Students in the school's automotive department can apply to be part of Honda's Professional Automotive Career Training, or PACT, program.

Those chosen, after a few months of study, are assigned to a Honda dealership for on-the-job training, says Steve Tomory, an automotive technology professor at Rio Hondo.

Tomory, a master tech certified by the National Institute for Automotive Service Excellence, has taught at Rio Hondo for 18 years. The skills a service tech needs have changed over that time, Tomory says.

Techs must be able to gather data and apply critical thinking to diagnose problems in a vehicle's electronic system, he says. That amounts to more than just repairing or replacing a part, he adds.

Mark Lestico, parts manager and fixed ops director at Cerritos Acura in Cerritos, Calif., concurs. A two-year degree from a commu-

nity college automotive program is "a must" for service techs to learn electrical diagnostic skills, he says.

"The days of hiring a young person off the street and training them to become a tech are pretty much gone," Lestico says.

Cerritos Acura has hired at least a dozen Rio Hondo graduates since Honda began partnering with the college in 2010, Lestico says. He adds that 7 of his 20 service techs graduated from the Rio Hondo PACT program.

In house

The Greater New York Automobile Dealers Association has taken a different approach to tech training. In 2005, association members paid \$30 million to build an automotive training and education center in Whitestone, N.Y.

The dealer association partners with Lincoln Technical Institute, a nationwide network of private, for-profit career training schools. About 500 students are enrolled in the 13-month auto technology program at the New York center.

Schienberg: "Built-in recruitment"
Students with good grades earn internships at dealerships, says Mark Schienberg, the association's president. That creates "a built-in recruitment" process for dealers, he adds.

The chronic shortage of service techs costs dealerships a lot of money, says Rob Gehring, president of Fixed Performance Inc., a fixed ops consultancy in Huron, Ohio. A service department that lacks techs can lose customers who can't schedule timely appointments, he notes.

Dealership-school partnerships to train service techs "need to be expanded," Gehring says.

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Talent competition

Collin Sewell, president of Sewell Family of Cos. in Odessa, Texas, says service techs have the same skills as computer engineers, making them more attractive to employers in other fields.

Sewell says his dealership group invests \$100,000 in a year of training for a starting tech.

Dealerships must offer a competitive work culture and environment to attract and keep good techs, he says.

“There is not a shortage of people who know how to do those things — there is a shortage of people willing to do it,” Sewell says. “The person who can write code for a computer company is ... sitting in a cool office sipping a cappuccino.”

The service and parts department in Sewell’s new Ford Lincoln dealership in Odessa, due to open next spring, will be climate-controlled and include a locker room and showers.

At the Optimist school’s auto shop, teacher Kies seeks something more basic for his students — more cars to work on. The supply now is limited to faculty cars that need service.

Kies also hopes to line up internships with area dealerships, although many of his students don’t yet have driver’s licenses. He says his class offers students “a pipeline to community colleges and trade schools.”

Kies adds, “Without the Optimist Youth Homes, a lot of them wouldn’t even graduate high school.” 

GLANCDA
partners
with



Homeboy Industries

By Alexa Carpena-Rouso, Director of Major Gifts

Many thanks for GLANCD A’s partnership with Homeboy Industries. Your \$10,000 donation to Homeboy Industries provides hope, training and support to gang-involved and at-risk members of society who are seeking an exit from lives stuck in the inter-generational cycle of crime, violence, and incarceration.

At Homeboy Industries, despair is replaced by hope; and job training enables a path to lifelong employment. We provide free tattoo removal, counseling, GED, parenting, and domestic violence and substance abuse classes, as well a community that nurtures our clients until they are ready to thrive outside of our programs.

With your support, we continue to serve people like Bobby, a current trainee who recently shared that, “After a whole year, I got my kids back and a place for us to live this summer. It has been the greatest accomplishment in my life. I’ve seen miracle after miracle happen since coming to Homeboy Industries and have become fully free of my addiction. I finally see in myself the words of Father Greg...that I am exactly who God intended me to be.”

With your contribution, Homeboy Industries will host a day to celebrate the healing and transformational work of the men and women who chose to change their lives through our programs and services.

Many thanks for your continued support!

Alexa

First time ever: An SUV is the best-selling non-pickup

By Henry Payne, The Detroit News

The SUV is officially king.

Three full-size pickups were still the best-selling vehicles in the United States last year. But the fourth-place spot was claimed for the first time by an SUV, not a sedan.

In 2017 the Toyota RAV4 sport ute outsold the Toyota Camry sedan, reigning car-sales champ for the last 15 years.

The compact, five-door RAV4 crossover sold 407,594 units last year — a gain of 15.7 percent — eclipsing Camry by 20,513 in sales. The mid-size sedan saw an annual sales decline of 0.4 percent. Camry wasn't even runner-up as another SUV, the Nissan Rogue, gained 22.3 percent to 403,465 units sold.

The best-selling vehicle in America for the 36th year in a row is Ford's F-Series pickup, followed by two other full-size pickups, the Chevy Silverado and Ram 1500.

"With the strength of the SUV market, it's no surprise that RAV4 was not only our best-selling model, but the best-selling non-pickup truck in the industry," said Jack Hollis, group vice president and general manager, Toyota Division.

The RAV4's accomplishment crowns the meteoric rise of SUVs from their humble beginnings as truck-based light trucks in the early 1990s to the dominant form of transportation today. Less regulated for fuel efficiency than cars following the introduction of federal gas-mileage laws in the mid-1970s, SUVs gradually gained favor as automakers eliminated gas-gulping station wagons while customers still craved five-door utility.

Midsized sedans have long ruled the sales charts

going back to the mid-1960s when the Chevy Impala sold over 1 million copies. Chevy and Ford traded the crown until 1991 when Japanese-maker Honda Accord briefly broke the duopoly.

The Camry asserted itself in 1997 over the Ford Taurus, and has held the pole position ever since (save 2001 — Accord again).

The RAV4 was first introduced in 1994 following the success of SUV trailblazers like the unibody Jeep Cherokee and truck-based Ford Explorer. By 2007, the so-called light truck segment has passed cars in popularity with 53 percent of the market. But the Great Recession briefly turned the tables as cash-strapped customers turned back to cheaper, sippier sedans.

Since 2010, however, SUVs have returned to the fore as nearly every manufacturer — even performance makers like Porsche and Maserati — has rushed to build higher-riding, five-door SUVs with unibody construction that are both more car-like in handling and in fuel efficient. Light truck sales in 2017 nearly crested 60 percent of the market while sedan sales plummeted.

Honda also saw its once perennial best-seller, the Accord sedan, eclipsed by its CR-V ute for the second year in a row. Chevy and Ford small crossovers healthily outsold their passenger cars stablemates, though the RAV4, Rogue, and CR-V have been able to translate their sales leadership in midsized sedans to compact SUVs.

The decline of sedan sales has brought a reassessment of the market from Detroit automakers. Japanese manufacturers are still bullish on cars, however, with both Toyota and Honda introducing an all-new Camry and Accord, respectively, for 2018. □

Will Amazon Ever Sell Cars in the U.S.?

By Maryann Keller, Influencer

Published on LinkedIn January 19, 2018

For several years, Amazon has been hovering on the fringes of auto retail. It sold a few cars for Fiat in Europe, and in the U.S., Volkswagen and Hyundai are allowing Amazon to arrange test-drives in limited locations. As Amazon enters into product categories like pharmaceuticals, fresh food, and auto parts, all of which require complex and time-sensitive processes (versus products like cat litter and books), speculation about its automotive retailing intentions continues to blossom.

New vehicles pose insurmountable challenges for the world's largest shopping mall. While most critics of the current retail system would cite state franchise laws as the primary inhibitor, in reality automakers have little incentive to shift away from franchise dealers. Although consumers might want to see all makes and models lumped together for easy comparison, that isn't what automakers want. For starters automaker don't own inventory; cars are immediately sold to dealers as they exit the assembly line. U.S. Consumers aren't going to accept build-to-order cars, which, as Tesla is learning, doesn't work in the capital and labor-intensive environment of vehicle assembly.

Furthermore, auto companies go to great lengths to differentiate their vehicles and the related ownership experience. For example, Lincoln's Black Label program offers a long list of perks to prospective buyers and owners that can only be provided by dealers. By contrast, the "Amazon Effect" is known to commoditize brands by making price the main differentiator.

As vehicle quality and safety features become ubiquitous across most makes, automakers chose to focus on other elements to differentiate their brands. Dealers represent brand values through their image compliant stores, local marketing, and even staffing. Dealerships feature luxurious

lounges with amenities; same brand-loaner cars; extended service hours into the night and weekends; and employ specially trained staff to teach customers how to use their tech-heavy vehicles. Whereas dealers were once regarded as simply retailers, their role has changed from arranging the initial sale to maintaining the automaker's defined ownership experience. These important, sense-appealing and customer-centric distinctions cannot be recognized by car shoppers visiting Amazon.com on their iPhones. Quite simply, automakers can't afford to be controlled by Amazon.

There is, however, a segment of the auto retail market where Amazon might participate - late model used-cars. Auto companies don't control the used-car market and used-car buyers often shop by price or segment as much as by brand. While franchise dealers sell these used-cars, more of them are sold by independent dealers. If Amazon is going to make a splash in automotive retail, used-cars are a more logical choice. Stay tuned.

Maryann Keller is principal of Maryann Keller & Associates, a Stamford-based automotive strategy consultancy. 



Automakers and Policymakers May Be on a Path to Electric Vehicles; Consumers Aren't

By Ken Kurani and Scott Hardman



In 2017, several automakers and policymakers announced commitments to a transition to electric vehicles:

Toyota set a goal to sell more than 1 million electric vehicles by 2030; Volvo aims to beat Toyota by doing the same by 2025;

VW's goal is 25% of its vehicle sales will be electric by 2025; BMW's goal for that year is 15% to 25%;

Mercedes-Benz has allocated \$11 billion and Volkswagen group around \$40 billion dollars to the development of electric vehicles;

Norway has called for all new cars sold there to be electric by 2025; France, the United Kingdom, and the State of California aim to achieve the same by 2040; and China has set a goal for 20% of new car sales to be electric by 2025.

Meanwhile actual sales are tiny. A total of 780,000 on-road PEVs have been sold in the U.S., representing just 0.3% of the 243 million passenger cars and light-duty trucks on the road. [PEVs include both plug-in hybrid electric vehicles (PHEVs) and battery electric vehicles (BEVs)]. In California,

less than one percent are PEVs. PEVs accounted for only 1.1% of U.S. vehicle sales in 2017 and were on track to be less than 5% of sales even in California. Many of these are repeat sales to the same households, so an even smaller percent of households are adopting and experiencing these vehicles. And all this with years of purchase incentives, building of charging stations, and outspoken championing of PEVs by California government leaders.

There are no paths to meet the PEV commitments and promises being made by automakers and politicians unless consumers are engaged in the transition to electric drive. Evidence from California says consumers are not. The excitement among policymakers, automakers, and advocates as more PEV models enter the market place, more charging is installed, and more PEVs are sold each successive year is utterly lost on the vast majority of the car-buying public—even

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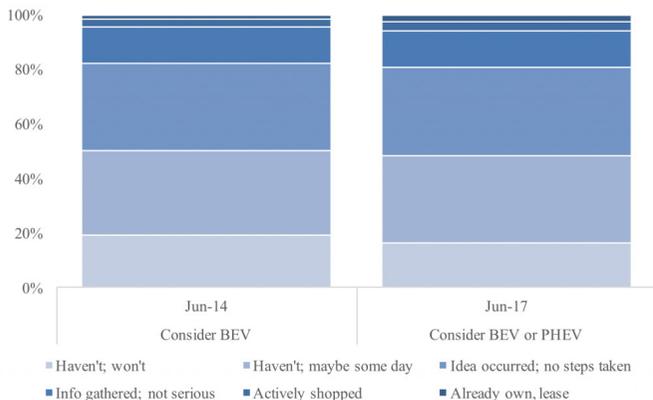
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in California, touted as being among the global PEV market leaders. The problem is the number of car owning households that are paying attention to PEVs is not growing.

Research at the Plug-in Hybrid & Electric Vehicle Research Center of the UC Davis Institute of Transportation Studies indicates few car-owning households are aware of a transition to PEVs and far fewer are actively engaged. Five surveys conducted from June 2014 to June 2017 assessed Californian car-owning households' awareness of and engagement with PEVs.

The percent of car-owning households who had already considered a PEV at the time they completed their questionnaire is no higher in 2017 than it was in 2014. The figure below shows the degree to which consumers in California had considered a BEV (2014) or a BEV or PHEV (2017) for their household. In 2014, barely 5% already owned a BEV or had actively shopped for one. About another 13% said they had gathered some information about BEVs but were not seriously considering one. If one believes a transition to electric drive is well underway, then the percentages of households at these higher degrees of consideration should be larger in 2017—especially as the 2017 data includes both BEVs and PHEVs. They are not higher to any significant degree.

No more consumers had considered purchasing a plug-in electric vehicle in 2017 than had in 2014



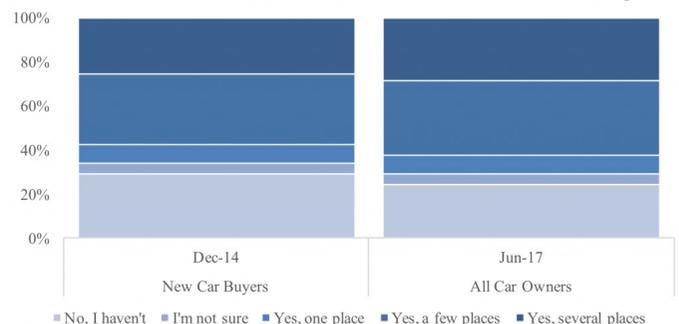
According to the California Energy Commission, there were approximately 5,700 non-residential PEV chargers installed in California in August 2014; this more than doubled to over 11,500 by August 2017.

By and large, Californians didn't notice the increase in PEV charging infrastructure. The figure below shows the distributions of how many people report seeing PEV chargers in the parking facilities they use. The doubling of away-from-home PEV charging infrastructure barely registers in the percent of California drivers sighting that infrastructure. In fact, the increases from 2014 to 2017 are so small that the statistically defensible conclusion is they are not different. That's the good news.

Further, we ask households to rate their agreement with the statement "There are enough places to charge electric vehicles" on a scale of strongly disagree (-3) to strongly agree (+3). The mean scores for 2014 (-0.68) and 2017 (-0.61) are not statistically different; both indicate on average slight disagreement there is enough PEV charging. Again, that's the good news.

The bad news? Despite more than doubling the number of away from home PEV chargers from 2014 to 2017, the percentage of California households who registered the strongest disagreement with the statement, "There are enough places to charge electric vehicles"—that is, the percentage of people who scored the statement as -3—nearly doubled from 13% in 2014 to 23% in 2017.

Despite a doubling of the number of charging stations in California from 2014 to 2017 there was no meaningful increase in the number of consumers who claim to have seen a charger



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What about the increasing number of makes and models of PEVs offered for sale between 2014 and 2017? According the California Air Resources Board's Drive Clean website, this nearly doubled, too between 2014 and 2017. In 2017, fewer Californian's were able to name a PEV for sale than had been able to in 2014. Awareness of incentives? Not higher in 2017 than in 2014. Percentage of car-owners that understand how hybrid, PHEV, and BEVs vehicles are fuelled? Not higher.

Californians are not deciding they don't want PEVs. Rather, they remain to a great extent unaware of PEVs and anything about them. California households by the millions are simply not engaged in any transition to PEVs. Anyone serious about instigating a sustained transition of road transport to electric drive should undertake several science-based actions:

Market the electric-drive transition: Social marketing to promote the need for and value of a transition to electric drive automobiles

Market electric-drive vehicles and supporting services: Traditional marketing by automakers, electricity providers, and charging infrastructure suppliers of their products and services

Create connections: Social media activities connecting people of similar motivations to own and drive PEVs

Create real PEV experience: Ride and drive events and the use of PEVs in shared mobility and vehicle rental applications

Create virtual PEV experience: Enhanced and customized information and virtual PEV experiences through websites and mobile apps

Engage the whole sales chain: Automobile dealer education and motivation programs

Measure to manage: Ongoing tracking of the impact of these activities on consumers and PEV sales

Dr. Ken Kurani is an associate researcher and Dr. Scott Hardman is a postdoctoral researcher at the Plug-in Hybrid & Electric Vehicle Research Center at ITS-Davis. 

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101 Vermont Hyundai	Central Ford, Inc.	Glendale Infiniti
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Acura Of Glendale	Cerritos Acura	Glendale Nissan
Acura of Thousand Oaks	Cerritos Dodge Chrysler Jeep Ram	Glendora Dodge Chrysler Jeep
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Antelope Valley Ford	Community Chevrolet	Honda Of Santa Monica
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Antelope Valley Nissan	Culver City Mazda	Hornburg Jaguar Los Angeles
Antelope Valley Volkswagen	Culver City Volvo	Hornburg Jaguar Santa Monica
Audi Pacific	Dependable Dodge	Infiniti Of Beverly Hills
Audi Valencia	Downtown L.A. Motors - Mercedes-Benz	Joe Giacomin Chevrolet DBA Martin Chevrolet
Bob Smith BMW/Mini	Ed Butts Ford	Ken Grody Ford
Bob Smith Mini	Felix Chevrolet	Keyes Audi
Bob Smith Toyota	Ferrari Beverly Hills	Keyes Chevrolet
Bob Wondries Ford	Ferrari Los Angeles	Keyes European
Bozzani Motors	Fiat Of Glendale	Keyes Honda
Browning Mazda	Fiat of Puente Hills	Keyes Hyundai
Browning Mazda Of Alhambra	Ford Of Montebello	Keyes Lexus
Bunnin Chevrolet	Frontier Toyota	Keyes Toyota
Camino Real Chevrolet	Galpin Honda	Kia of Alhambra
Capistrano Toyota Scion	Galpin Motors - Ford	Kia Of Downtown
Carson Nissan	Galpin Santa Clarita	Kia of Valencia
Center Acura	Galpin Volkswagen	Land Rover Pasadena
Center BMW	Glendale Dodge Chrysler Jeep	Lexus Of Glendale

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Lexus of Valencia	Penske Buick GMC of Cerritos	Thomas Acura
Lexus Santa Monica	Penske Mercedes	Thorson GMC Truck Buick
Livingston Volkswagen	Penske Toyota Scion	Toyota of Downtown LA
Longo Lexus	Porsche of Downtown LA	Toyota Of Glendale
Longo Toyota Scion	Puente Hills Chevrolet	Toyota Of Hollywood
Manhattan Beach Toyota Scion	Puente Hills Toyota	Toyota of Marina del Rey
Martin Cadillac Company Inc.	Rally Auto Group	Toyota Of Pasadena
McKenna Volkswagen Of Cerritos	Reynolds Buick GMC Trucks	Toyota Of Santa Monica
Mercedes Benz of Thousand Oaks	Ross Nissan	Universal City Nissan
Mercedes-Benz Of Beverly Hills	Rusnak Arcadia Mbenz	Valencia Acura
Mercedes-Benz Of Valencia	Rusnak/Pasadena	Volkswagen Alhambra
Metro Honda	Russell Wesbrook CDJR	Volkswagen of Downtown LA
Metro Infiniti	Santa Monica Lincoln	Volkswagen Pasadena
Mission Hills Hyundai	Scott Robinson Chrysler	Volkswagen Santa Monica, Inc.
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Nelson Honda	Sierra Acura Of Alhambra	West Covina Nissan
New Century BMW	Sierra Autocars	West Valley Chrysler Jeep
Nick Alexander Imports	Sierra Chrysler Dodge Jeep Ram	Wondries Toyota
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Nissan of Duarte	South Bay Ford, Inc.	Woodland Hills Honda
Nissan Of Mission Hills	South Bay Toyota	Woodland Hills Hyundai
Norm Reeves Ford Lincoln Hyundai	Star Ford Lincoln	Worthington Ford
Norm Reeves Honda Superstore Cerritos	Star Mazda	
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	Sunrise Ford of North Hollywood	
Northridge Toyota/Scion	Super Ford	
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Pacific Porsche		

ABOUT GLANCD A



O riginally founded in 1957, the Greater Los Angeles New Car Dealers Association provides valuable educational and philanthropic benefits to the Los Angeles Community.

The Association believes that involvement with local charitable organizations makes a positive difference for everyone involved.

Who we are... We are factory-franchised dealers who are committed to serving the communities of Greater Los Angeles County by promoting professionalism within the retail automotive industry. The Association dealer members contribute not only to the economy of Los Angeles County, but also to the well-being and growth of their individual communities.

Who our members are... Our Members are individuals, partnerships, or corporations owning and operating a franchised motor vehicle dealership engaged in the sales of automobiles or trucks and licensed by the State of California and located within the Los Angeles County area.



For more information, please visit the website at www.glanca.org.

MEMBER BENEFITS



Los Angeles Auto Show – in addition to your complimentary ticket package, membership will also get you an exclusive discount on tickets to the Los Angeles Auto Show's annual preview party/charity event on November 19, 2015, along with access to a members-only reception and VIP area.

Regular communication with legislators and government officials dealing with local, state, and federal issues which protects the dealer franchise system and promotes the business interests of our members.

Auto Outlook New Vehicle Sales Data sent to members via our e-newsletter, quarterly magazine, and hosted on our website, with forecast and analysis of new retail light vehicle market, analysis of forecast determinants, comparison with National market, nameplate sales performance, and coverage of vehicle sales in market segment.

Quarterly publication of LA Dealer magazine sent to members.

Special discounts to attend informative seminars with some of the industry's leading speakers.

Special partnership with T.R.A.P. (Taskforce for Regional Auto Theft Prevention) which helps members reduce dealership theft and fraud.

Special discount rate to VIP area of Sneak Preview Night at the L.A. Auto Show. We are the exclusive automobile dealer association endorser of the Show, which helps boost local member sales and reinforces Greater Los Angeles as a hub of automotive design and consumer trends.

Early Warning System - We monitor the state and federal courts in Los Angeles County to alert members when a lawsuit has been filed against them.

Technology Contest for High School seniors to encourage young people to get involved and pursue careers in the auto industry.

Community Service - we are leaders in contributing to worthy community programs in Los Angeles County which promotes the image of new car dealers with the public.

Regular email newsletter to members.

Email alerts to our members when there is important information for them, or when immediate action is necessary.

Collaboration with the California New Car Dealers State Association regarding seminars and legislative and regulatory matters.

Special discounts to attend the CNCDA Annual Dealer Day in Sacramento to meet with state legislators and educate them on dealer issues.

The GLANCD A website which is at www.glanca.org.

Annual luncheon and business meeting of members with a prominent keynote speaker.

Opportunity to serve on GLANCD A Board of Directors.

Los Angeles Auto Outlook



Comprehensive information on the LA County new vehicle market

FORECAST

New Vehicle Sales Should Remain Strong in 2018

Below is a summary of seven key trends and developments in the Los Angeles County new vehicle market.

County new retail light vehicle registrations exceeded 510,000 units in 2017

The new vehicle market declined last year, but sales remained at elevated levels. 2017 marked the fourth consecutive year that new registrations exceeded 460,000 units, which is well above average for the Los Angeles County market.

New vehicle sales likely to soften in 2018

As mentioned in the previous release of Auto Outlook, there are several signs that are pointing to a market slowdown. But a relatively healthy economy, a steady stream of impressive new products, and strong consumer affordability should limit declines over the next several years

Trucks grab a larger share of county market

Light truck market share increased from 32.8% in 2012 to 44.4% in 2017.

Toyota, Honda, Chevrolet, Nissan, and Ford are leaders in county market

Toyota was the best selling brand last year, with a 17.7% share. Honda's county share was 15.7%, well above its 8.6% share in the U.S.

Jaguar, Chrysler, Subaru, Chevrolet, and Jeep gained ground during past year

New retail registrations for each of these five brands were up more than 6% from 2016 to 2017.

Honda Civic best-selling car in county market; Toyota RAV4 is light truck leader

Honda Accord and Toyota Camry were ranked second and third behind Civic in the car market, while Honda CR-V and Nissan Rogue trailed the RAV4.

Non Luxury SUVs account for 23% of market

Market share for Non Luxury SUVs increased to 23% last year. Small Cars were still the market leader, with a 27% share.

Percent Change in County Light Truck and Car Registrations 2017 vs. 2016

Light Trucks (Pickups, SUVs, and Vans)



UP
6.6%

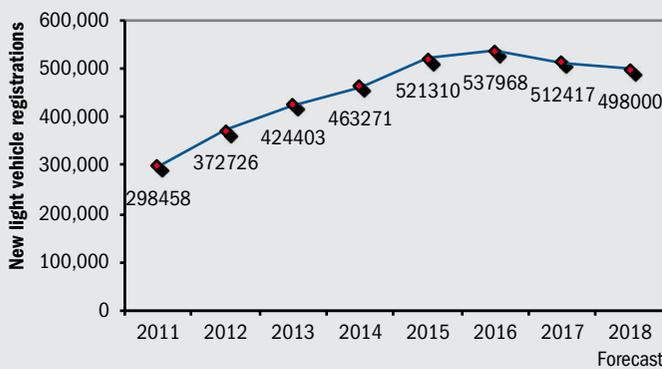
Passenger Cars



DOWN
12.2%

Source: AutoCount data from Experian

Annual Trend in County Market



Historical Data Source: AutoCount data from Experian.

The graph above shows annual new retail light vehicle registrations in the county from 2011 thru 2017 and Auto Outlook's projection for 2018.

Market Summary

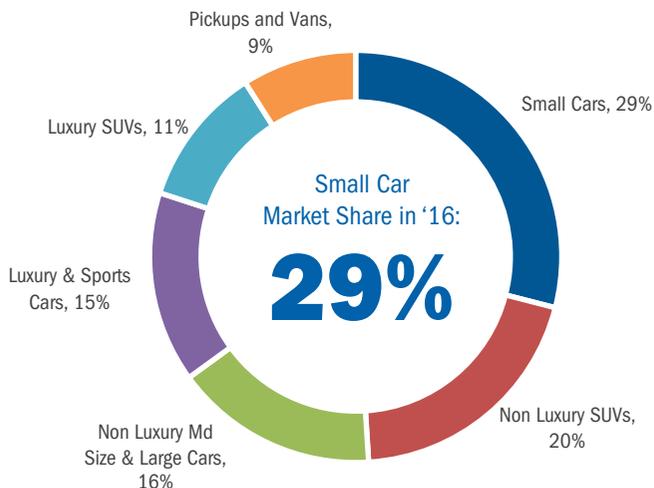
	2016	2017	% Chg.	Mkt. Share
	Annual	Annual	'16 to '17	2017
TOTAL	537,968	512,417	-4.7%	
Car	324,386	284,795	-12.2%	55.6%
Light Truck	213,582	227,622	6.6%	44.4%
Domestic	105,613	103,287	-2.2%	20.2%
European	110,985	103,226	-7.0%	20.1%
Japanese	275,620	266,073	-3.5%	51.9%
Korean	45,750	39,831	-12.9%	7.8%

Domestic brands consist of vehicles sold by GM, Ford, Chrysler, and Tesla. Data source: AutoCount data from Experian.

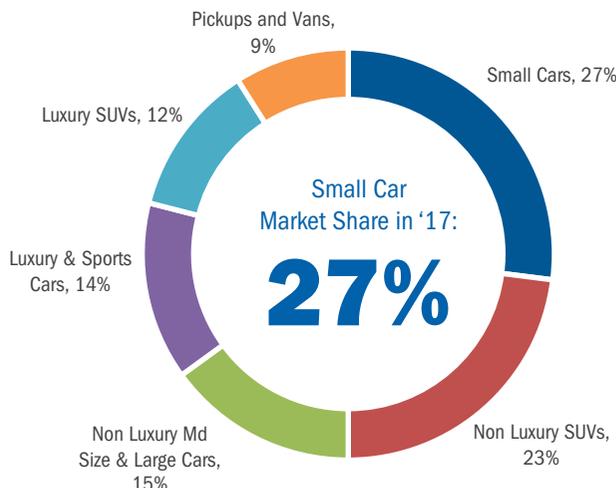
MARKET TRACKER: SEGMENT SHARES

Non Luxury SUV Market Share Hits 23% in 2017

Segment Market Shares in County - 2016



Segment Market Shares in County - 2017



Source: AutoCount data from Experian

The two graphs above show market shares for primary segments during 2016 and 2017.

MARKET TRACKER: COUNTY MARKET VERSUS U.S.

County and U.S. Markets Move Lower

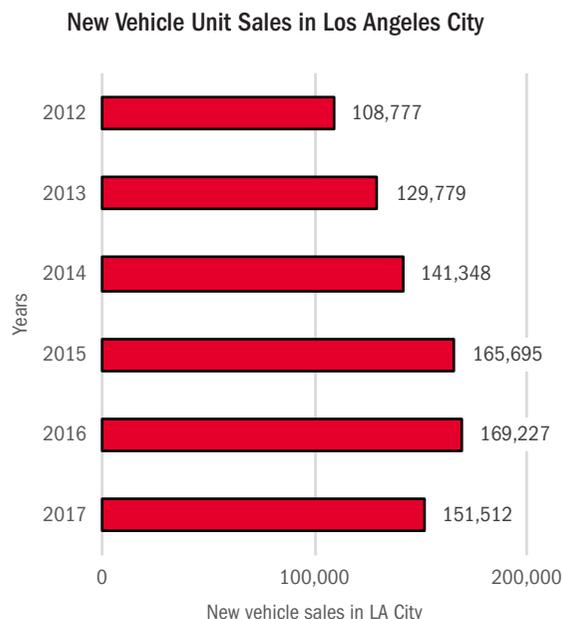
	County Market	U.S. Market*
Percent change in registrations 2017 vs. 2016	-4.7%	-1.8%
Passenger car market share 2017	55.6%	35.5%
Domestic brand market share 2017	20.2%	44.1%
Top 10 brands and market share 2017		
First	Toyota 17.7%	Ford 14.3%
Second	Honda 15.7%	Toyota 12.3%
Third	Chevrolet 6.7%	Chevrolet 12.0%
Fourth	Nissan 5.8%	Honda 8.6%
Fifth	Ford 5.2%	Nissan 8.4%
Sixth	Mercedes 5.1%	Jeep 4.8%
Seventh	Lexus 5.0%	Hyundai 3.9%
Eighth	BMW 4.5%	Subaru 3.8%
Ninth	Kia 4.4%	Kia 3.4%
Tenth	Hyundai 3.4%	GMC 3.3%

Source for LA County data: AutoCount data from Experian.

Source for U.S. market data: Automotive News. U.S. figures include fleets.

ANALYSIS

New Vehicle Sales in LA City



The graph above shows the level of new vehicle sales in the city of Los Angeles from 2012 through 2017. The data measures vehicles sold by dealerships located in the city of Los Angeles. Source: AutoCount data from Experian.

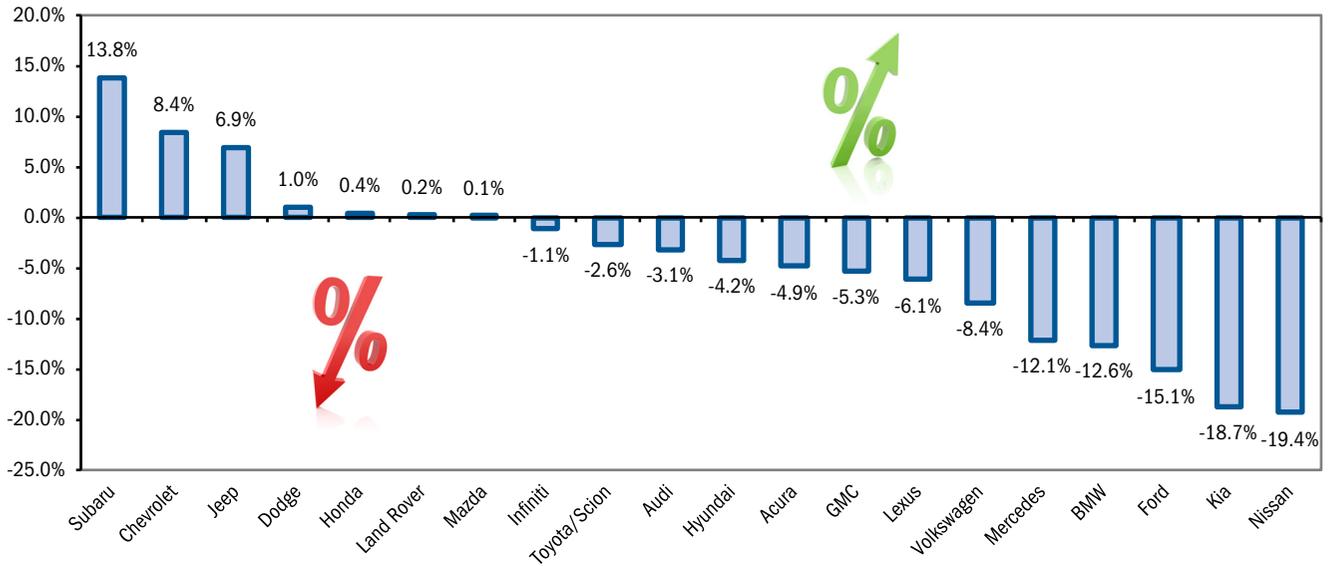
BRAND SCOREBOARD

Subaru, Chevy, and Jeep Had Largest Percentage Gains in 2017

The graph below shows the change in new retail light vehicle (combined car and light truck) registrations for all of 2017 versus a year earlier. Data source: AutoCount data from Experian.

Seven brands had increases in 2017:
Subaru, Chevrolet, Jeep, Dodge, Honda, Land Rover, and Mazda.

Percent Change in County New Retail Light Vehicle Registrations (Top 20 brands) - 2017 vs. 2016

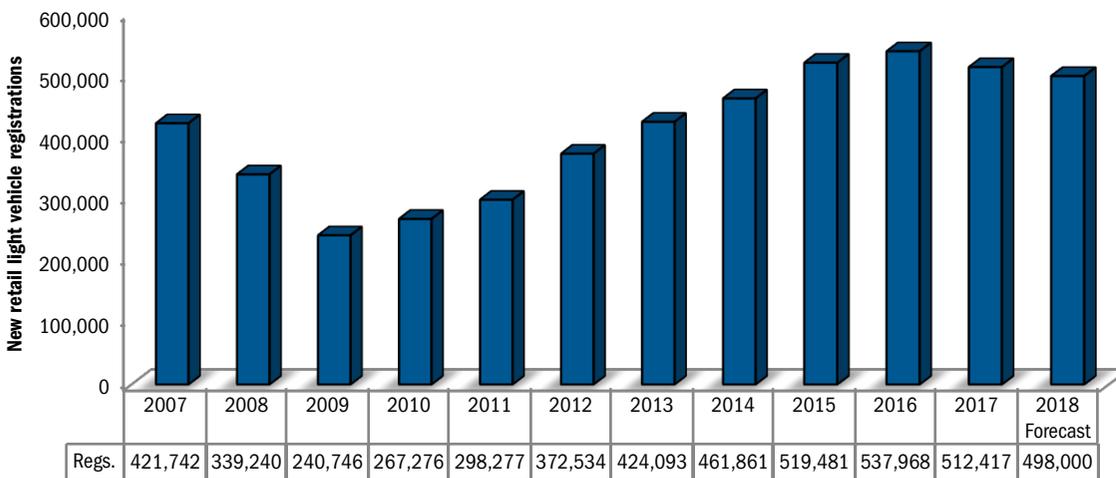


LONG TERM TRENDS

Registrations Likely to Exceed 400K for 6th Straight Year in '18

The graph below provides a long term perspective of trends in the Los Angeles County new retail light vehicle market. It shows historical registrations from 2007 thru 2017, along with Auto Outlook's forecast for 2018.

County New Retail Light Vehicle Registrations - 2007 thru 2017, 2018 Forecast



County market improved 112% between '09 and '17. Small decline is predicted in '18, with annual total approaching 500,000 units

Years

Source: AutoCount data from Experian

Los Angeles County New Retail Car and Light Truck Registrations												
	December						Annual Totals					
	Registrations			Market Share (%)			Registrations			Market Share (%)		
	2016	2017	% change	2016	2017	Change	2016	2017	% change	2016	2017	Change
TOTAL	41,919	41,272	-1.5				537,968	512,417	-4.7			
Cars	24,105	22,079	-8.4	57.5	53.5	-4.0	324,386	284,795	-12.2	60.2	55.6	-4.7
Light Trucks	17,814	19,193	7.7	42.5	46.5	4.0	213,582	227,622	6.6	39.8	44.4	4.7
Domestic Brands	7,829	8,275	5.7	18.7	20.0	1.4	105,613	103,287	-2.2	19.6	20.2	0.5
European Brands	9,046	9,033	-0.1	21.6	21.9	0.3	110,985	103,226	-7.0	20.6	20.1	-0.5
Japanese Brands	21,659	20,887	-3.6	51.7	50.6	-1.1	275,620	266,073	-3.5	51.2	51.9	0.7
Korean Brands	3,385	3,077	-9.1	8.1	7.5	-0.6	45,750	39,831	-12.9	8.5	7.8	-0.7
Acura	418	531	27.0	1.0	1.3	0.3	5,711	5,429	-4.9	1.1	1.1	0.0
Audi	1,297	1,251	-3.5	3.1	3.0	-0.1	15,880	15,394	-3.1	3.0	3.0	0.1
BMW	1,974	2,271	15.0	4.7	5.5	0.8	26,594	23,237	-12.6	4.9	4.5	-0.4
Buick	165	139	-15.8	0.4	0.3	-0.1	2,019	1,847	-8.5	0.4	0.4	0.0
Cadillac	246	221	-10.2	0.6	0.5	-0.1	3,148	2,702	-14.2	0.6	0.5	-0.1
Chevrolet	2,603	2,666	2.4	6.2	6.5	0.2	31,764	34,448	8.4	5.9	6.7	0.8
Chrysler	160	175	9.4	0.4	0.4	0.0	1,636	1,972	20.5	0.3	0.4	0.1
Dodge	532	549	3.2	1.3	1.3	0.1	7,076	7,146	1.0	1.3	1.4	0.1
Fiat	317	189	-40.4	0.8	0.5	-0.3	3,404	3,031	-11.0	0.6	0.6	0.0
Ford	2,058	2,094	1.7	4.9	5.1	0.2	31,236	26,533	-15.1	5.8	5.2	-0.6
GMC	405	409	1.0	1.0	1.0	0.0	5,435	5,146	-5.3	1.0	1.0	0.0
Honda	6,258	6,060	-3.2	14.9	14.7	-0.2	79,901	80,200	0.4	14.9	15.7	0.8
Hyundai	1,417	1,462	3.2	3.4	3.5	0.2	18,064	17,309	-4.2	3.4	3.4	0.0
Infiniti	713	736	3.2	1.7	1.8	0.1	7,464	7,379	-1.1	1.4	1.4	0.1
Jaguar	199	217	9.0	0.5	0.5	0.1	1,912	2,752	43.9	0.4	0.5	0.2
Jeep	821	1,042	26.9	2.0	2.5	0.6	11,922	12,742	6.9	2.2	2.5	0.3
Kia	1,968	1,615	-17.9	4.7	3.9	-0.8	27,686	22,522	-18.7	5.1	4.4	-0.8
Land Rover	378	367	-2.9	0.9	0.9	0.0	5,237	5,247	0.2	1.0	1.0	0.1
Lexus	2,651	2,170	-18.1	6.3	5.3	-1.1	27,144	25,480	-6.1	5.0	5.0	-0.1
Lincoln	170	153	-10.0	0.4	0.4	0.0	2,184	1,988	-9.0	0.4	0.4	0.0
Maserati	144	100	-30.6	0.3	0.2	-0.1	1,456	1,363	-6.4	0.3	0.3	0.0
Mazda	778	853	9.6	1.9	2.1	0.2	11,067	11,081	0.1	2.1	2.2	0.1
Mercedes	2,501	2,470	-1.2	6.0	6.0	0.0	29,749	26,136	-12.1	5.5	5.1	-0.4
MINI	218	244	11.9	0.5	0.6	0.1	3,802	3,287	-13.5	0.7	0.6	-0.1
Mitsubishi	128	131	2.3	0.3	0.3	0.0	1,786	1,645	-7.9	0.3	0.3	0.0
Nissan	2,504	2,376	-5.1	6.0	5.8	-0.2	36,632	29,516	-19.4	6.8	5.8	-1.0
Porsche	405	390	-3.7	1.0	0.9	0.0	4,357	4,639	6.5	0.8	0.9	0.1
Ram	409	403	-1.5	1.0	1.0	0.0	4,732	4,621	-2.3	0.9	0.9	0.0
smart	20	16	-20.0	0.0	0.0	0.0	245	234	-4.5	0.0	0.0	0.0
Subaru	1,041	1,092	4.9	2.5	2.6	0.2	13,070	14,877	13.8	2.4	2.9	0.5
Tesla	260	424	63.1	0.6	1.0	0.4	4,448	4,141	-6.9	0.8	0.8	0.0
Toyota/Scion	7,168	6,938	-3.2	17.1	16.8	-0.3	92,844	90,466	-2.6	17.3	17.7	0.4
Volkswagen	1,328	1,044	-21.4	3.2	2.5	-0.6	14,812	13,565	-8.4	2.8	2.6	-0.1
Volvo	191	264	38.2	0.5	0.6	0.2	2,593	2,633	1.5	0.5	0.5	0.0
Other	74	210	183.8	0.2	0.5	0.3	958	1,709	78.4	0.2	0.3	0.2

Source: AutoCount data from Experian.

Top ten brands are shaded yellow.

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