

DRIVEN TO DO THE RIGHT THING

Local car dealerships are transforming the auto industry through charity and transparent processes

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UNLESS YOU'RE LOOKING FOR A NEW CAR, you probably don't think much about that long row of gleaming car dealerships in your hometown as you drive past them. >>> Yet those bright showrooms and expansive lots are huge contributors to the local economy and local charities. Last year, according to the National Automobile Dealers Association (NADA), the 17,000 dealers in the U.S. employed more than 1.1 million people, up 4.3% from 2014. The annual payroll increase was almost double that number, up 8% to \$62.8 billion, resulting in more than \$20 billion in personal tax revenue. >>>

In most cases, the dealerships are locally owned and operated small businesses. "They are rooted in their communities and jobs that average more than \$69,000 in compensation—across jobs, with opportunities for advancement—in many cases even without a college degree," says Jonathan Collegio, NADA's senior vice president of public affairs. "Local communities may see big companies and retailers come and go, but dealership roots run deep."

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Which is why they want to make their communities better, too. The owners of new-car dealerships typically contribute generously to a wide array of local charities. In fact, that's a major factor in the selection of the TIME Dealer of the Year (see sidebar), which is sponsored by Ally. Not only must the dealer be successful, but must also show a deep commitment to improving his or her community. According to a recent survey from NADA and Ally, 70% of dealers plan to increase their charitable

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giving, which includes donating or loaning about \$4.5 million worth of vehicles for charitable causes.

NADA's Charitable Foundation has contributed more than \$13 million to various causes since its founding in 1975. The foundation is committed to preserving and promoting private enterprise and personal mobility by supporting emergency medical care organizations and higher education. Its contributions go to scholarships as well as to emergency assistance for dealership employees after natural disasters: for instance, 2.6 million people have been trained in cardiopulmonary resuscitation, 8,700 dealership employees have received aid from its relief fund, and 120 spouses and children of victims of 9/11 have received scholarship grants. Another of the foundation's notable charities is Canine Companions for Independence, a pioneering program in training dogs to assist people with disabilities. Thanks to \$250,000 in contributions, 25 service dogs are now with disabled children or wounded warriors.

ONLINE RESEARCH PROMOTES TRANSPARENCY

If you're in the market for a new car, there's no better place to purchase one than your local dealership. "When same-brand dealerships compete for customers' busi-

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ness, prices go down, often significantly," says NADA's Collegio. "Research has shown that this price competition by local dealerships saves consumers, on average, about \$500 on the price of a new car—a huge benefit for any consumer purchasing a new car or truck."

That process is also more transparent and efficient than ever. According to the 2016 Auto-trader KBB Car Buyer Journey Study, the average customer now spends about 12 hours researching a vehicle before walking into a dealership. Compare this with five years ago, when buyers traveled to eight dealerships to gather information before deciding which one to purchase from. Today, buyers visit just one

Rising Through the Ranks

AS THE DAUGHTER OF A CAR DEALER who dreamed of winning the TIME Dealer of the Year Award but never did, Mary Catherine "Kitty" Van Bortel is all too familiar with what the prize means to people in the industry. Recipients are among the nation's most successful auto dealers who also demonstrate a long-standing commitment to community service.

"I always thought if I could become TIME Dealer of the Year, that would really prove to my dad that I had made it," she says.

Has she ever. Although her father owned 17 franchises at one time in her hometown of Rochester, N.Y., she had to start out on her own in the mid-'70s at another dealership (despite opposition over her hiring), because her father didn't believe it was a business for women. Van Bortel went on to become the top salesperson before becoming sales manager at a Mercedes-Benz/BMW franchise. She then opened a used-car lot in the front yard of her rented house. A bit unorthodox, perhaps, but it was the first step to owning her own dealership. Van Bortel Subaru opened in 1991 and became the largest-volume Subaru dealership in the nation within seven years. She also co-owns Chevrolet and Ford dealerships with her brother.

"I had a relentless drive to prove that

a woman could get to the top in this business," she says. "It's not really about selling iron or servicing iron. It's really more about helping the human behind the iron."

Her father became very supportive of her career choice long ago, but he passed away five years ago, so he wasn't at the 99th annual National Automobile Dealers Association convention in Las Vegas in April when TIME publisher Meredith Long and Tim Russi, president of Auto Finance for Ally, announced her name. "My dad would just be so thrilled for me," says Van Bortel, a nine-year breast cancer survivor who is a major contributor to the Breast Cancer Coalition of Rochester. "The award truly is a validation of my life's work because I have spent my life not only giving back in terms of community but also really trying to make a difference in people's lives in the car business."

TIME Dealer of the Year award winner
Mary Catherine "Kitty" Van Bortel



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dealership, which means they've zeroed in on their choice of model, dealer and payment online before they've even set foot in a dealership. In some cases, they've even test-driven the car virtually.

"The transparency that the online experience has created has really revolutionized what's happening in the business," says Andrea Riley, Ally's chief marketing officer. "It's forced change both on the dealer side and on our side in terms of the kind of information that we provide to the consumer."

To that end, Ally pushes out a lot of information through social media on leasing versus buying, the right car options, vehicle-service contracts, online applications, inventory at different dealerships and much more. "We're an advocate for the customer because dealers want customers who are very well researched and knowledgeable when they walk in the door," adds Riley. "They can come in and the experience is seamless. The transaction is quick and efficient, and they're matched with the right vehicle at the right price point for the right amount of financing that they truly qualify for."

Ally's history with the auto industry dates back almost 100 years. Its auto finance division supplies loans to consumers directly through the dealer; it also finances the cars on the lots at 4,000 dealerships nationwide, amounting to a \$30 billion slice of the \$120 billion pie.

"The reason we're still around as a leader in the industry is that quality and the

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— ANDREA RILEY, CMO, ALLY

culture of being a relentless ally," says Tim Russi, president of Ally's auto finance division. "We have worked our way through many different cycles, many difficult and good times, both from a consumer and a dealer perspective."

New-car dealerships are clearly headed in the right direction as far as consumers are concerned. Research by J.D. Power

shows that 80% of people who have purchased cars in the last year rate the car-buying experience as excellent. "The dealership experience today is vastly different and better than it was 20 or even 10 years ago," says Collegio of NADA. "Pricing is available online, facilities are modern. For folks purchasing a car today, local dealerships are exceeding expectations time after time." ●



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