

# **ZDZZ** GADA CONVENTION

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How to Prepare Today for the EV CUSTOMER of Tomorrow

Page 1Z





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### SPOTLIGHT ON 2022-2023 GADA CHAIRMAN



### LEHMAN FRANKLIN III: A Life of Adventure and Service



Lehman Franklin III started a yearlong term as chair of the Georgia Automobile Dealers Association Board July 1, 2022. He has been a board member since 2015 and served previously as secretary and treasurer.

He is the general manager at the Franklin Chevrolet, Buick, GMC and Toyota dealership and vice president of the Franklin Automotive Group, and he is running unopposed as a state representative in Georgia.

Lehman and his wife, Lorie, have farm animals and honeybee hives to take care of. Someday they hope to have children, too.

GADA recently interviewed Lehman about his life, a few of his adventures and his work. The following is a recap of our conversation. Please tell us about your education at the Citadel Military College and your master's degree in business administration at Georgia Southern University. Why those degrees?

I knew the Citadel was the best school for me after attending one of their orientation weekends. The Citadel taught me not to be afraid to tackle difficult things. I also learned about servant leadership, which became my life's driving force.

I chose business because I had always had a strong business background within my family. A business degree also left more options open to me. As for my MBA, my rationale was that a master's degree might open up more opportunities for me.

### What was the most important thing you learned during your years of education?

My education taught me how to find information, ask questions or challenge thoughts, get things done on a timeline, and how and why to work in a team. I discovered the difference between being intelligent and having wisdom.

### While earning your master's degree, you managed a motel. How did you find that job, and why did you decide to leave it?

My father owned The Budget Inn property, a very lowend motel in one of the worst areas of Savannah. In fact, the place was robbed five times during the five years I worked there. We knew we needed it to turn around, make it profitable and establish good management. I had no experience, but I learned what I needed to.

Working at the motel was a great experience for me. It opened my eyes to poverty and the difficulties of climbing out of it. We turned things around, accomplished our goal, and then I left.

### Please tell us about your experience while serving a four-year mission in Argentina.

I purchased a 30-foot Bristol sailboat to live on in Savannah because I could not afford to purchase or rent in a decent area. After preparing the boat, paying it off and saving money, I quit my job and sailed to Central America.

I ended up in Honduras and met a YWAM (Youth With a Mission) team from Norway doing their outreach in Honduras. My engine needed repairs, so I stayed with them for about a month. I helped them work with prisons, orphanages, homeless people, churches and so on, and I decided to continue doing that work in Argentina.

I took teams to almost every South and Central American country. During that time, I developed or built on my concept of service and how beautiful that is, what true authority looks like, and how you don't truly know a people until you can speak their language. (I speak Spanish and can understand Italian and Portuguese, but I have difficulty speaking them.)

#### Please tell us about Marine Reach Ministries. What did you do as the captain and ministry director during your four-year term there?

I missed the sea when I was in Argentina and wanted to establish a ministry working with ships and the sea. Long story short, I left Argentina for Sweden. We bought a ship there, established Marine Reach, and I became the ship's captain and the ministry director. We would come alongside other established Mediterranean ministries or nonprofits and volunteer to help them.

#### Are you still involved with Marine Reach Ministries? What are they currently doing?

No. The work transitioned to training others to serve on ships or other places. The actual ship I was on was sold and ended up in Savannah, Georgia, to get some work done on it.

#### Please tell us about living on the Mediterranean Sea.

It was a great experience. I minored in European history because I love history, and the Mediterranean is full of it. It was amazing to read about Mediterranean-based history while I was there. That was a bonus.

### How long has your family been in the automotive dealership business?

My grandfather started the business in 1940 with the Chevy store. We got the Toyota store in 1976 and currently have General Motors Corp. brands (Chevy, Buick and GMC). We had Cadillacs until a few months ago but sold that line back to the OEM.

My father and uncle grew up in the business, and I have a cousin who has done nothing but this.

### What experience did you have working at a dealership before you became the general manager?

I started selling cars when I returned home. I moved into F&I, was a closer, worked at the sales desk, was a service manager, worked in accounting and so on. I've done everything except parts. I also attended NADA's dealer school somewhere along the line.

### How did you become both the general manager and vice president of the Franklin Automotive Group?

We have two locations, Toyota and GM. I was working as vice president and spending most of my time at the Chevy store, but I was unhappy with how the Toyota store was run. I replaced that GM with another one who didn't work out and decided to manage it myself until we could find the right person. We never did.

### You've been on the board of GADA since 2015. Why is GADA membership important?

It's a great place to learn from other older, wiser dealers. More importantly, GADA does a service that too many Georgia dealers take for granted. Our industry can be volatile, and without GADA's watchful eye, things can

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change drastically, making it difficult or impossible to satisfy the customer and offer the best, honest and most competitive environment.

### What would you say to encourage someone in the industry to become a GADA member?

You will get more out of it than what you put into it.

You already have plenty to do. Please tell us why you decided to run for office.

I truly believe in a life of service before self, and I want to improve our world and community.

#### What do you hope to achieve as a state representative? What are your main goals while in office?

My main goal is to serve the constituents of District 160 with integrity to the best of my ability. My background and business orientation place me uniquely to serve in a way others might not be able to. I want to substantially improve the standard of living for those in District 160 and make it a much better place to live and raise a family.

#### How will being a representative impact your day-today work?

Being a representative can be very demanding. However, I love the car business and will always be 100% involved in it.

My incredible staff makes it possible to periodically step away from the store and serve in the General Assembly from January through March. Serving would be impossible without them.

#### You are the new chair for GADA. What are the biggest problems facing the dealership industry in Georgia? Where do you want to focus your attention during the coming year?

I will focus on education, which has always been one of the greatest challenges. The dealer franchise system is a tremendous growth engine. Many people don't know how much the automobile industry affects our local communities and how much it benefits small-town America. ►





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Connection is the key ingredient that makes the local dealer customer experience superior.

During the 1970s recession, my dad, a salesman by nature, worked at several jobs, one of which was a car salesman at Johnson Ford in Kingston, New York. I recall that he loved the job and the daily exposure to the incomparable "new car smell." Eventually, however, as the economy improved, he returned to his true calling as a haberdasher, selling suits at a local menswear store, Rafalowsky's. Rafalowsky's was owned and operated by the Rafalowsky family, and later, when they retired, my dad purchased the store. I grew up around Rafalowsky's, and one thing I distinctly remember is the connection my father had with his customers and his community.

Connection. I think a lot about this word as we advocate for the survival of a system of local dealers. The franchised dealer model has many benefits. I would sum them up as the "4 C's" - Competition, Convenience, Community and Connection. Connection is the key ingredient that makes the local dealer customer experience superior. A recent study performed by Pied Piper, a privately owned research firm that uses mystery shoppers to determine a Prospect Satisfaction Index, supports this conclusion.

From July 2021 to June 2022, Pied Piper conducted a customer satisfaction survey covering 25 premium auto manufacturers and collecting over 1,650 measurements in categories such as salesperson attentiveness, availability of finance options and responsiveness to online inquiries. The top five ranked manufacturers utilize the franchise system, while the lowest scorers were direct sale manufacturers that reject the franchised model and instead keep the entire customer experience within their control. Moreover, the study demonstrated that as the popularity of EVs sold by these direct-to-consumer manufacturers increases, the customer experience declines. Since 2019, Tesla's overall score fell by 22%. Specifically, measurements related to whether Tesla salespeople explained at home and EV network charging fell by a combined 34%. To summarize, directto-consumer sellers fail miserably in the area of customer service.

It seems direct-to-consumer manufacturers may know how to build connected cars but don't know anything about connecting with customers. On the other hand, franchised dealers can offer both a convenient, streamlined method of online shopping as well as attentive customer service. We are a connected society. Yes, that means something very different than it did back in the 70s, but ultimately, there is still and will always be, a need to connect on a personal level. Franchised dealers live and work in the communities where they sell and service their products. Dealers want to connect with their customers and strive to do so every day.

Speaking of connections, and repetition aside, it is extremely important for dealers to initiate contact and stay connected to local lawmakers. Get involved in grassroots. Invite a legislator to visit your dealership to see your employees in action. If you need assistance with an introduction or setting up a visit, GADA is here to help – contact legislative@gada.com. ►

## **2022 GADA** CONVENTION SPONSORS

A special thank you to all of our 2022 GADA Convention Sponsors - without you, this event would not be possible. We look forward to seeing you next year!



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CONVENTION HIGHLIGHTS

The 2022 GADA Convention was held June 9-12 at the Cloister at Sea Island. Attendees enjoyed many networking opportunities, informative business sessions, fun social events and so much more! A big thanks to all of our sponsors and exhibitors who make the convention possible. We hope to see you at our next event. For more information, please visit www.gada.com/upcoming-events.





2021-2022 GADA Chair William Strickland and Convention Chair Wanda Howell and her husband Lee Howell open the Convention with ribbon cutting.

Jayson Imrie and John Penrod from Titanium Sponsor, DLRdmv



Braves Hall of Famer Dale Murphy **10** THE GENERATOR





Mackenzie Baines from Cox Automotive presents to dealers about EV emerging technologies.



Left to right: Governor Brian Kemp, First Lady Marty Kemp, Lorie Franklin and 2022-2023 GADA Chair Lehman Franklin



GADA Workers Compensation Board of Trustees hard at work in the "G8 room."





Left to right: President Pro Tempore and dealer Butch Miller, Sheree Ralston and Speaker of the House David Ralston



2022-2023 GADA Chair Lehman Franklin & 2021-2022 GADA Chair William Strickland.

NADA Chairman Mike Alford speaking to the crowd.

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Left to right: Rep. Harold Jones, Lori Prince, Rep. Brian Prince, Juanita Baranco, Greg Baranco, and House Minority Leader James Beverly



🛛 Left to right: Convention Chair Wanda Howell, Lee Howell, Senate Minority Leader Gloria Butler, Rep. Nan Orrock 🕇 🛨





Left to right: GADA Past Chair Wyndi Damato, Todd Damato, First Lady Marty Kemp, Governor Brian Kemp, Beth Howell, and board member Mark Howell

Left to right: John Absher, Billie Absher, Rich Stein and Dennis Alexander from Titanium Sponsor, Assurant



Left to right: 2021-2022 GADA Chair William Strickland, Governor Brian Kemp, First Lady Marty Kemp and GADA
President Emeritus Bill Morie

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Left to right: GADA Board member Wesley Middlebrooks, Claire Middlebrooks, Courtney Middlebrooks, Caroline Middlebrooks, Susan Middlebrooks and NADA Director Steve Middlebrooks



Left to right: GADA Past Chair Billy Fortson, Stephanie Fortson, 2021-2022 GADA Chair William Strickland and Pam Strickland



Left to right: GADA Area Vice Chair Matt Laughridge, Dale Murphy and Terry Reid Laughridge



House Speaker David Ralston speaking to the Board of Directors



Rich Sox and Jason Allen from Bass Sox & Mercer presenting to attendees.



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### MESSAGE FROM NADA CHAIRMAN

## FTC Safeguards **December 9 Compliance Deadline Fast Approaching**

There has never been a more exciting time to be a part of the auto retail industry. For many of us, including myself, the changing dayto-day is what keeps us engaged and interested in coming to work every day. Some of the changes we deal with on a regular basis make our businesses stronger and make our customers happier, but some changes, including those mandated by the federal government, add tenuous requirements to our daily operating procedures and negatively impact our ability to serve our customers.

One such issue that is particularly timely is the Federal Trade Commission (FTC) Safeguards Rule, which was amended in 2021. The Rule mandates a significant number of new and expanded technical and systems requirements that financial institutions, including dealers, must implement to meet their information security obligations regardless of an organization or dealership size. The FTC provides insights into the requirements in their guidance publication, FTC Safeguards Rule: What Your Business Needs to Know.

As of December 9, 2022, all dealers must be in compliance with the amended Rule. In response to NADA's input, the FTC made significant changes and provided clarity to the Rule, but many of the amendments in the final rule require dealerships to adopt significant new information security measures.

While the heat of the summer makes December feel very far off,



dealers should begin to lay the foundation for their compliance strategy, Luckily, NADA has a number of member resources to get you started, including a set of FAQs, several webinars (including A Dealer's Solution for the Revised Safeguards Rule and The Amended FTC Safeguards Rule - Overview and Update), and a comprehensive and updated Driven Guide, A Dealer Guide to the FTC Safeguards Rule containing extensive templates, exhibits, IT guidance and more.

In addition, there was a webinar held Tuesday, July 26, with an FTC attorney that you should not miss, where you can hear the FTC answer dealer questions directly. Visit www.nada.org to watch the video.

These materials can serve as informational resources for you, your legal counsel, and your IT compliance experts as you take steps to ensure compliance by the FTC's deadline.

Please don't wait to focus on this new Rule. We all have a number of issues we are handling on behalf of our businesses, but this is not a Rule you can comply with overnight, it takes some time. Get started NOW on this important compliance deadline - it cannot wait! ►

Note: This article is offered for general informational purposes only and is not intended to constitute legal advice. Each dealer should seek their own legal counsel and make their own independent business decisions and work with their attorneys and IT consultants to ensure compliance.





**Governmental Relations** 

Franchise dealers face a variety of challenges in the current automobile market - the transition to electrification, supply chain constraints on vehicles and parts, inflation, rising interest rates, digital retailing, workforce development and an increase in catalytic converter theft - just to name a few.

As if those challenges are not enough, another requires immediate attention by GADA members: compliance with the FTC's Updated Safeguards Rule.

The Safeguards Rule has been in effect for nearly 20 years. A federal data security rule requires financial institutions, including dealers, to have measures in place ("safeguards") to keep customer information secure. The original rule currently requires dealers to develop a system for safeguarding customer data but allows dealers flexibility in determining the size and scope of that system based on a dealer's individual circumstances.

However, the new rule puts several additional requirements on businesses.

### Why did the FTC update the Safeguards Rule?

There have been several high-profile data breaches in recent years. The updated Safeguards Rule puts the onus on businesses to do more to prevent future breaches.

### When does the updated Safeguards Rule take effect?

While some parts of the Safeguards Rule have already taken effect, many

### HEADLIGHTS ON THE LAW

### **UPDATED SAFEGUARDS RULE: Dealers Must Comply** by December 9, 2022

of the requirements take effect on Dec. 9, 2022. Dealers must be in compliance by then.

### What does the updated Safeguards Rule require?

A comprehensive analysis of the Rule's many requirements is beyond the scope of this bulletin (and the author's expertise). By way of a brief synopsis, the updates Rule requires dealers to:

- Designate a gualified individual or service provider to oversee and implement an information security program;
- Perform a data systems inventory - essentially an assessment of all systems, including not just DMS and CRM but also websites, computers, cell phones and vehicles in inventory;
- Prepare a Written Risk Assessment periodically that categorizes security risks, assesses the adequacy of existing controls on information systems considering those risks, and details how the dealership will manage and mitigate those risks;
- Develop a Written Information Security Plan that must ensure the security and confidentiality of customer information, protect against anticipated threats or hazards to the security or integrity of the system, and protect against unauthorized access to or use of customer information;
- Prepare a Written Incident Response Plan to enable the company to promptly respond to, and recover from, any security

event materially affecting the confidentiality, integrity or availability of customer information; and

 Submit Written Reports to the Board of Directors or Senior Leadership of the dealership regarding the information security program and compliance.

In addition, dealers must implement technical requirements such as encryption, multi-factor authentication, system monitoring, penetration testing and vulnerability testing. Dealers must also develop procedures for monitoring access to and controls of customer information for secure utilization of software programs, disposing of old customer information; and maintaining system integrity through personnel changes. And dealers are further required to train their employees on these new responsibilities and monitor service providers who can access dealership systems to ensure their compliance.

If that all sounds daunting and expensive, it likely will be. But an ounce of prevention is worth more than a pound of the cure, as the old saying goes. The potential costs of not complying include fines of over \$46,000 per violation; a loss of cyber insurance; civil liability; harm to the business operations; and reputation.

### What Should You Do to Prepare?

Several resources are available to assist dealers with compliance.

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GADA Services recently partnered with ComplyAuto to help dealers implement these requirements. ComplyAuto conducted a webinar in August and GADA members were encouraged to attend. ComplyAuto's website is located at https:// complyauto.com.

In addition, NADA has developed materials and resources to help dealers understand their new obligations, including webinars, a set of FAQs, an Overview and Update and a Dealer Guide to the Updated FTC Safeguards Rule. These resources contain very useful information, and they are available to NADA members on NADA's website at nada.org. ► This article is for informational purposes only and is not intended to be legal advice. Dealers are advised to seek advice from dealership legal counsel or other competent professionals concerning individual dealership operations. The presentation of this article is not intended to encourage concerted action among competitors or any other action on the part of dealers that would in any manner fix or stabilize the price or any element of the price of any good or service.

Several resources are available to assist dealers with compliance. GADA Services recently partnered with ComplyAuto to help dealers implement these requirements.

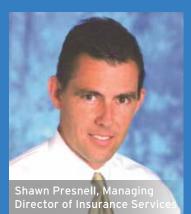
### MEMBER SPOTLIGHT INFORMATION REQUESTED!

### We want to celebrate you and all the good work you do!

We would love to see and learn more about the efforts you make to give back to your local communities.

Please send any photos and descriptions of ways in which your dealership has given back to your local community for a chance to be included in our ongoing Member Spotlight to **legislative@gada.com**.





### **INSURANCE INSIGHTS**

### **EMPLOYEE BENEFITS –** Navigating the System and Making the Best Decisions

#### **Educate Employees**

• By educating your employees in certain aspects of healthcare, they can become better consumers of healthcare.

### **Controlling Prescription Drug (RX) Costs**

 Brand name medications vs. generic: Generic medications can cost up to 85% less than their brand name equivalent. Keep in mind that generic drugs are heavily regulated and undergo a rigorous review process before approval. The FDA tests them to ensure they offer the same benefits as brand name medications. Studies have shown that 87% of the time, the generic medication was equally as effective as its brand name equivalent.

### **Outpatient Imaging or Testing Costs**

• The cost of outpatient imaging or testing can vary significantly depending on where the test is completed. The most expensive testing is typically in an outpatient setting at a hospital. This is an area where most people decide to have their imaging or testing done where their doctor writes the order. If the imaging is done at a hospital, the cost can be anywhere from two to three times the cost of what it would cost at a stand-alone imaging center. Employees must do investigation work upfront prior to having imaging or testing done. Most stand-alone imaging centers can send your results to your doctor or provide them directly to you.

### Consider offering HSA (health saving account) as your low-cost plan

• HSA or consumer-driven health plans are a great way to engage your employees in understanding health care costs and driving their consumer behavior to save money on health care expenses. Employees participating in HSA health plans are more likely to be cost-effective when spending health care dollars. This can keep your overall claims costs down and impact better rate stability.

#### Important Underwriting Factors in Group Health Insurance

- Participation is a very important factor in underwriting health insurance. No matter the size, employer participation in your health plan is extremely important. It is important to keep participation in your group health plan as high as possible and not allow it to go under 50% of the total employees or 75% of eligible employees, not including those with a valid waiver. Most insurance companies will add a participation load to your rates if your participation drops below these levels. Many insurers will not provide a health quote for employers under these participation levels.
- It is not to your advantage to switch health insurance companies too often. One of the questions underwriters will ask is how many insurance companies you have been with the past five years. Two is okay, but more than two may limit who will provide a quote.
- Employer Contribution plays a vital role in your rates. Our analysis of benefit clients shows that those who contribute more toward "employee only" for health insurance have higher participation, which helps keep overall rates down.
- Telehealth benefits and overall benefit education can plan a major role in keeping claims costs down and impact lower medical loss ratios!

### Did You Know?

 Did you know that GADA has an in-house insurance agency specializing in employee benefits? We would be happy to discuss your employee benefit challenges to determine if we can provide better solutions. Our goal is to provide the most competitive costs, top customer service and keep our benefits clients informed.

### PLEASE CONTACT US IF WE CAN HELP ANSWER ANY SPECIFIC INSURANCE QUESTIONS:

**Shawn Presnell**, Managing Director of Insurance, at 770-432-1658 x240, or shawnp@gada.com; and **Amber Ryan**, Benefits Specialist, 770-432-1658 x241, or at amber\_ryan@gada.com.



# HOW TO PREPARE TODAY FOR THE **EV Customer of Tomorrow**

Vehicles powered by electricity aren't a new thing. Some experts have said the first ones were developed as early as 1828-1832. A British inventor named Robert Anderson displayed another prototype in 1835 at an industry conference. In the late 1880s, a chemist named William Morrison fitted a carriage with a battery. The carriage could carry 12 people and travel about 20 mph.

When automobiles began replacing horse-drawn vehicles between 1880 and 1914, their power was provided in three different ways: steam (40%), electricity (38%) and gas (22%). Steam proved to be impractical. Drivers had to wait 45 minutes before they could start driving, and they needed to be refilled continuously with water. But even though Thomas Edison and Henry Ford worked on building an EV, gasoline won the three-way race. Gasoline had been discovered in Texas and was easier to provide to rural areas than electricity, which tended to be limited to cities. Also, Henry Ford's assembly line proved itself as an efficient way to build gas-powered vehicles.

Until the 1970s, when the U.S. began experiencing high prices and shortages, gas-powered engines dominated the market. People wanted to be less dependent on imported oil, especially after the 1973 Arab Oil Embargo. However, a limited driving range and slow top speeds were a problem. The Toyota Prius was released in Japan in 1997, then worldwide in 2000. Martin Eberhard and Marc Tarpenning (not Elon Musk) started Tesla Motors in 2003: Elon became the board chair in 2004 and the fourth CEO in 2008. The Nissan LEAF debuted in 2010. Lithium battery costs declined 97% between 1991 and the end of 2021.

Unsurprisingly, people have been predicting the advent of EVs for a long time. But the time of high expectations combined with a lessthan-overwhelming market share is ending. Kristen Balasia, VP of Consulting Services at S&P Global,<sup>1</sup> says choices among commercially available EVs have already grown exponentially. It now looks like the U.S. EV market will be much bigger by the decade's end and that the mainstream brands will be making about 90% of EVs by 2030.

The government is pushing EVs hard. The budget for national EV charging networks is \$5 billion. An executive order signed by President Biden mandates 100% zero-emissions vehicle acquisitions. The deadline for that is 2035. Many people want the entire U.S. to be carbon neutral by 2050.

How fast will the transition be? Most new car owners keep their vehicles for about six years because they want to keep up-to-date with the latest features, but in June 2021, the average length of ownership had extended to 11.9 years. That makes sense; the cost of a new vehicle is high, loans take years to repay, and it's a smart strategy to continue driving what you have until the need for repairs changes your mind. Dealers can expect to provide conventional auto services for at least another decade, but the balance in 10 years will still have shifted dramatically. That's why dealers who want to continue selling vehicles will

want to transition to selling EVs. Then they can position their dealerships for tomorrow's EV customers.

The good news is that you have time. But don't wait to get started; a lot of preparation will need to occur. What needs to happen?

First is training, education and infrastructure investment. You will want EV buyers to view your dealership as a place that has EV experts and offers them important resources, even though you will continue to service conventional gasengine vehicles. It would be smart to hire an EV expert who can answer questions for customers. The expert should know as much as someone at any store using the direct-sales model, including knowing which benefits are available and which ones stack. Federal, state, local or utility incentives are all potentially available.

Talk to an electrician and the local electricity supplier; you will need more electricity and more electrical infrastructure, so find out what that means in specific terms. You may need new transformers and electrical equipment. Investing in charging stations is also a good idea, as well as thinking about what you need to do to provide service for EVs. Charging stations are expensive, but they will get used even if you only install one or two at a time. Put at least one in the service area. If a technician is working on an EV, the technician can charge the vehicle while it is being serviced. Little things make a big impact on customers. You may need to upgrade tools and machinery so that everything is compatible. That's a challenge, certainly, but be strategic about it. Can you work out something with a fellow dealer who has the same problem?

Another issue is battery storage. You may need to store batteries in a separate room or another building. Batteries can start fires. Don't skimp on safety.

Technicians will need in-depth training. EV certifications will matter

EVs may need less service than conventional vehicles because they have fewer parts, but "less service" is not the same as "no service."

more and more over time; since most shops don't fix EVs, you can add a revenue stream if you can help your staff get the certifications they need now. You may lose business without those certifications. Your team can still work on vital components, fluids, brakes and tires. Eventually, you can add working on EV motors and replacing batteries.

Despite the expense, you don't have to do everything at once. Take the time to prioritize. Maximize the money you spend by choosing improvements carefully.

The direct-sales manufacturing companies have not invested in the service side as much as they probably should have. Neglecting service is a strategic mistake and, therefore, your opportunity. EVs may need less service than conventional vehicles because they have fewer parts, but "less service" is not the same as "no service." You may eventually change your emphasis as a business, but customers will still need service, and there will still be money to be made.

All the preparation in the world won't help you if people don't know about it. How can you let them know?

One effective way is to attend National Drive Electric Week 2022, scheduled this year for Sept. 23, 2022-Oct. 2, 2022. It is a collaboration between Plug In America, the Electric Vehicle Association, the Sierra Club and EVHybridNoire. The event has been around for more than a decade and is held in all 50 states. This year is the 12th year. The people who attend are thinking about buying EVs of all varieties. Organizers welcome dealers. There probably isn't a better way to find many potential customers in one spot. You have the chance to meet them and make a good impression on them. That's great advertising.

Now is also the time to start looking at customer profiles. Since EVs do have to be charged, you have the chance to think through their needs. Homeowners can charge at home. People who don't have easy access to electricity at home may want to know where charging stations are, especially at restaurants and shopping areas. Let them know where they can plug in their vehicle and then do something else while the battery charges. If someone has spent a lot of time in your service shop, maybe you can talk to them about the new level of reliability that occurs when there aren't as many moving parts.

Stay ahead of the curve. The future will continue to be good for dealers who are ready for it. ►

<sup>1</sup>S&P Global completed its acquisition of IHS Markit Feb. 28, 2022, about a year after the merger was first announced.

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# **GEORGIA IN CHARGE**

The Georgia Automobile Dealers Association launched Georgia in Charge, a network of over 100 Georgia franchise auto dealerships committed to selling electric vehicles (EVs).

### Georgia in Charge dealers:

- Have highly trained staff and technicians with specialized EV knowledge
- Offer specialized perks for EV buyers
- Are dedicated to helping you find the right vehicle and keeping it road-ready after purchase



### How We're Taking Charge

Since the first hybrids hit the market over 10 years ago, we have been building our expertise in all things EV. Local Georgia auto dealerships provide many benefits to EV customers:

### EXPERT GUIDANCE

Our automobile dealers promote EV ownership by offering vehicles in a range of price points, helping customers navigate the decision-making process with confidence, and getting you behind the wheel of the EV right for you.



We are local businesses dedicated to helping you get all the incentives you may qualify for. Our dealers compete in a healthy market that keeps prices fair, making EVs accessible to everyone who wants to purchase one.

### TRY BEFORE YOU BUY

Getting inside and test-driving an EV allows you to make a more accurate and informed decision, giving you confidence when you drive your new EV off the lot!



Visit **www.georgiaincharge.com** to search for local dealers selling EVs and learn more about making an EV purchase.







# Combating Catalytic Converter Theft

Catalytic converter thefts present a growing problem for dealers and their customers. In 2021, the National Crime Bureau estimated that more than 52,000 catalytic converters were reported as stolen, compared with 1,300 in 2018. That's 40 times as many converters, and it doesn't include the number of catalytic converters thefts that went unreported. If the repair cost is the size of someone's deductible, they may not report the theft to the police or the insurance company since they will have to pay the money either way. Filing a report creates the possibility of increased insurance premiums; not filing maintains the status quo.

Thieves value catalytic converters because they contain precious metals such as palladium, platinum and rhodium. The metals' values have increased exponentially. Worse, catalytic converters are easy to steal and hard to trace.

Another problem caused by catalytic converter theft is the damage when thieves cut the converters from the car. They are in a hurry and don't care about being precise, so they often damage the oxygen sensor and may take other parts of the exhaust system, such as the muffler. That means repairs after the theft will often involve more than just replacing the catalytic converter itself. A stolen catalytic converter is usually worth \$500-\$600 to the thief, but replacing it costs the owner approximately \$3,500.

What can dealers and owners do about catalytic converter theft? They can:

- Make it harder for thieves to get catalytic converters
- Make it easier to trace stolen catalytic converters

How do you make it harder to steal a catalytic converter? Vehicles stored outside are more vulnerable than vehicles inside a garage, so dealerships are attractive targets for thieves. One dealer installed a 7,000-volt security system around the dealership. He hasn't had any problems since then. However, one of his customers had seven trucks. Thieves took all seven converters. It took eight weeks for replacement parts to arrive; thieves took all seven converters again one short month later.

Experiences like that have made the second strategy more attractive (making it easier to trace stolen catalytic converters). In January 2022, Indiana Rep. Jim Baird introduced H.R. 6394, the Preventing Auto Recycling Theft (PART) Act, which NADA strongly supports. The bill is intended to increase traceability and enforcement. A day later, Jan. 14, 2022, it was referred to the Subcommittee on Highways and Transit. It still has to pass the House and Senate, so it is a long way from being signed into law by the president. If the bill passes, the idea would be to use a \$7 million grant program to cover the cost of stamping VINS or other identifiers onto existing vehicles' catalytic converters. The vehicle owner wouldn't have to pay anything for this to be done. Dealers would also be able to use the grant program.

Ideally, the grant takes care of the vehicles already on the road. The bill would also require new vehicles to stamp unique, traceable numbers on catalytic converters when vehicles are built to identify an individual converter. Purchasers would have to keep records of these numbers. Catalytic converter theft, sale, trafficking or purchase (if the buyer knows the converter was stolen) would be a federal crime. Someone convicted under this law could spend up to five years in jail.

In May 2022, 14 trade associations, other industry organizations and NADA asked Congress to take up H.R. 6394 and get it moving. The signers specifically asked Congress to send it to the House Energy and Commerce Committee for a hearing.

If you have dealt with catalytic converter theft, you know how important this issue is. Now is the time to reach out to your representative and ask them to support H.R. 6394. It wouldn't hurt to communicate with committee



members, too. The chair is New Jersey's Rep. Frank Pallone, Jr., and the ranking member is Washington's Cathy McMorris Rodgers. For a full list of committee members, visit https://energycommerce.house.gov/ subcommittees/energy-and-commerce-117th-congress.

We can help Congress and, later, the Senate understand how important this issue is, but we will only be successful if we put in the effort. ►



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### Tanya Vartanian

954-815-8913 | tanya@dsn.net

### FISHER PHILLIPS INSIGHTS: Five Ways to Attract and Retain Qualified Workers

**Fisher Phillips** 

Labor shortages are not new to the dealership industry. Dealers have known for years that they have to be creative to attract all types of employees, from technicians to salespeople. Unfortunately, the pandemic has enhanced workforce shortage challenges across all industries, and the automotive industry has been one of the hardest hit. A recent Fisher Phillips survey revealed that 87% of automotive employers experienced "moderate to severe" difficulty finding and retaining workers in 2021. Additionally, 28% of the survey respondents saw more women than men leave their organizations in 2021. What does this mean for dealers? Now more than ever, you must find creative yet compliant methods for recruiting and retaining qualified employees in an increasingly competitive labor market. This Insight will provide five strategies you can implement to attract and retain qualified employees.

### How Can Dealers Access Talent in Competitive and Creative Ways?

**Revisit Pay Practices.** As inflation and wages increase across all industries, many dealerships are replacing their traditional, incentivebased commission pay plans for salespeople with more secure plans that guarantee pay.

Consider Flexible Scheduling Opportunities and Related Benefits. The pandemic has changed how we work. Many qualified applicants are looking for opportunities with remote or flexible scheduling options. At the same time, more buyers are choosing to shop for cars online. Dealers



can take advantage of this trend by considering remote or flexible scheduling options for employees.

Along the same lines, you may consider offering paid family leave, reduced hours, more part-time positions, and mental health benefits, such as flex days and access to therapy through health insurance. Regardless of your dealership's size, these changes will make your company stand out from competitors by ensuring that employees, including working caregivers, have support both in and out of the workplace.

Be Proactive About Changing Company Culture. As you know, employees who are dissatisfied with their work culture often look for change, even if it comes with a pay cut. Changing a company's culture does not happen overnight and should start at the top. So, vou should ensure executives and managers are leading by example, recognizing good performance, and giving employees more opportunities to provide input on workplace practices, such as scheduling. Along the same lines, executives and managers should ensure they are actively listening to employee concerns. This will help identify opportunities to make meaningful changes that are responsive to employee needs. Following through

on these opportunities will help retain valued employees and attract productive new employees.

#### Ask Current Employees to Help.

Current employees who are happy at work are the best advertisements for open positions. Ask for their help in your recruiting efforts and reward those who bring successful new employees into your dealership. For example, you can give monetary rewards for referrals who are hired and stay past the probationary period.

#### Use Technology to Your Advantage.

Look for opportunities to implement technology-driven systems, such as scheduling apps and performance management tools, to make your employees' jobs easier and more efficient.

#### Conclusion

We will monitor these developments and provide updates as warranted, so make sure that you are subscribed to Fisher Phillips' Insights to get the most up-to-date information direct to your inbox. If you have further questions, contact your Fisher Phillips attorney, the author of this Insight, or any attorney on our Automotive Dealership Industry Team.

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# The Ins & Outs of DEALERSHIP COMMUNICATION

Dominion DMS

Communication within your dealership can make a world of difference for your customers, your employees, and your staff. Even if you believe your dealership is great at communicating inside and out, improvement is always possible.

### Working toward more effective communication can mean:

- Increased Revenue Do your service technicians spend a lot of time walking back and forth to the parts back counter to discuss and retrieve parts needed for a vehicle? Are you service advisors waiting for customer authorization on services? How long do customers need to wait at the dealership to get updates on their vehicles and pay? This time adds up to fewer cars serviced, fewer cars sold, and money left on the table.
- Happier Employees Businesses that present more transparency and communication improve employee morale. This means more engaged team members. In fact, according to the McKinsey Global Institute, effective communication can improve productivity in any workplace by up to 25%. Happier employees also mean reduced turnover.
- A Fulfilling Customer Experience Put yourself in the shoes of a customer for a moment. Which sounds better: spending the day in a dealership waiting room, or going about their day with the trust that they know

their car is in good hands? People are known to take better care of their cars over their own health. Your customers want to take their vehicles somewhere where they will be frequently updated on services.

• Transparency in Your Dealership - If you communicate better and more frequently with your employees they are more likely to communicate better with you. This means problems are solved quicker, your staff is more relaxed, and your customers come back.

If one or more of these would be beneficial at your dealership, now is the time to start.

### **Barriers to Effective Internal Communication**

If communication is lacking throughout the dealership, there might be a physical or psychological barrier causing it. The cause may be deeply rooted or something easily fixable.

Do any of these sound familiar?

### A Lack of Transparency

There could be any number of reasons why staff members might not be in sync. Often it's because nobody understands the goal. For example, if you expect your dealership to service 1,200 vehicles a month, does everybody in your service department focus on that? If so, are they aware of how they are performing? Not being transparent about information like expectations or even the vision of the business can get in the way of meeting goals.

Clearly defined goals set the right expectations. There should be a process or tool to help maintain an easy flow of internal communication.

#### **Unclear Direction from Managers**

An easy mistake a manager can make is to point out an issue without involving employees in finding a solution.

Let's say a service manager received complaints from customers about paint scratches on serviced vehicles. Relaying this to the service staff without a prevention plan going forward may not help. Reminding employees to be careful with vehicles is reasonable, but what if the vehicles were damaged prior to arriving at the dealership? Your team may suggest implementing a more consistent check-in inspection of the vehicle's condition upon arrival. This inspection could actually lead to higher service revenue in repairs to these damages along with more trust from the customer.

#### **Employees Can't Ask Questions**

Do you remember the old saying, "There are no stupid questions"? Is that what your employees actually believe? Fostering an environment where your team feels comfortable speaking up will strengthen your dealership. Creating a habit where experienced employees are encouraged to mentor others will improve their morale and allow new employees to get up to speed more quickly.

### Not Recognizing and Celebrating Good Work

Staffing issues can mean that teams are stretched more thinly than before. With everyone so busy, it is easy to forget to show appreciation. The perception of being unappreciated can lower morale and lead to burnout. When employees feel recognized and seen by managers, they feel more open to voicing their ideas. Satisfied employees are far more likely to provide superior customer service and productivity.

#### Stressful Training

The more difficulty new employees have with their training, the less likely they will be comfortable asking questions or communicating well with others. According to a 2016 study by the National Auto Dealers Association, 28% of dealership terminations occur within an employee's first 90 days. Starting a new job often demands learning a lot of information. Investing in effective training programs can pay dividends in quicker new hire productivity while reducing turnover.

### How to Improve Dealership Communication

There are several ways a dealership can implement to increase and improve communication between

departments. These tips can break down many of the barriers listed earlier that prevent good communication within the dealership.

#### Start with Yourself

You are in charge. This means you influence a lot of what happens at your dealership for better and for worse. Create a culture of good communication. Set up ways to promote transparency in your dealership. Spend more time with your staff to create a comfort level for employees to ask questions, understand expectations, and feel more recognized. This should result in better goal attainment, a happier workforce, and more satisfied customers.

#### **Communicate Digitally**

It is hard to beat a face-to-face conversation, but that is not always possible or efficient. Digital communication is better than none at all. There are paid and even free options available for sending messages between departments. It may even be functionality that is already available. Using an internal chat tool can provide quick answers to keep your business running at its peak.

#### **Create One Source of Truth for Information**

A dealership typically invests in many different types of software, with different and sometimes redundant sources of information. Between your DMS, your CRM, and other tools in use at dealerships today, it can be confusing and inconsistent. A best practice is to choose one system to be the source of truth that all employees rely on. This will make transparency easier, and provide the foundation to communicate across departments.

Between all of the benefits, barriers, and tips discussed, there is one overarching theme: effective internal communication is important for a successful dealership, and it starts with you as the manager. It offers many benefits and prevents a lot of potential problems. Overall, it can improve productivity, boost profitability, and create a positive employee and customer experience.

If you are unsure where to start, take a look at your dealer management system. See what features are available that may make following the tips provided easier. As a DMS provider ourselves, we strive to make important processes like internal communication easier for you with dashboards, chat features, and collaboration tools.

Dominion DMS is a pioneer in Microsoft-based management systems with decades of experience partnering with franchise dealerships to deliver a superior experience, reduce costs and protect their business. Our cloud-native VUE DMS offers digital security, flexibility and efficiency to help dealers meet today's rapidly changing market. Explore more of our resources at VUEDMS.com.

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### Georgia Auto Outlook

**Comprehensive information on the Georgia new vehicle market** 

#### FORECAST

### Tight Supplies Continue to Dictate Pace of State New Vehicle Sales



Key factors boosting new vehicle sales

Pent up demand is accumulating. Auto Outlook estimates that 58,600 new vehicle purchases have been postponed since the onset of the pandemic and ensuing vehicle supply shortages. This will provide a boost to sales for an extended period.

The labor market is near full employment. As mentioned on the right, recession might be around the corner and new vehicle affordability has weakened, but the unemployment rate is very low and total employment is increasing. It's extremely rare for the economy to enter a sharp and prolonged downturn when the labor market is as tight as it is now.

Household wealth has increased. Household net worth has reached record highs and consumers have greatly increased their holdings of cash and equivalents. This will help households in weathering any prospective economic downturn.

Impressive array of new products coming out. The bevy of new models being introduced offering alternative powertrains and advanced technology should lure many new vehicle shoppers into the market.



Key factors holding back new vehicle sales

Lean supplies have placed a ceiling on sales levels. The lingering microchip shortage and pandemic-related supply issues continue to be the primary factor impacting the market. Demand will soften in the coming months, but insufficient production is still the main roadblock holding back sales.

New vehicle affordability has taken a turn for the worse. Tight inventories have pushed vehicle prices upward, rising fuel prices have cut into disposable income, and higher interest rates are boosting monthly payments. Higher wages have helped, but monthly vehicle loan and lease costs as a percent of disposable income have moved higher during the past several months.

Chances of recession have increased. GDP growth declined in the First Quarter of this year and many economists expect a recession as the Fed puts the brakes on the economy to fight inflation. New vehicle sales almost always decline during economic downturns, but lean supplies have already pushed sales to very low levels. It would take a deep recession for sales to decline further.

**Forecast for Georgia New Retail Light Vehicle Registrations in 2022** 



Baseline scenario: 349,900 down 4.5% vs. '21

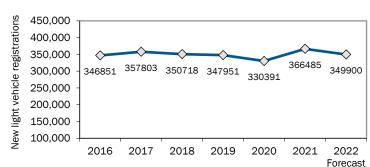
Alternative upside: 364,300 down 0.6% vs. '21

Alternative downside: 332,000 down 9.4% vs. '21

> **Key Trends in State Market**



- · Toyota, Ford, Chevrolet, Nissan, and Honda were market share leaders (see page 3).
- · BEV (battery electric vehicle) share was 3.9% in the first half of 2022 (see page 4).
- · New retail registrations in the first half of this year fell 19.5% versus year earlier, but were higher than in '20 (see page 5).



**Annual Trend in State Market** 

The graph above shows annual new retail light vehicle registrations from 2016 thru 2021 and Auto Outlook's projection for 2022. Historical Data Source: AutoCount data from Experian.

#### Market Summary

|             | YTD '21 | YTD '22 | % Chg.     | Mkt. Share |  |  |
|-------------|---------|---------|------------|------------|--|--|
|             | June    | June    | '21 to '22 | YTD '22    |  |  |
| TOTAL       | 203,615 | 163,839 | -19.5%     |            |  |  |
| Car         | 51,207  | 38,807  | -24.2%     | 23.7%      |  |  |
| Light Truck | 152,408 | 125,032 | -18.0%     | 76.3%      |  |  |
| Domestic    | 81,098  | 63,288  | -22.0%     | 38.6%      |  |  |
| European    | 19,365  | 16,595  | -14.3%     | 10.1%      |  |  |
| Japanese    | 81,057  | 63,213  | -22.0%     | 38.6%      |  |  |
| Korean      | 22,095  | 20,743  | -6.1%      | 12.7%      |  |  |

Domestics consist of vehicles sold by GM, Ford, Stellantis (excluding Alfa Romeo and FIAT), and Tesla.

Data Source: AutoCount data from Experian.

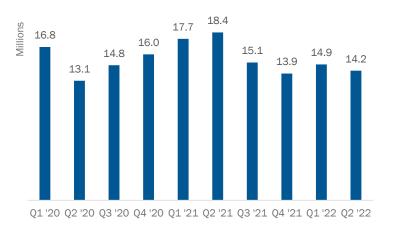
### **Georgia New Vehicle Market Dashboard**





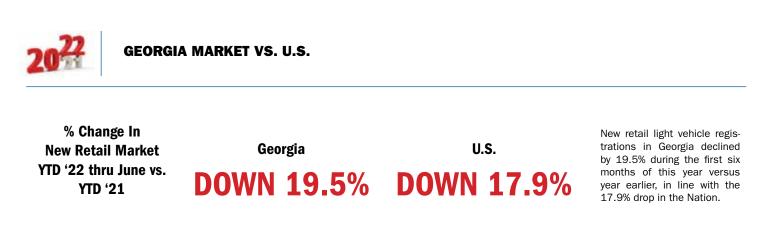
#### **MARKET PERFORMANCE DURING PAST TWO YEARS**

Georgia Quarterly Registrations Seasonally Adjusted Annual Rate, Converted to Equivalent U.S. New Vehicle Market SAAR (millions of units)



The graph on the left provides an easily recognizable way to gauge the strength of the state market. It shows quarterly registrations based on a seasonally adjusted annual rate. These figures are then indexed to SAAR sales figures for the U.S. new vehicle market. So just like in the national market, when the quarterly SAAR is above 17 million units, the state market is strong, 15 million is about average, and below 13 million is weak. Quarterly registrations stayed below 15 million units in the first two quarters of this year.

Data Source: AutoCount data from Experian. SAAR estimates: Auto Outlook.



Source for state registrations: AutoCount data from Experian. U.S. figures estimated by Auto Outlook.

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#### **Georgia Auto Outlook**

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### **Georgia New Vehicle Market Dashboard**



The state unemployment rate fell to just 3.0% in

May of this year and to-

tal employment exceed-

ed pre-pandemic levels.

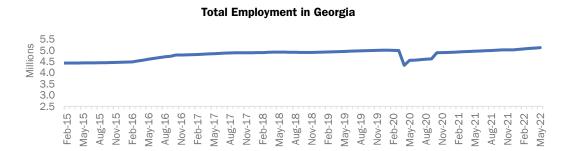
U.S. GDP declined in the First Quarter of 2022 and many economists

are predicting a reces-

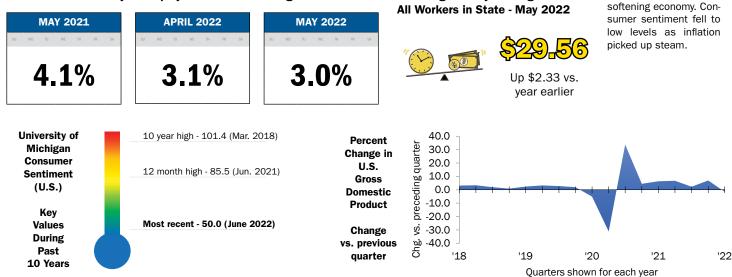
sion, but the strong labor market should partially offset the negative consequences of the



**TRACKING ECONOMIC INDICATORS** 



**Monthly Unemployment Rates in Georgia** 

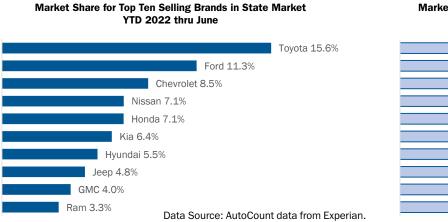


**Average Hourly Earnings for** 

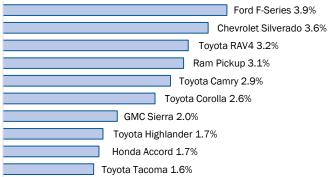
Sources: Bureau of Labor Statistics, University of Michigan, and U.S. Bureau of Econ. Analysis.



### **TOP TEN RANKINGS IN STATE MARKET**



Market Share for Top Ten Selling Models in State Market YTD 2022 thru June

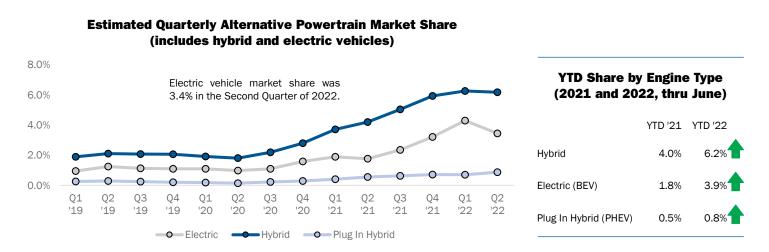


### **Georgia New Vehicle Market Dashboard**





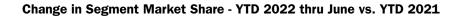
TRACKING ELECTRIC AND HYBRID VEHICLE SALES

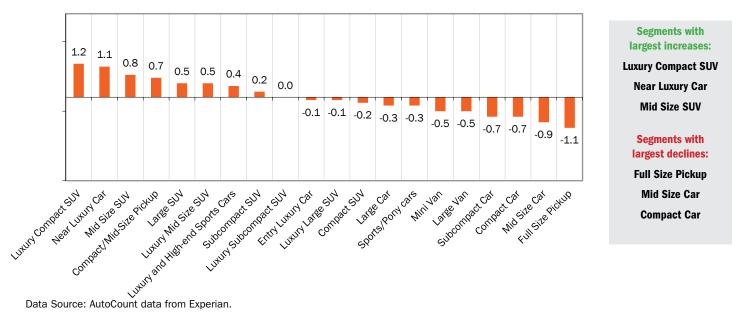


The graph above shows estimated hybrid powertrain and electric vehicle market share. Registrations by powertrain for vehicles equipped with multiple engine types were estimated by Auto Outlook. The estimates are based on model registrations compiled by Experian, and engine installation rates collected from other sources.

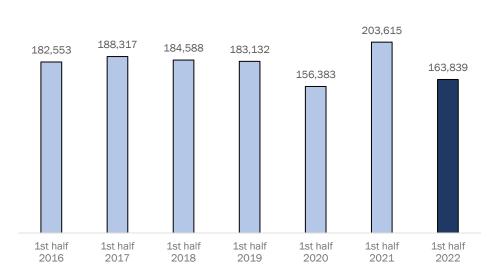


#### CHANGE IN SEGMENT MARKET SHARES





### January thru June 2022 Registrations Fall Below 7 Year Average



Georgia New Retail Light Vehicle Registrations January thru June, 2016 thru 2022

Data Source: AutoCount data from Experian. Some figures estimated by Auto Outlook.

KEY FACTS

Two outliers stand out on the graph: the first half of 2020 (when the pandemic started) and the first half of this year when supply constraints held back sales.

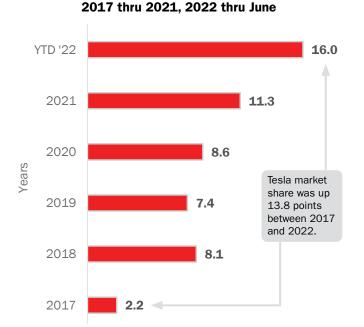
Registrations in the first half of this year exceeded the pandemic lows of 2020, but declined by 12% versus the average total from 2016 thru 2019.

Last year's total exceeded 200,000 units, highest during the seven year period, as demand recovered from the pandemic and supplies were sufficient.

#### LUXURY CLOSE UP

### **Tesla's Dramatic Rise...and Fall???**

**Tesla Percent Share of State Luxury Market** 



The graph above shows Tesla's percent share of the Georgia luxury vehicle market from 2017 thru 2021, and the first half of this year. Tesla share increased from just 2.2% in 2017 to 16.0% during the first six months of this year. Tesla was ranked second in the state luxury market so far this year, behind BMW (16.2% share). Source: AutoCount data from Experian.

### What's ahead for Tesla?



#### **Optimistic: Tesla can continue to make gains**

Tesla has a head start in the electric vehicle market. When many consumers think of BEVs, they think of Tesla.

Cybertruck is reportedly being introduced in 2023. The radically styled pickup could provide a boost to Tesla sales

Some believe Tesla has a competitive advantage in battery production and technology.

#### Pessimistic: Tesla market share has reached its peak

It's gospel in the industry: new product increases sales. Cyclical model redesigns are key for brands to maintain or grow market share. Tesla has never had a significant redesign and based on typical industry standards, some models are getting stale.

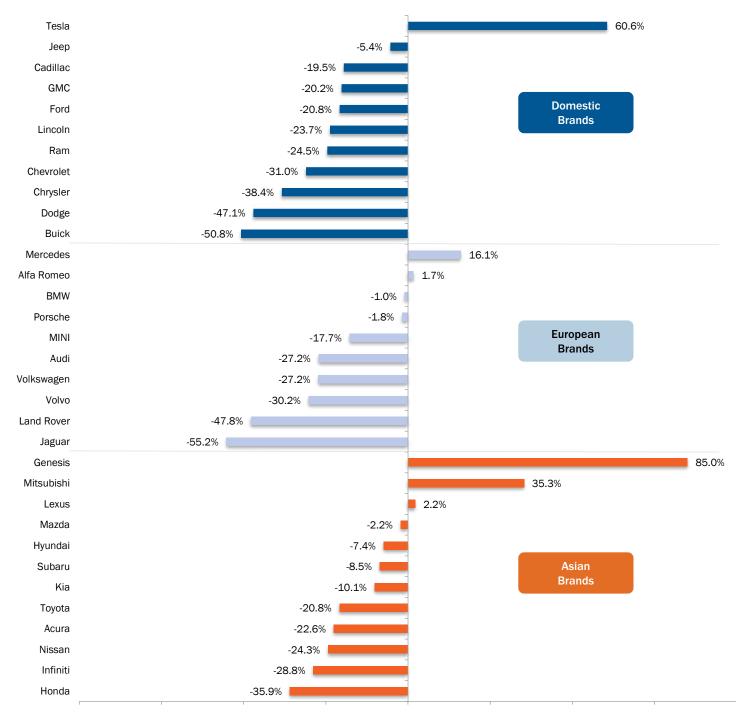
Tesla regularly ranks below average in most measures of vehicle quality and dependability. With a steady stream of new BEVs scheduled to hit the market, this could be a competitive disadvantage for Tesla.

Tesla is reportedly incurring significant losses related to the opening of new production facilities. Is this a "one-off" cost that will go away when the plants are up and running? Or does it foretell future profitability challenges?

#### **BRAND SCOREBOARD**

### **Six Brands Had Increases in First Half of 2022**

The graph below provides a comparative evaluation of brand sales performance in the state market. It shows the year-to-date percent change in registrations during the first six months of this year versus year earlier for each brand, organized by category (i.e., Domestic, European, and Asian). Brand results are typically determined by new product offerings, marketing effectiveness, and incentives. But in 2022, sales performance is almost entirely a function of which brands had more inventory.



Percent Change in Georgia New Retail Light Vehicle Registrations YTD 2022 thru June vs. YTD 2021

Data Source: AutoCount data from Experian.

### F-Series Was Best-Seller in State Market During First Half of '22

The table below shows the top five selling models during the first six months of 2022 in 20 segments. In addition to unit registrations, it also shows each model's market share in its respective segment.



Compact Car: Toyota Corolla Mid Size Car: Toyota Camry Near Luxury Car: Tesla Model 3 Comp./M.S. Pickup: Toyota Tacoma

**BEST SELLERS IN PRIMARY SEGMENTS** 

Full Size Pickup: Ford F-Series Mid Size SUV: Toyota Highlander Large SUV: Chevrolet Tahoe Luxury Mid Size SUV: Lexus RX

| Top Selling Models in Each Segment - New Retail Light Vehicle Registrations (YTD 2022 thru June) |                    |             |                     |                  |                  |                     |                                 |           |                      |       |       |
|--|--------------------|-------------|---------------------|------------------|------------------|---------------------|---------------------------------|-----------|----------------------|-------|-------|
|  |                    |             |                     |                  |                  | Cars                |                                 |           |                      |       |       |
| Subcompact Compact   |                    |             |                     | Sports/Pony Cars |                  |                     | Mid Size                        |           |                      |       |       |
| Model  | Regs. S            | Share       | Model               | Regs.            | Share            | Model               | Regs.                           | Share     | Model                | Regs. | Share |
| Kia Rio  | 714                | 47.5        | Toyota Corolla      | 4333             | 34.1             | Dodge Challenger    | 1009                            | 41.0      | Toyota Camry         | 4777  | 40.1  |
| Nissan Versa   | 313                | 20.8        | Honda Civic         | 1994             | 15.7             | Ford Mustang        | 786                             | 31.9      | Honda Accord         | 2736  | 23.0  |
| Hyundai Accent   | 215                | 14.3        | Nissan Sentra       | 1685             | 13.2             | Chevrolet Camaro    | 329                             | 13.4      | Nissan Altima        | 1826  | 15.3  |
| Mitsubishi Mirage  | 194                | 12.9        | Hyundai Elantra     | 1460             | 11.5             | Toyota 86           | 104                             | 4.2       | Kia K5/Optima        | 1501  | 12.6  |
| Chevrolet Spark  | 36                 | 2.4         | Kia Forte           | 1152             | 9.1              | Mazda MX5           | 102                             | 4.1       | Hyundai Sonata       | 483   | 4.1   |
| Large  | Large Entry Luxury |             |                     | Near Luxury      |                  |                     | Luxury and GAgh End Sports Cars |           |                      |       |       |
| Model  | Regs. S            | Share       | Model               | Regs.            | Share            | Model               | Regs.                           | Share     | Model                | Regs. | Share |
| Dodge Charger  | 1296               | 65.4        | Acura ILX           | 151              | 38.4             | Tesla Model 3       | 1818                            | 34.7      | Chevrolet Corvette   | 446   | 17.3  |
| Kia Stinger  | 239                | 12.1        | BMW 2-Series        | 139              | 35.4             | Lexus ES            | 742                             | 14.1      | Tesla Model S        | 347   | 13.5  |
| Chrysler 300   | 172                | 8.7         | Mercedes A-Class    | 67               | 17.0             | BMW 4-Series        | 420                             | 8.0       | BMW 5-Series         | 283   | 11.0  |
| Toyota Avalon  | 157                | 7.9         | Audi A3             | 31               | 7.9              | BMW 3-Series        | 352                             | 6.7       | Mercedes S-Class     | 201   | 7.8   |
| Nissan Maxima  | 119                | 6.0         | Acura Integra       | 3                | 0.8              | Lexus IS            | 322                             | 6.1       | Mercedes E-Class     | 182   | 7.1   |
| Light Trucks   |                    |             |                     |                  |                  |                     |                                 |           |                      |       |       |
| Compact/Mid Si   | ze Pickup          |             | Full Size Pickup    |                  |                  | Mini Van            |                                 |           | Large Van            |       |       |
| Model  | Regs. S            | Share       | Model               | Regs.            | Share            | Model               | Regs.                           | Share     | Model                | Regs. | Share |
| Toyota Tacoma  | 2584               | 27.9        | Ford F-Series       | 6381             | 28.6             | Toyota Sienna       | 792                             | 35.1      | Ford Transit Connect | 403   | 33.7  |
| Nissan Frontier  | 1296               | 14.0        | Chevrolet Silverado | 5845             | 26.2             | Honda Odyssey       | 722                             | 32.0      | Mercedes Sprinter    | 335   | 28.0  |
| Jeep Gladiator   | 1022               | 11.1        | Ram Pickup          | 5145             | 23.1             | Chrysler Pacifica   | 439                             | 19.5      | Ram Promaster        | 255   | 21.3  |
| Chevrolet Colorado   | 1018               | 11.0        | GMC Sierra          | 3255             | 14.6             | Kia Carnival        | 266                             | 11.8      | Chevrolet Express    | 133   | 11.1  |
| Ford Maverick  | 1006               | 10.9        | Toyota Tundra       | 988              | 4.4              | Chrysler Voyager    | 35                              | 1.6       | GMC Savana           | 47    | 3.9   |
| Subcompact SUV   |                    | Compact SUV |                     |                  | Mid Size S       | UV                  |                                 | Large SUV |                      |       |       |
| Model  | Regs. S            | Share       | Model               | Regs.            | Share            | Model               | Regs.                           | Share     | Model                | Regs. | Share |
| Nissan Kicks   | 1661               | 14.7        | Toyota RAV4         | 5278             | 20.7             | Toyota Highlander   | 2850                            | 10.0      | Chevrolet Tahoe      | 1442  | 26.7  |
| Honda HR-V   | 1110               | 9.9         | Honda CR-V          | 2390             | 9.4              | Toyota 4Runner      | 2220                            | 7.8       | GMC Yukon            | 978   | 18.1  |
| Nissan Rogue Sport   | 984                | 8.7         | Jeep Wrangler       | 2120             | 8.3              | Jeep Grand Cherokee | 2169                            | 7.6       | Jeep Grand Wagoneer  | 671   | 12.4  |
| Subaru Crosstrek   | 887                | 7.9         | Hyundai Tucson      | 2074             | 8.1              | Kia Telluride       | 2141                            | 7.5       | Ford Expedition      | 626   | 11.6  |
| Hyundai Kona   | 805                | 7.1         | Mazda CX-5          | 1709             | 6.7              | Ford Explorer       | 1920                            | 6.7       | GMC Yukon XL         | 602   | 11.1  |
| Luxury Subcompact SUV Luxury Compact SUV   |                    |             |                     | Luxury Mid Siz   | Luxury Large SUV |                     |                                 |           |                      |       |       |
| Model  | Regs. S            | Share       | Model               | Regs.            | Share            | Model               | Regs.                           | Share     | Model                | Regs. | Share |
| Audi Q3  | 279                | 25.5        | Tesla Model Y       | 2061             | 27.0             | Lexus RX            | 1825                            | 21.2      | Cadillac Escalade    | 497   | 27.2  |
| Mercedes GLB-Class   | 223                | 20.4        | BMW X3              | 999              | 13.1             | BMW X5              | 1109                            | 12.9      | BMW X7               | 409   | 22.4  |
| Volvo XC40   | 185                | 16.9        | Mercedes GLC-Class  | 816              | 10.7             | Mercedes GLE-Class  | 1076                            | 12.5      | Mercedes GLS-Class   | 301   | 16.5  |
| Lexus UX   | 157                | 14.4        | Audi Q5             | 538              | 7.1              | Acura MDX           | 715                             | 8.3       | Cadillac XT6         | 170   | 9.3   |
| Mercedes GLA-Class   | 104                | 9.5         | Lexus NX            | 454              | 6.0              | Lexus GX            | 651                             | 7.6       | Lincoln Navigator    | 134   | 7.3   |

Data Source: AutoCount data from Experian.

|                   |               |                |                | Brar             | id Regist  | rations R    | leport     |               |                |             |             |            |
|-------------------|---------------|----------------|----------------|------------------|------------|--------------|------------|---------------|----------------|-------------|-------------|------------|
|                   |               |                | Georg          | ia New Reta      | all Car an | d Light T    | ruck Regis | trations      |                |             |             |            |
|                   |               |                | Second (       | Quarter          |            |              |            |               | YTD thru       | u June      |             |            |
|                   | Registrations |                |                | Market Share (%) |            |              |            | egistrations  |                |             |             |            |
|                   | 2Q '21        | 2Q '22         | % change       | 2Q '21           | 2Q '22     | Change       | YTD '21    | YTD '22       | % change       | YTD '21     | YTD '22     | Change     |
| TOTAL             | 109,474       | 81,597         | -25.5          |                  |            |              | 203,615    | 163,839       | -19.5          |             |             |            |
| Cars              | 28,554        | 19,930         | -30.2          | 26.1             | 24.4       | -1.7         | 51,207     | 38,807        | -24.2          | 25.1        | 23.7        | -1.4       |
| Light Trucks      | 80,920        | 61,667         | -23.8          | 73.9             | 75.6       | 1.7          | 152,408    | 125,032       | -18.0          | 74.9        | 76.3        | 1.4        |
| Domestic Brands   | 41,963        | 30,724         | -26.8          | 38.3             | 37.7       | -0.6         | 81,098     | 63,288        | -22.0          | 39.8        | 38.6        | -1.2       |
| European Brands   | 10,167        | 8,477          | -16.6          | 9.3              | 10.4       | 1.1          | 19,365     | 16,595        | -14.3          | 9.5         | 10.1        | 0.6        |
| Japanese Brands   | 44,385        | 31,743         | -28.5          | 40.5             | 38.9       | -1.6         | 81,057     | 63,213        | -22.0          | 39.8        | 38.6        | -1.2       |
| Korean Brands     | 12,959        | 10,653         | -17.8          | 11.8             | 13.1       | 1.3          | 22,095     | 20,743        | -6.1           | 10.9        | 12.7        | 1.8        |
| Acura             | 1,065         | 808            | -24.1          | 1.0              | 1.0        | 0.0          | 1,865      | 1,444         | -22.6          | 0.9         | 0.9         | 0.0        |
| Alfa Romeo        | 39            | 31             | -20.5          | 0.0              | 0.0        | 0.0          |            | 61            | 1.7            | 0.0         | 0.0         | 0.0        |
| Audi              | 1,309         | 930            | -29.0          | 1.2              | 1.1        | -0.1         |            | 1,785         | -27.2          | 1.2         | 1.1         | -0.1       |
| BMW               | 2,369         | 2,191          | -7.5           | 2.2              | 2.7        | 0.5          |            | 4,410         | -1.0           | 2.2         | 2.7         | 0.5        |
| Buick             | 1,268         | 613            | -51.7          | 1.2              | 0.8        | -0.4         |            | 997           | -50.8          | 1.0         | 0.6         | -0.4       |
| Cadillac          | 799           | 700            | -12.4          | 0.7              | 0.9        | 0.4          |            | 1,280         | -19.5          | 0.8         | 0.8         | 0.0        |
| Chevrolet         | 10,278        | 7,071          | -31.2          | 9.4              | 8.7        | -0.7         |            | 13,915        | -31.0          | 9.9         | 8.5         | -1.4       |
|                   | 595           | 279            | -51.2          | 9.4<br>0.5       | 0.3        | -0.7         |            | 13,915<br>646 | -31.0          | 9.9<br>0.5  | 0.4         | -1.4       |
| Chrysler<br>Dodge | 2,873         | 1,400          | -53.1<br>-51.3 | 2.6              | 0.3<br>1.7 | -0.2<br>-0.9 |            | 2,723         | -38.4<br>-47.1 | 2.5         |             | -0<br>0.8- |
|                   | 2,873         | 1,400<br>8,761 | -25.7          | 10.8             | 10.7       |              | 23,390     | 18,527        | -47.1          | 2.5<br>11.5 | 1.7<br>11.3 | -0.8       |
| Ford              | ,             | 588            | -25.7          |                  | 0.7        | -0.1         |            |               | -20.8          |             | 0.7         |            |
| Genesis           | 366           |                |                | 0.3              |            | 0.4          |            | 1,197         |                | 0.3         |             | 0.4        |
| GMC               | 4,219         | 3,202          | -24.1          | 3.9              | 3.9        | 0.0          |            | 6,540         | -20.2          | 4.0         | 4.0         | 0.0        |
| Honda             | 10,269        | 5,537          | -46.1          | 9.4              | 6.8        | -2.6         |            | 11,574        | -35.9          | 8.9         | 7.1         | -1.8       |
| Hyundai           | 5,879         | 4,519          | -23.1          | 5.4              | 5.5        | 0.1          |            | 9,091         | -7.4           | 4.8         | 5.5         | 0.7        |
| Infiniti          | 498           | 335            | -32.7          | 0.5              | 0.4        | -0.1         |            | 699           | -28.8          | 0.5         | 0.4         | -0.1       |
| Jaguar            | 147           | 69             | -53.1          | 0.1              | 0.1        | 0.0          |            | 107           | -55.2          | 0.1         | 0.1         | 0.0        |
| Jeep              | 4,707         | 3,895          | -17.3          | 4.3              | 4.8        | 0.5          |            | 7,905         | -5.4           | 4.1         | 4.8         | 0.7        |
| Kia               | 6,714         | 5,546          | -17.4          | 6.1              | 6.8        | 0.7          |            | 10,455        | -10.1          | 5.7         | 6.4         | 0.7        |
| Land Rover        | 509           | 250            | -50.9          | 0.5              | 0.3        | -0.2         |            | 595           | -47.8          | 0.6         | 0.4         | -0.2       |
| Lexus             | 2,170         | 2,213          | 2.0            | 2.0              | 2.7        | 0.7          | ,          | 4,336         | 2.2            | 2.1         | 2.6         | 0.5        |
| Lincoln           | 639           | 543            | -15.0          | 0.6              | 0.7        | 0.1          | ,          | 997           | -23.7          | 0.6         | 0.6         | 0.0        |
| Maserati          | 29            | 35             | 20.7           | 0.0              | 0.0        | 0.0          |            | 56            | 21.7           | 0.0         | 0.0         | 0.0        |
| Mazda             | 1,715         | 1,580          | -7.9           | 1.6              | 1.9        | 0.3          |            | 2,902         | -2.2           | 1.5         | 1.8         | 0.3        |
| Mercedes          | 1,642         | 2,000          | 21.8           | 1.5              | 2.5        | 1.0          |            | 3,764         | 16.1           | 1.6         | 2.3         | 0.7        |
| MINI              | 172           | 97             | -43.6          | 0.2              | 0.1        | -0.1         |            | 255           | -17.7          | 0.2         | 0.2         | 0.0        |
| Mitsubishi        | 350           | 393            | 12.3           | 0.3              | 0.5        | 0.2          | 552        | 747           | 35.3           | 0.3         | 0.5         | 0.2        |
| Nissan            | 8,660         | 5,489          | -36.6          | 7.9              | 6.7        | -1.2         | 15,320     | 11,594        | -24.3          | 7.5         | 7.1         | -0.4       |
| Other             | 87            | 53             | -39.1          | 0.1              | 0.1        | 0.0          | 166        | 110           | -33.7          | 0.1         | 0.1         | 0.0        |
| Porsche           | 418           | 395            | -5.5           | 0.4              | 0.5        | 0.1          | 884        | 868           | -1.8           | 0.4         | 0.5         | 0.1        |
| Ram               | 3,562         | 2,411          | -32.3          | 3.3              | 3.0        | -0.3         | 7,156      | 5,400         | -24.5          | 3.5         | 3.3         | -0.2       |
| Subaru            | 2,556         | 2,094          | -18.1          | 2.3              | 2.6        | 0.3          | 4,709      | 4,307         | -8.5           | 2.3         | 2.6         | 0.3        |
| Tesla             | 1,232         | 1,849          | 50.1           | 1.1              | 2.3        | 1.2          | 2,714      | 4,358         | 60.6           | 1.3         | 2.7         | 1.4        |
| Toyota            | 17,102        | 13,294         | -22.3          | 15.6             | 16.3       | 0.7          | 32,351     | 25,610        | -20.8          | 15.9        | 15.6        | -0.3       |
| Volkswagen        | 2,582         | 1,857          | -28.1          | 2.4              | 2.3        | -0.1         | 4,624      | 3,364         | -27.2          | 2.3         | 2.1         | -0.2       |
| Volvo             | 864           | 569            | -34.1          | 0.8              | 0.7        | -0.1         | 1,748      | 1,220         | -30.2          | 0.9         | 0.7         | -0.2       |

The table shows new retail light vehicle (car and light truck) registrations in Georgia. Figures are shown for the 2nd Quarters of '21 and '22, and year-to-date totals. The top ten ranked brands in each change category are shaded light yellow.

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