AUTOWORLD



JANUARY 2023 VOLUME 32 NUMBER 1

WWW CANADIANAUTOWORID CA

≫ @CANAUTOWORLD



Genesis Canada looks to continue success in 2023 and beyond

Automaker will to continue to expand its Genesis Retail Experience across Canada

■ Tom Venetis

TORONTO – Genesis continues to be one of the success stories in Canadian automotive. Begun as the luxury division of the South Korean automaker Hyundai Mo-

tor Company for its new luxury Genesis sedan in 2004, the Genesis brand soon grew so successful that it was spun off as an independent entity in late 2015, From there, Genesis has continued to grow and introduce new models to buyers and racking up a growing number of awards and accolades for it vehicles and unique approach to sales and customer service, and a strong customer loyalty to the brand.

As an example, J.D. Power named Genesis the most dependable automotive brand and the most technologically innovative in 2021

Eric Marshall, executive director with Genesis Canada said that 2022 was an especially good year for Genesis, even with all the disruptions caused by the pandemic and to the global supply chain. "We have had an exceptional [2022]," he added. "With sales, year-to-date, we are up 34 per cent versus 2021, and 2021 was an exceptional year for the brand in that we tripled our sales! And we have been launching a lot of new product into the market, which has been great for the Genesis brand. For example, we introduced not one but two electric vehicles, the GV60 SUV and the electrified G80."

Marshall said that a lot of the continuing success for Genesis in Canada can be put squarely on the business model the company adopted. One is direct sales to the customer allowing them to build and

even purchase their desire vehicle online. This approach has brought with it price transparency.

"We only have one price, that is the list price, and that allows us to go online and put out a clear price into the market," he added. "So you can come to Genesis.ca. build your vehicle and the price you see is the price you pay."

The other part of the business model is the focus on providing a unique customer experience. That has meant not just creating a strong and easy-to-use online sales experience, but marrying that to a dealership experience to create what Marshall called a "true omni-channel experience."

Dubbed as the Genesis Retail Experience Centre (GRX Facility) it might be

CONTINUED ON PG 6

VinFast opens its first flagship store in luxury Yorkdale Shopping Centre in Toronto

ELECTRIC VEHICLE MAKERS SAID MORE LOCATIONS ARE TO COME FOR THE CANADIAN MARKET

Lawrence Papoff

TORONTO – The VinFast's first store – VinFast Yorkdale – is located in the luxury Yorkdale Shopping Centre in Toronto.

Huyn Du An, CEO of VinFast Canada, explained that the automaker chose Yorkdale "because it is a very high-traffic location in the most populated city in Canada. It is also one of the most premium malls in the country with visitors, who align with our ideal customer demographic."

The store – the automaker called it its "flagship location" – opened in mid-November of last year.

An went on to say that customers can get behind the wheel of the VF 8 and VF 9 models on display and explore the interior and exterior details of both eSUVs. At VinFast Yorkdale, customers will also be able to experience the vehicles' advanced technologies and features using a large LED screen – "an exclusive for VinFast, globally."

Shoppers will be able to engage one-onone with VinFast product experts while enjoying Vietnamese coffee. If they are interested, shoppers can take the VF8 for a spin in the area where the mall is located.

An added that VinFast Canada will own and manage all the stores it plans to open. As for the product experts, he declined to say whether they are salaried or on commission.

CONTINUED ON PG 6

Your best option if you are BUYING or SELLING a dealership. Samir Albavan MANAGING PARTNER

templeton marsh

call 416.880.8989 samir@templetonmarsh.com

www.templetonmarsh.com





TOMORROW'S DMS

PROVEN

2400 Rooftops

TRUSTED

99% Dealer Retention

EXPERIENCED

Group DMS Experts

MODERN

A.I. | M.L. | Digital



VISIT US AT BOOTH 1619

WWW.PBSSYSTEMS.COM/NADA-2023



vice president, community sales Kelly Montague regional general manager Jason Pehora

editor Tom Venetis

correspondents this issue Gordon Cameron, David Halliday, Brian McLean, Jeff Mowatt, Myron Love, Lawrence Papoff, Brandin Wilkinson

assistant regional production manager Janine Taylor art director Brian Roberts graphic design Mary Hackett

account manager Ralph Ventriglia

director of business administration Sandy Pare **accounting supervisor** Lori Ann Gvozdanovic

Canadian AutoWorld is published by Premier Publications and Shows – a division of Metroland Media Group Ltd.

STARMETROLAND MEDIA group publisher Neil Oliver director of creative services Paul Gostlin

Canadian AutoWorld

Editorial & Advertising Office 901 Guelph Line Burlington, ON, Canada L7R 3N8 905.842.6591 or 1.800.693.7986

For editorial inquiries contact

Tom Venetis tvenetis@metroland.com 289-293-0627

For advertising inquiries contact

Ralph Ventriglia rventriglia@metroland.com 289-293-0704

For subscription inquiries contact

phone: 289-293-0640 email: circ@metrolandwest.com Subscription rates \$23.95 per 1 year (12 issues) U.S. add \$10 per year

Return all undeliverable Canadian addresses to:

Canadian AutoWorld 901 Guelph Line Burlington, ON L7R 3N8

Publications Mail

Agreement Number 400 69 635 No part of this publication may be copied or reprinted without the written consent of the publisher.

We acknowledge the financial support of the Government of Canada, through the Publications Assistance Program (PAP Registration #09770) and the Canadian Magazine Fund, toward our mailing costs.





We welcome your letters and correspondence. Send by e-mail to: tvenetis@metroland.com

All correspondence will be considered for publicatio and may be edited for style and length.



This new year brings major changes to the auto shows

A while back I wrote about how the pandemic is changing the traditional auto show. It seems that this year is becoming a tipping point for many.

As I am writing this – in late November and early December of last year – news broke that the Calgary Auto Show had been cancelled and the team behind it announcing that it will return in 2024. Just earlier, Ford and Lincoln announced they were going to pull out of all Canadian auto shows. The upcoming Montreal International Auto Show will not only see the absence of Ford and Lincoln, and according to news reports German manufactures will not be present, as well as Mazda, Mitsubishi and Honda.

According to a press release, Luis Pereira the general manager of the Montreal International Auto Show said that the show will feature up to 75 per cent of the makes and models in the top 10 sales in the province of Quebec and put the blame on manufacturers pulling out to "generalized problems in the supply chain". At the same time it was reported that the show will take up much less space than it has before at its traditional venue.

Who will appear at the Toronto show or the remaining auto shows is anyone's guess; or if some of the upcoming shows will be postponed once again. If what happened with the shows in the U.S. last year is anything to go by, the shows that do go ahead this year will likely be shadows of their former selves. Many of the major shows held in the U.S. were low-key affairs, with some big-name automakers and others missing and the shows taking up much less floor space than before the pandemic.

What is happening seems to be what Ford said when it announced it would not be attending the Canadian auto shows. It said that it wanted to connect in new ways with customers. I suspect that what that means is that with the automaker making a major push with electrification, it came to think of the traditional auto show as not being the best way to reach potential buyers of these new vehicles. That is not surprising. I've attended several presentations which have tracked the shift in consumer vehicle buying behaviour over these last few years, and the even more pronounced shifts that happened during the pandemic.

One of the biggest has been around vehicle brand loyalty, especially around electric vehicles. Google found that when it came to electric vehicles previous vehicle brand loyalty played a smaller role in the choice of an electric vehicle,

especially amongst younger buyers. So, if someone has always felt a special attachment to a certain automaker and its vehicles, that did not automatically translate to that person wanting to buy an electric vehicle from the same automaker.

For vehicle makers like Ford – and we should say for any of the automakers who will very soon be releasing many even more electric vehicles into the market this year and in the following years – this means having to find new ways to reach these buyers. And the traditional auto show, with its now familiar vehicle presentation templates, may not be the best way to do so.

That is why last year you saw shows in Europe working to make the traditional auto show be more than just a display of new vehicles placed on platforms. Instead, the shows focused on the theme of mobility and the electrification of the entire mobility ecosystem, and the social changes coming about because of that; and using the shows to help educate potential buyers about how they and electric vehicles fit into that fast-evolving ecosystem. It is also why more automakers are using such shows as CES to showcase the new technologies in their vehicles and what their plans are for the electrification of their vehicle fleets, and how those electrification plans fit into the new mobility and connected technology trends emerging.

If the auto show is to have any future it must change to that new reality or we may see many auto show disappear in the coming years. Don't believe me? When I was a tech reporter over 30 years ago, tech shows such as the annual COMDEX show in Las Vegas rivaled auto shows in terms of size and attendance. And the money spent by big tech firms eclipsed what auto companies have spent on some auto shows. But as the tech world evolved and the market changed, the shows failed to adapt. The first signs of trouble were when big companies like Microsoft and others began to cut back on the spending for the shows and then stopped showing up entirely. Once that happened others followed and the shows grew smaller, less frequent and then in a few years simply vanished.

CALENDAR OF EVENTS

January

26-29 NADA

Dallas, TX www.nada.org

20-29 Montreal Auto Show

Montreal Convention Centre www.salonautomontreal.com

February

17-26

2023 Canadian International Autoshow

@CANAUTOWORLD

Metro Toronto Convention Centre autoshow.ca

March

22-26

Vancouver International Auto Show

Vancouver Convention Centre East vancouverinternationalautoshow.com

Loblaw launches autonomous grocery delivery

GATIK AUTONOMOUS TRUCKS AT WORK 24/7

Lawrence Papoff

TORONTO – Look! The truck is driving itself! Yes, it is! That Loblaw delivery truck is driving itself!

No, you're not seeing things. Those trucks – there are five in all – are driving themselves. And they've been doing it since early October in the Greater Toronto Area (GTA). They are following regular routes from Loblaw automated packing facility to five Loblaw stores in the GTA 12 hours a day, seven days a week.

To begin with, four of the trucks are operating with a safety driver. That is to say, the truck carries on autonomously and a driver sitting in the passenger seat can step in only if needed. But one van is making its rounds on its own, without the safety driver.

Loblaw said the vehicles outfitted by Gatik – more about Gatik later – aren't in a test phase. They are doing real work for the grocery chain.

"The trucks, guided by cameras, laser sensors and radar, have been in a trial phase since January 2020 and have driven 150,000 km in that time — with a perfect safety record," said Catherine Thomas, VP, communication at Loblaw Companies.

Thomas said the tests have been done with the Ontario Ministry of Transportation's approval and monitoring. She went on to say that there has also been an "intensive" third-party safety review commissioned by the grocery retailer.

She explained that the assessment included sending degraded/incorrect sensor data, GPS jamming/spoofing, incorrect acceleration with objects in front, etc. In short, almost anything that could go wrong, they made go wrong to see how the autonomous truck would react. The vehicle passed the tests with flying colours.

But to be on the safe side, Gatik said that as part of a phased approach, for the initial few months of the driver-out phase, the trucks will also include a safety passenger along with a chase vehicle to ensure local oversight as part of the technical and operational checking.

Eventually all local human resources will be removed, as Gatik transitions human oversight to remote supervisors overseeing operations from off-site locations called remote monitoring stations.

The trucks doing the work are Ford Transit 350 box trucks, with refrigeration units and lift gates. The trucks are equipped with Gatik's proprietary autonomous self-driving software for urban, suburban and highway driving. All trucks are ICE.

"Being the first in Canada with this technology and deploying a fully driverless solution is exciting and illustrates our commitment to making grocery shopping better for customers," Thomas said. "Working with Gatik, we've demonstrated that autonomous driving technology enables supply chain efficiency, moving orders more frequently for our customers."

She added that autonomous delivery lets Loblaw operate more routes and make more trips, establishing a supply chain that is safer, more sustainable, and durable. But the routes are straight forward from Loblaw distribution facilities to five nearby retail locations on fixed, repetitive, predictable routes.

Gatik at a glance

The company was founded in 2017 by brothers Gautam, Narang and Arjun Gatik and chief engineer, Apeksha Kumavat. The goal: move goods from micro-fulfilment centers and dark stores in urban environments to pick-up points such as brick-and-mortar retail stores and distribution centres using a fleet of light and medium duty trucks operating autonomously with Gatik technology.

Gatik is not new to autonomous delivery. It transports goods for Walmart in Arkansas. The company's vehicles also operate in Texas and Louisiana with customers includ-



ing Georgia Pacific and Pitney Bowes.

"Gatiks founders spent many years in the autonomous space, so they knew what was realistic to achieve from an autonomous technology standpoint in the near-term - constraining the challenge of autonomy and operating on fixed, repeatable routes is the most effective way to deploy safely and accelerate the commercialization of autonomous vehicles," said Rich Steiner, head of policy and communications for Gatik.

Steiner said Gatik's founders noted that the online grocery segment was on a "steep upward trajectory." So, Gatik's found-

ers spoke with many retailers, grocers, and distributors about their pain points, and identified a huge opportunity on the supply chain's middle mile, delivering goods on the kind of predetermined routes that are a "perfect fit" for the company's technology.

"Simply put, rather than trying to boil the ocean by focusing on B2C (business-to-customer) or robotaxi (self-driving) applications like most of the industry at the time, B2B short-haul logistics was where we felt we could add the most value, bring a product to market quickly, and scale safely," he said.

The company has offices in Palo Alto, Calif., and Toronto. Steiner said the tech company supplies the vehicles to Loblaw and its other clients. It does not lease or sell them.

He went on to add that when it comes to maintenance, Gatik works with partners including Ryder, using its national servicing infrastructure. He said this ensures Gatik can serve its customers across the continent, with a team of world-class technicians and services, thus keeping the trucks on the road

"with maximum uptime and enhanced vehicle performance."

This includes calibrating Gatik's autonomous vehicle sensors and undertaking the necessary pre- and post-trip inspections. When asked where Gatik bought the vans, Steiner declined to comment.

Steiner said "this milestone signifies the first time in Canada that fully driverless operations have been achieved on a commercial delivery route, that is the safety driver has been removed from the vehicle. It's a historic moment for the autonomous trucking industry and the logistics sector in the country." TAW

Supply chain disruptions have changed consumer auto buying behaviour

Talk Auto finds more ready to buy a car online, less loyal to auto brands

■ Tom Venetis

TORONTO— If one is expecting that this year would bring some certainty, some normalcy to the automotive buying landscape in Canada, think again.

Talk Auto, Google Canada's annual deep-dive into the online searching and buying habits of Canadian auto buyers finds a continuing momentum to e-commerce. As Claudia Worms Sciama, managing director, automotive and consumer goods with Google Canada pointed out sales in Canada is more than \$100 billion dollar and e-commerce makes us some 15 per cent of that remarkable sales figure. In fact, Canada and its U.S. neighbour are at parity when it comes to e-commerce spending. She added that digital is now a central fact of all commercial transactions today. And when it comes to an auto purchase, that new digital retail reality has changed the landscape.

Al-Karim Awadia, head of automotive industry at Google Canada pointed out that online sales jumped 600 per cent since COVID and more Canadians are open to buying their next vehicle wholly online, with some six per cent of vehicles already being purchased online and 12 per cent of electric vehicles. "Many OEMs are already moving in this direction and are thinking more about how to sell vehicles online," he added. "Today, nearly 54 per cent of those we surveyed expect to be able to buy a car completely online for their next vehicle. On the electric vehicle front, this is 62 per cent. So we know there is a growing desire to do

more online and this will continue to grow."

Awadia added that this greater acceptance of purchasing a vehicle online, and doing more of the vehicle research and build online as well, is driving more dealerships and OEMS to putting a greater focus on making that online experience even easier and more transparent, and to put more of the traditionally-focused dealership processes online as well. That includes credit approvals, financing and trade-in evaluations, as some examples.

Along with the changes that e-commerce continues to bring to automotive buying landscape, the ongoing supply chain disruptions has also changed consumer behaviour. Some 52 per cent of Canadians say they are facing longer wait times or availability issues when it comes to buying a vehicle over the past 12 months. One-in-four vehicle buyers said they changed a vehicle purchasing decision because of inventory constrains caused by the supply chain disruptions.

"What this means is that consumers were faced with a second layer of decisions to be made that saw them either deciding to wait for their preferred vehicle of choice, to deciding to switch to a competitor's vehicle or to pivot to a used vehicle to find the inventory they needed. That has not happened before," Awadia said.

These disruptions to supply chains the impacts to vehicle inventories caused another major shift in consumer behaviour, and that is a diminishment of brand loyalty. According to Google Canada, 39 per cent of Canadian car buyers bought the same auto brand as their previously owned vehicle in 2022, down some 11 per cent in 2021. There was a similar drop amongst luxury car buyers with a 22 per cent drop in loyalty.

Electrification and other auto trends in 2022

■ Ross Fattori

As 2022 drrew to a close, the auto industry in Canada had weathered another difficult year, with semiconductor shortages and supply chain issues (brought on by COVID-19) contributing to another year of declining new vehicle sales.

Despite those challenges, the industry continued to excellerate on many fronts, embracing new technologies, partnering with tech companies and redefining customer experiences in an effort to stay competitive.

Here are some trends that helped to move the auto industry forward in 2022.

Zero-Emission Vehicles

According to DesRosiers Automotive Consultants, zeroemission sales continued to grow in 2022, reaching 7.2 per cent of market share in the first half of the year (above 5.2 per cent share in 2021). Battery electric vehicles comprised 5.4 per cent of the total registrations from January to June. The electrification market is expected to continue to gain momentum, especially with lower battery costs, more charging stations (alleviating range anxiety) and government-mandated sales quotas and incentives, and as more hybrid, plugin, battery electric and fuel cell models are introduced to the market. According to KPMG, 71 per cent of Canadians would consider purchasing an EV for their next vehicle.

Canada invests in an EV Future

As the global demand for critical minerals increases, and countries prepare for a low-carbon future, Canada has recognized it is in a unique position to capitalize on this growing demand. In the 2022 federal budget, an investment of at least C\$2 billion was earmarked for the production and processing of critical minerals needed for the EV battery supply chain. This investment will ramp up the extraction of processing of critical minerals, including nickel, lithium, cobalt and magnesium. In March, the Ontario government an-

nounced a five-year critical minerals strategy aimed at better connecting mines in the north to the manufacturing sector in the south, specifically to Ontario-based electric vehicle and battery manufacturers. A large portion of this new investment – valued at \$24 million – will go towards positioning the province as a global leader in supplying critical minerals, such as nickel, cobalt, lithium and rare earth elements.

Car Dealerships

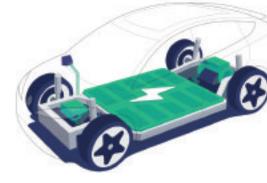
Customers have demonstrated tremendous loyalty to dealerships throughout the pandemic. A Deloitte Study says that eight out of 10 car buyers still prefer to buy a vehicle at a dealership, as opposed to an online purchasing experience. Clearly, consumers continue to place a high value on visiting dealerships in person, talking to salespeople, viewing cars up close and taking them for test drives. As dealerships were quick to adopt new safety protocols and adapt to new business realities in light of the pandemic, so too will they continue to evolve and adapt to serve the transportation needs of their customers.

Artificial Intelligence

AI continued to upend the entire automobile ecosystem, from research, design, manufacturing and supply chain production to sales and marketing, driver-assist safety features, driver monitoring and insurance. As AI becomes more embedded in vehicles, the information that is extracted and analyzed from that technology is leading to further improvements in performance and safety, and it will inevitably lead to the development of fully autonomous vehicles. This brave new world of autonomous vehicles is coming, but it is fraught with legal and ethical challenges as well.

Collaboration

Automakers continued to form new partnerships and collaborations with tech companies to develop autonomous vehicles, GPS mapping systems, telematics, network secu-



rity, and other functions. At the Consumer Electronics Show in January, several partnerships between automakers and tech firms were announced. Mobileye (Intel's autonomous driving division) announced a partnership with Volkswagen to provide mapping data on future models. Tech giant Qualcomm announced deals to supply computer chips to Volvo, Honda and Renault, to digitize these automakers' product lines. And Ford announced a partnership with Google to integrate its maps and voice assistant into their vehicles, beginning next year.

Tomorrow's Auto Buying Experience

The pandemic has escalated dealerships' use of ecommerce as a platform for automotive sales and marketing. In 2022, consumers continued to rely more and more on digital channels to research, buy, sell and service their vehicles. Enhanced dealer websites, social media, videos, live chat, consumer reviews and online booking systems are some of the areas that continue to impact consumers looking to buy and service their cars. Data driven marketing has also become more sophisticated, as consumer behavior will be tracked and analyzed in an effort to deliver the right information to the right buyer at the right time.

Amazon Web Services and BMW collaboration

Strategic partnership looks to bring next generation of vehicle technologies to reality

■ Tom Venetis

TORONTO – Vehicles today produce an incredible amount of data and that data – from how the vehicle's various mechanics and systems are operating to how the driver and passengers are using the onboard infotainment system – is crucial to how vehicles will evolve over the coming years.

The challenge for vehicle makers is how to use and protect that data and then how to use the data to create a new generation of vehicle services and technologies. In October of last year, BMW Group announced a strategic partnership with Amazon Web Services, a cloud service and solutions provider, that would allow the global automotive maker to not only manage the vast amounts of data it was collecting from its vehicles, but to have its engineers use that data to better understand how vehicle owners were using their vehicles and and the automaker's apps and services to better design new vehicles and features.

"We already have around 20 million extensively connected vehicles on the road today," said Nicolai Krämer, vice-president, vehicle connectivity platforms, with BMW Global in a release accompanying the announced strategic partnership. "When the 'Neue Klasse' is launched, our offboard cloud



■ Many automotive companies are looking into now bringing to owners more personalized experiences.

platform, powered by AWS, will process roughly triple the volume of vehicle data compared to the current generation of BMW models. Together with AWS, we will continue to create innovative solutions, allowing us to develop new, data-driven functions and make them available to customers faster."

This is going to be critical as the automaker is looking to develop not only new vehicles to come to market in the coming years, but to roll out new customer-facing technologies and services for those new vehicle owners.

"When we look across the whole of the automotive industry," said Wendy Bauer, general manager with Amazon Web Services, "cloud technology is being incorporated by automotive companies into how they innovate and how they are starting to think about the customer experience. They are looking into now bringing to owners more personalized experiences, for example."

To put it simply, data and what that data can tell an automaker about it customers will be as important as the engineering of the engines and the physical mechanics of the vehicles. Vehicle owners are now starting to look and interact with their vehicles in much the same way they do with their smartphones, said Bauer. "You have people today who have become accustomed to using their phones and how easy it is to use them; how easy it is to update them with new features and to add new applications to them. The belief

amongst many is that your vehicle should operate in the same way."

The goal is for BMW to use Amazon Web Services to help develop new vehicle features and services as drivers assistance technologies, vehicle charging optimization for BEVs and finding available charging station, to improve over-the-updates of critical vehicle functions and services and collecting vehicle information to improve the service and maintenance of the vehicles over the lifetime of the owners use.

"Rapid, data-fueled innovation is critical to unlocking next-generation vehicle capabilities for automotive organizations, particularly as the industry looks to expand electric vehicle adoption, software-defined vehicle development, new digital service paradigms, and more autonomous vehicle features," said Sarah Cooper, general manager of AWS Industry Products at Amazon Web Services upon the announcement by Amazon Web Services and BMW Group. "By teaming up with the BMW Group, we are building infrastructure today that will generate value for the next generation of vehicles. Together, we are excited to make the vision of software-defined transportation a reality and to enhance the capabilities of vehicles on the road." CAW

GENESIS Canada FROM PAGE 1

mistaken for a standard retail dealership. It would be a mistake to think that. A GRX facility is made to give a customer a seamless transition from the online Genesis.ca site to an in-person dealership experience and its services based on each customer's stated preferences, and laserfocused, as the saying goes, on providing a true luxury experience of the Genesis brand and its vehicles.

"We are introducing this brick-and-mortar experience for those customers who are looking for that [dealer] luxury experience," said Marshall. "We knew from our own studies that there was a segment of the population that wanted something different, a difference kind of dealership experience. They were saying they were not pleased with their current [dealer] experience and that is why we developed our model. You are not coming into the GRX Facility to negotiate on price. Instead, what you will get is an elevated experience, one focused on the guest's expectations and adapting to and meeting their needs."

All transactions will continue to be completed online and the Genesis at Home suite of services, from athome test drives to valet service, will still remain available to all.

Currently, there are several Genesis Retail Experience Centres open in Canada: London, Ontario - Genesis London; Sherbrooke, Quebec - Genesis Estrie; Quebec City - Genesis de Québec; and Regina, Saskatchewan

- Genesis Regina. Ground was recently broken for a new Centre in Ottawa. By 2023, Genesis Canada plans to have some 80 per cent of its current Genesis distributors build Genesis Retail Experience Centres and all to have done so by 2024.

Marshall said that this year will see Genesis Canada take more bold steps into the electric vehicle market, with the launch expected of the electrified GV70, one of Genesis's most popular vehicles. He added the roadmap for electrification is not just to simply introduce electric vehicles, but to introduce vehicles that meet and exceed the luxury ex-



perience the Genesis brand continues to build in Canada.

"Our long-term strategy is to be known as the 'Number One' luxury electric vehicle destination and the

way we are going to do that is to have our network have the right infrastructure, support and persons to support those electric vehicles in place," Marshall added. "Currently, with electric vehicles, there has been a focus on the technology and certain brands have made a name for themselves with that strong technology push. Yes, we are going to keep up with the technology and develop our own [electric vehicle] technologies, but we will also deliver top-end, luxury vehicles and a luxury experience."

That luxury experience is going to be enhanced with the recent announcement that Genesis Canada has partnered with Forbes Travel Guide. The Forbes Travel Guide team will work with Genesis Motors Canada and its distributors to share luxury hospitality practices and will form part of their ownership experience after delivery of the vehicle to the customer. Forbes Travel Guide will train the Genesis guest-facing team members on these luxury hospitality standards and those who successfully complete the training will be recognized as "In Partnership with Forbes Travel Guide."

"Using its service excellence solutions, Forbes Travel Guide is dedicated to working with a broad range of bestin-class companies like Genesis Motors Canada that have made a commitment to service excellence an important part of the business strategy," said Hermann Elger, CEO of Forbes Travel Guide in a statement when the partnership was announced. CAW

Vinfast FROM PAGE 1

Who is VinFast

Based in Haiphong, Vietnam, VinFast was founded in 2017. In 2019, the automaker began producing BMW X5s. The company isn't new to electrified vehicles. It already produces battery-powered scooters and buses in Vietnam. According to Forbes Wheels (May/22), VinFast has moved into the consumer EV market in partnership with an assortment of big-name suppliers, designers, and engineering houses. The VF8, for example, was largely designed by Pininfarina.

VinFast delivered the first 100 of its subcompact VF4 model to customers in Vietnam in October of last year. The automaker's Haiphong plant is said to have the capacity to produce an average of 38 vehicles an hour, or 250,000 EVs a year. And VinFast has opened a battery plant in Vietnam.

The automaker is aiming to open an assembly plant in North Carolina with a capacity of 150,000 VF 8s and VF9s a year. The automaker also has plans to open a battery plant nearby.

Purchasing a VinFast vehicle

If the customer wants to buy a vehicle, they can reserve a VF8 or VF9 at the store - or any of the other stores - or go online to the



automaker's website, VinFastAuto.ca and choose the vehicle they want complete with options and accessories.

One luxury electric

vehicle destination."

The customer reserves their vehicle and it will be built and shipped to them from Vietnam. Should a customer want to know how soon they will be at the wheel of their VF8 or VF9, An said that's not a problem.

VinFast and INFORM, an EV logistics management company, have just formed a partnership. "This close collaboration will help VinFast monitor the status of the customer's vehicle from production to delivery," An explained

He went on to say that the VF8s and VF9s are being manufactured at the VinFast manufacturing complex in Hai Phong. "The first 100 VF 8s have already been delivered to early reservations in Vietnam and the next batch of VF 8s will be headed to Canada, the U.S., and Europe, early in 2023."

An said there are sales goals set. But those are internal and not for publication.

More stores to follow

The Yorkdale store - a spacious 3,000 sq-ft - is part of the automaker's larger Canadian rollout. More stores are coming for Ontario, Quebec an B.C. In fact, VinFast opened its second Canadian store, VinFast Carrefour Laval, its first in the Greater Montreal Area, at the end of November of last year.

Similar to VinFast Yorkdale, VinFast Carrefour is located in a heavily trafficked "super-regional" shopping mall. "The strategic retail location allows customers to easily access the store and directly experience VinFast's premium brand and services," said the automaker.

The automaker predicted there will be six more openings by this year's end with the next in line being VinFast Park Royal at Park Royal Shopping Centre at 2002 Park Royal S, West Vancouver.

Luxurious and affordable

The VF 8 starts at \$54,990 with a monthly battery subscription or \$64,990 with battery. The VF 9 starts at \$79,990 with a monthly battery subscription or \$103,790 with battery. As for the battery subscription, it starts at \$259/month for the VF 8 and \$349/month for the VF 9.

Under the lease, VinFast will replace packs that develop problems, including those that drop to lower than 70 per cent of initial capacity. An said that should reduce concerns about the reliability and longevity of lithium-ion batteries.

An added that, "VinFast is working with financing partners to develop attractive financing options for our customers."

As for service centres, their locations will be revealed prior to their opening. AW

Nissan Canada tackles the EV challenge



■ Lawrence Papoff

MISSISSAUGA, ON – When it comes to preparing for dealerships built around EVs, Nissan Canada is a veteran.

"Nissan's facilities have included EVs in their design since the first Nissan LEAF delivery in Canada in 2011," said Andrew Harkness, director of dealer network development & customer quality at Nissan Canada Inc.

Harkness said the delivery of the LEAF, the first mass-market EV here in Canada, set in motion the development of what was to become Nissan's Retail Concept, NEXT, and the NREDI2.0 image program, the most recent program. These programs have been shaping the design of Nissan dealerships in the Canadian market since 2016.

"Nissan's ARIYA and LEAF carry our highest technological prowess and it is essential to our network that we clearly display that in our facilities. The Nissan image program (NREDI2.0) is demonstrative of innovation, customer centricity and high-performance operational excellence," Harkness added.

He went on to say that most recently, the automaker's image program now supports the Canadian launch of the ARIYA, Nissan's 100 per cent electric CUV.

Facility features include interior and exterior electric vehicle displays, customer facing and service EV chargers, dedicated EV service bays and equipment, including specialized lifts and battery areas. The showroom is equipped with three or four EV chargers offering both Level 2 AC and Level 3 DC (fast-charging) capabilities

The dealers' challenge

Harkness said Nissan dealers first reach an agreement with Nissan Canada to renovate

or construct stores to the automaker's updated image.

The upgrade is not an imposition since dealers tend to upgrade to the most current image program after 10 years from their previous image investment. He went on to say that many stores are being upgraded. There's no need to build anew. Nissan Canada isn't insisting on it.

"Absolutely! In fact, there are multiple projects underway that are renovations of existing buildings as well as constructions of new sites," he said.

There are 209 Nissan dealers in Canada. Around 25 per cent are imaged and more projects are underway. Harkness said Nissan Canada's goal is to have all of its dealerships imaged by 2025.

A dealer's point of view

Medicine Hat Nissan has had its sights set on a rebuild when the UF3 Auto Group acquired it in 2016. The building was over 20 years old and needed a going over. But a closer look made a new dealership a must.

"The facility we had before this was extremely small and older," recalled dealership GM Scott Wawryk. "Also, the location was not fantastic being near the airport rather than within the city. So, we built an entirely new storefront at a new location in town, so everything was new from the ground up."

Medicine Hat is 295 km southeast of

Construction started in 2020 and took about 12 months. When the doors opened, it was like night and day.

There is a seven-vehicle showroom and lot space for 150 more. There are 100 parking stalls sheltered by solar panels. It is hoped that, in time, the panels will be able to power the building.



"We have plenty of space now. Much more room to showcase vehicles both inside the showroom and on the parking lot," he said

The facility is modern, open, and spacious. Each salesperson and finance manager have their own office space, which helps to set customers at ease now that they know their meetings with staff will be private. The service department boasts a viewing area where customers can see their vehicle being worked on and relax. There are tablets and charging/workstations, so customers can carry on with their work in comfortable sofas and chairs. And there are TVs aplenty.

And should customers need to bring their children with them while shopping or waiting for their car to be serviced, a children's play area is located just behind the main lounge. It's fully visible from all areas of the showroom. This play area has Disney movies always playing and tablets and toys for all the young guests to enjoy.

"We really want to make our customer's time in store as comfortable and productive as it can be," he added.

Building with Nissan Canada

Wawryk said Nissan Canada wasn't hard to work with. There was a lot of back-and-forth communication with the automaker in regard to the project.

Some things were non-negotiable. He said the automaker insisted on having the first and last word on certain things such as signage, colors, lettering, exterior materials, and basic layout of departments.

But there were many areas where the dealer had direct input.

"There is a decent amount of freedom for the dealer to be able to choose shelving, overhead doors, lighting, and overall placement of the store footprint on the lot," Wawryk said. "Anyone who has built a new facility with a major OEM would not find Nissan to be hard to get along."

Wawryk had special praise for staff. Without them, all the technology in the world would be wasted. "As always it is our staff that keep our customers happy and purchasing or servicing vehicles with us. No matter how nice your facility is, having the right people who want to do a great job for their customers each day is the major driver of a successful dealership."

There's more to come

Nissan is currently making the transition to EVs. He said there is a lot of training that is scheduled and upfitting that will take place over the next several years - charging stations, tools, and safety equipment.

But Wawryk is confident that they will be able to meet the challenge. "As EV's become more prevalent, we will be able to adjust accordingly to serve our customers' needs whether they are driving an internal combustion engine vehicle or an EV."

He would not discuss dollars and cents, but "I would say the cost would be what a dealer would expect of a new build along with land purchase."

And it was worth every dollar. "There is something to be said for inviting our guests into one of the nicest dealerships in Canada to work through purchasing a vehicle," Wawryk said proudly. **AWI

Wyant Auto Group going in new direction with first Harley-Davidson franchise

Myron Love

KELOWNA, B.C. – The Wyant Group is moving in a new direction with its recent acquisition of Gasoline Alley Harley-Davidson of Kelowna as of November 1.

We're thrilled to add Kelowna Harley-Davidson to our automotive family," said Wyant Group president Vaughn Wyant who himself has been riding Harleys for the past 25 years. "Harley-Davidson is an iconic brand which continues to be a force in North America. We have a passion for motorcycles and a vision of customer service excellence – for all our businesses. This opportunity is certainly no exception. We're proud to be the new owners and will work hard to earn and maintain the trust, respect and confidence of all those who love Harley-Davidson."

Wyant reported that the previous owner, Grant Price, was a well-respected Harley-Davidson dealer in the Okanagan region. The Kelowna store was opened in the spring of 2016 by Price who has been operating Gasoline Alley Harley-Davidson in Red Deer for the past 30 years. He also has a location in Brisbane, Australia.

The new Gasoline Alley Harley-Davidson of Kelowna owner described the Kelowna area as "arguably the best region in the country. The riding season is longer here, and the scenery is spectacular."

In a press releasing corresponding to the announcement of the change in ownership, Scott Winhold, general manager sales, North America, is quoted as saying that "we are pleased to welcome the Wyant Group into the Harley-Davidson dealer network and look forward to them building on the success of the Harley-Davidson brand in the Okanagan. The Wyant group has an outstanding track record of delivering high quality customer service, which is a trademark of Harley-Davidson dealerships across Canada. Their progressive and trusted customer-first approach will ensure new and existing Harley-Davidson enthusiasts will receive a unique experience that can only be delivered by Harley-Davidson."

With the new acquisition, the 35-year-old Wyant Group has now grown to 19 dealerships – representing 21 automotive brands – and Harley-Davidson – throughout Saskatchewan, British Columbia and Alberta.

Overlooking the sales-to-service handoff costs you money

■ Lawrence Papoff

TORONTO – Time spent on paperwork. Remote delivery. Setting up phones and vehicle safety systems. These are must-does. Then there's the customer's excitement with their new ride. Add up all these ingredients and you have a costly recipe for overlooking or not doing the sales-to-service handoff well enough.

"Don't look to the service advisor. They're the busiest salesperson in the dealership," warned Christine Mitchell, aka the CarLady. "They don't often have an opportunity to complete a walkaround inspection with the customer, never mind going through in detail the features of the vehicle and the maintenance schedule."

Put yourself in the customer's shoes

Dealers sometimes forget how complex and bewildering the purchase process can be. "The delivery process can be intense and overwhelming. After all, this is the customer's second-largest investment they will make next to their home," Mitchell explained. "Vehicles are as technologically advanced today as they have ever been and getting more so. If the customer hasn't had a new vehicle in as little as three years, they will need retraining."

Mitchell pointed to an ever-growing list of items that need setting up and explaining – media systems, safety systems, mobile phone apps and Google Alexa for some vehicles. The list grows year by year. Their maintenance needs need teaching as well.

It's not that the customer doesn't want to know or learn, but the delivery doesn't give them the time, Mitchell added. She said that in the years she has been hosting her Know Your Car Nights, she hears the same comments over and over. "I didn't know my car needed regular maintenance to keep my warranty valid. I didn't know my dealership had evening hours, a body shop."

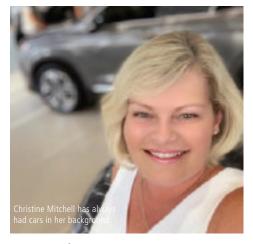
"I didn't know" is the reason so few customers return to the dealership after sale. They don't know because no one has taught them," she explained.

Who is the CarLady?

Christine Mitchell grew up in rural Canada where everyone worked on their car. Young Christine was one of them. She began tinkering on the family car when she was 16. Thus inspired, Mitchell went on to work in the automotive industry as a technician, service advisor and salesperson before putting her wrenches down in 1997 to become the CarLady.

"As a single mom, I needed the flexibility of working for myself," she recalled. Her need helped her find a niche. "I had a niche, a woman with a love of public speaking and the drive to make my business a success."

Since then, she has driven hundreds of thousands of kilometres to help dealers across Canada build customer relationships that increase both customer retention and



customer satisfaction.

Mitchell added she and her crew have taught staff at some of the largest dealer groups in the GTA and southwestern Ontario. "I have long-lasting relationships with many stores. Cambridge Toyota, for example, was the first dealership I signed and I'm still working with them 25 years later."

The remedy for second-rate handoffs

The CarLady recommended Know Your Car Nights. Mitchell likened them to an after-sales seminar when your customers are invited to come back to the dealership – virtually or in person – where they can learn about the features on their car, how to take care of their car through regular maintenance and the advantages of having their new ride serviced at your dealership.

That's when you can introduce them to your service hours, shuttle, night drop off, tire storage, detailing, tire packages and more.

"We want to help your guests understand that the dealership is more than the showroom, it's a commitment to be 'everything auto' for the customer, for the lifecycle of their current vehicle, and into their next."

But isn't this a malady a salesperson/product advisor can treat?

Mitchell said she has spent a long time wracking her brain for the answer.

"Yes, it could be solved in-house with the right systems or a qualified delivery coordinator or a salesperson/ service advisor handoff. Only in a perfect world, could the customer be walked back to the service department, introduced to the team, and have features and maintenance requirements explained. "

But Mitchell added finding the time for that and getting the attention of the customer are the biggest hurdles. She again recommended Know Your Car Night as the perfect attention getter. "Know Your Car Night is what we do. We have the experience and the training to make this process a complete success. We are your second chance at a first impression."

In-person learning is best

Zooming is a good way to learn but not the best. Being at the dealership teaching and fielding owners' questions is best for the teacher and the guest and the dealership.

"For example, we do a shop tour with a car on the hoist for the brake alignment and tire demonstrations. It really drives home the importance of regular service to the guests and brings valuable interaction amongst them," she said. "When we gather in person, people connect on their great decision to buy from the dealership, and it builds a sense of community."

Mitchell added she has often seen guests so involved that they answer questions from their fellow guests.

"Every dealership can participate," she continued. "We base the number of events per year on volume and a process to register each customer upon delivery.

She said she offers a "complete service."

Guests get an email notice. But that's not all. There's follow-up. "We make live phone call confirmations with a team trained to explain and encourage your customers to attend"

What else is on the menu?

Second on the menu is Women At The Wheel. Like Know Your Car Night, Mitchell explained that it too is an overview of maintenance. But this offering adds advice as to what to do in an emergency.

This event is also a means for the dealership to add to its reputation for community involvement.

"Women At The Wheel is popular as a community event or a charity event, inviting women from the area to the dealership for an evening of fun and information or fund raising for a cause. October is Breast Cancer Awareness month. I have three Women At The Wheel events booked as a fundraiser for different dealerships."

Coast to coast

The CarLady and her crew are available to do Know Your Car Night at any dealership in the country. Mitchell says she will meet with the dealer to customize the event to fit the individual needs of the dealership not just the manufacturer.

"When I teach at City Buick, for example, I'm teaching about City Buick service and why guests should get their cars serviced back at the City Buick or at whatever dealership they purchased their car and the specifics of that dealership and its aftersales department."

Mitchell said she currently host events only in English. But she is looking forward to an opportunity to hold her events in different languages.

Murry Group acquires rural Alberta GM store

Myron Love

CALGARY, AB – The Murray Auto Group has added General Motor's newest Cheyrolet store

"Cochrane GM is the only new General Motors store that has been opened in western Canada since 2009," reported Doug Murray, dealer principal at the Murray Group's flagship Murray Chevrolet Cadillac Buick GMC in Brandon, Manitoba.

He added that with a population of

about 35,000 and growing, Cochrane – which is located 18kn due west of Calgary – has been cited as the fastest-growing community in Canada. He noted that the dealership – with a staff of around 40 – is a good-sized facility – with luxurious features - in an ideal location. Cochrane GM was founded by long time Calgary GM dealer Gary Sartario with Shaganappi GM.

Murray reported that the deal took effect as of December 1. He noted that the only staff changes will be the additions of Murray Chev Brandon Chuck Elliott and

Mason Raymond as co-managers. Elliott has been general manager at the Brandon store for close to 25 years while Raymond is a former NHL hockey player – formally with the Vancouver Canucks – who has been involved in auto sales off and on since his playing days.

Raymond, the son-in-law of Doug Murray, is a native of Cochrane. "He has been wanting to get back into the business," said Murray of Raymond. "This is a good opportunity for him – and there is no better mentor for him than Chuck."

With Cochrane GM in the fold, the Murray Auto group now numbers 31 new car dealerships- the majority of them in western Canada. The Murray Group's roots go back to 1926 and the opening of Murray's Garage – by Doug Murray's grandfather, A.A. Murray – in the southwestern Manitoba town of Souris. Murray and his sons, Clair. Ewart and Del, became GM dealers in 1934. In 1960, Clair acquired a GM dealership in nearby Brandon – and the family-owned auto group has grown from there.







To learn more about Retail Anywhere visit reyrey.ca/retailanywhere



2023 has begun – weigh anchor and hoist the mizzen!



"Weigh anchor and hoist the mizzen!" In the 16th century, ship captains shouted this now-romanticized expression as an order to their crews to pull up anchors and start sailing. Dealerships are like those majestic vessels from centuries ago: The wind of commerce fills their sails and propels them into the unknown. Every day is an adventure, every sale a conquest. As captain, or high-ranking crew member, the dawn brings with it opportunity, excitement, and a great deal of freedom.

So too has the coming of a new year, and like many, you're probably full of hope and excitement for new things on the horizon. Sure, there's a murky fog of unpredictability that separates us from what will occur in the coming days, weeks, and months ahead. But that obscuring mask is not as thick as you think, and the keen-eyed navigator can discover a safe path.

Some of the biggest issues dealerships will face this year have been obvious for quite a while now. They're so large, they rise out of the fog like a lighthouse signaling the need for a course adjustment. Battery electric vehicles, the rise in cyberattacks, microchip shortages, and supply chain delays are just a few of these issues.

They're so large they can't be ignored, yet there's often little a dealership can do to avoid them. The good news is their size also makes crashing into them and sinking mostly preventable. It's the shoals obscured by the fog you need to



worry about – they'll scuttle your ship. Surprising events can do significant damage to your business if you're unprepared for them

So, as you embark on another yearlong campaign of automotive retail conquest, take a moment to consider everything you may need to achieve greater levels of success.

Put safeguards into place to prevent random occurrences from derailing your operation, or at least to mitigate the damage. Then, track and analyze the most important data running through your systems. You'll be alerted the moment things begin to take a turn for the worse. This, of course, is much easier to do with a streamlined system where everything is built as one to work as one. Nothing slows down awareness of a problem like inefficient integrations.

As you analyze your operations, look for opportunities. If you think you can squeeze a little more efficiency out of a process to earn a bigger return on revenue, you may be right. Let's take a look at that together and see if we can uncover a map to that buried treasure.

In 1849, French writer Jean-Baptiste Alphonse Karr wrote, "Plus ça change, plus c'est la même chose" – the more things change, the more they stay the same. The fog of uncertainty may obscure the dangers ahead, but we know the fog has always been present, and always will be. The key is making sure you're prepared for whatever dangers it hides, new or old. Bon voyage. **AWI

Lance Alverson is area vice-president, Reynolds and Reynolds (Canada) Ltd...

TRADE X's Billy Martin talks about a new office in Mexico and what is happening in the global market

Is this the first office that TRADE X has opened in Mexico and how many other offices/locations does TRADE X have outside of Canada? Is this the first office in a major expansion of TRADE X into Latin America?

TRADE X has offices all over the world. We started in Canada and quickly moved to the United States, and later expanded with offices into Latin America – first in Mexico and then to the Dominican Republic, Jamaica, Bahamas, and now we're sweeping through Panama.

We're also expanding throughout Africa, with offices in Nigeria, Ghana and Kenya.

What benefits does this announcement bring to your U.S. and Canadian-based TRADE X partners and dealers? Does having access to the Mexican and Latin American market mean a new source for pre-owned vehicles for U.S. and Canadian dealers. Or for U.S. and Canadian dealers to sell their pre-owned/used inventory to a new and growing market?

TRADE X is creating greater connectivity

for automotive dealers across North America. Though Mexico is one of the most important manufacturing hubs, the country hasn't had a lot of experience importing vehicles. But there is a need there – like in a lot of markets – and the opening of this new trade route will enable dealers to connect with buyers and sellers across North America and beyond to ensure that they can find exactly the types of cars they're looking for and get the best possible deal, all within a trusted and easy-to-use platform. We see Mexico as being both an import and export market – so, it's an exciting addition.

Can you give us some insight into the used vehicle market across North America and Latin America now? Several market trends suggest that pre-owned/used vehicle inventories continue to remain tight with dealers sometimes struggling to get inventory to meet demand. Will this trend continue in 2023?

As of right now, the automotive industry continues to struggle from a major shortage of vehicles brought on by the pandemic, and we believe that trend will last well into 2023. That's why, we want to encourage dealers to use our platform and partner with us so we can connect buyers and sellers and ensure dealers are able to obtain the inventory they need. Through our technology, we can acquire vehicles ready to be imported – and that are admissible – into the North American and Latin American markets. The great news for dealers is that TRADE X launched at a time when buyers and sellers are desperate to connect. We have the inventory, the technology, and the people necessary to help the automotive industry survive through the current market and beyond.

One trend in 2022 was increasing pre-owned/used vehicle prices, with dealers often reporting selling some pre-owned/used vehicles for near original MSRP. Have prices plateaued?

I don't believe the prices have plateaued, as we know the prices are continually adjusting to each market and related currency fluctuations. One element of our technology is that it can look beyond what is happening currently, and among many other things, can analyze global currency





Billy Martin, Business Development Leader

trends, admissibility, regulations, changes in legislation, and valuations, so each vehicle on the platform can be marketed where it will command the best pricing. Vehicle pricing seems to be coming down slowly, generally speaking, but not to the rate of panic. Vehicles are still selling well, and there's a huge need for supply across the world.

For example, in Saudi Arabia, there is roughly a 68 per cent shortage of vehicles, so dealers there are buying aggressively in different markets due to the current exchange rate. It makes it worthwhile, financially speaking.

Bill Martin is global head of business development for TRADE X. For over 34 years, he has been recognized and awarded numerous ac-

Paving the way for software-defined vehicles in 2023



Every segment of the auto market is going electric. Major original equipment manufacturers (OEMs) are pledging to move toward electrification, but the COVID-19 pandemic's impact on sales and the supply chain likely pushed back big decisions over the past year.

As we look ahead to next year, we'll see OEMs look to recover from slow sales and reshuffle product strategies to focus resources on higher-end models and in-vehicle features.

HERE ARE THE TOP FIVE TRENDS TO WATCH IN 2023:

Widening workforce gap will fuel competition for talent

Attracting and retaining talent in the 'electrified' auto industry will be a major challenge, and competition for top software talent will ramp up between OEMs and tech companies. There are multiple generations in today's workforce, and many workers appear more mobile and less loyal to employers.

A report by research group Gallup and Amazon Web Services (AWS) found two-thirds of Canadian companies surveyed find it challenging to hire the tech talent they need. This pain point will be visible throughout the next year, compounded by hardware consolidation. In the past, different people worked on different areas of design and production. In today's auto industry, separate pieces are consolidated into compute modules run by a single software platform. OEMs will need to look at retraining or replacing their workforce.

Splitting future from legacy

Most OEMs will continue to offer petrol and diesel vehicles while building electric vehicle (EV) lines. The good news for OEMs going electric – a move driven by environment rather than pure economics – is that consumers who switch to EVs don't tend to go back to gasoline. An Axios survey shows two-thirds of EV-owning households that bought a new car in 2022 got another electric.

For OEMs, however, the business will split into two parts: future and legacy. Who will want to work on the legacy part when it has a finite life and innovation is focused on the

future? There are opportunities here for software developers to be part of an exciting journey, and for new start-ups to create partnerships that lend innovative solutions and new talent to an OEM's capabilities.

Speeding of innovation

With consolidation onto the 'compute platform', innovation can be brought to market quicker. Once OEMs adopt this more widely, we can expect to see a more Tesla-like approach being adopted across the board.

The chip shortage is expected to impact the auto industry into 2023, with some automakers indicating they're preparing for a 'new normal' in the supply chain crisis. Consolidation should help by creating less demand for silicon. Similarly, the hypervisor platform reduces the need for silicon by embedding systems on a virtual machine.

Subscriptions and in-vehicle services are coming for your cars

Automakers are on a path to change the way how revenues are generated. For years, OEMs made revenue from the sole sale of the vehicle, as well as parts, when being serviced. However, the advancement of software-based features and over the air updates opens a new opportunity for OEMs to have a direct link to customers.

This year we have seen automakers experiment with the subscription model, including Tesla's subscription to unlock features and BMW announcing that it would charge a sub-

scription for heated seating. This provides them with the ability to upsell new features and services to all customers during a vehicle's servable life. It's the digital aftermarket that could make billions by charging consumers monthly fees for add-on features such as heated seats, prepaid parking or even car insurance. As we look ahead to 2023, we can expect to see advancements in automated in-car payments, as well as security factors, for EV charging, entertainment, and concierge services.

Consumers will continue to feel nervous around data and privacy

More vehicles will be equipped with more intelligence and connected devices, and automakers and consumers should become more aware of the potential risks around data and privacy. For instance, we could see more scenarios in which drivers unknowingly subscribe or unsubscribe to services, such as accidentally cancelling location-based breakdowns when needed or racking up fines when they thought their vehicle software was handling road tolls or EV charging fees.

Drivers will be sensitive to whether their cars are 'listening' and mapping locations, such as where they drop off their children, and what their routines are away from home, potentially exposing them to other risks, such as theft.

If anything goes wrong, consumers will go straight to the manufacturer, and we could see some regulatory moves and potentially big headlines in this area. OEMs will find that simpler ways of handling data will win consumers. **AWI



TRADER Corporation acquires Dealertrack Canada

Investment will enable more holistic Canadian-focused services & solutions to Canadian dealers & OEMs

TORONTO – TRADER Corporation announced that it has agreed to acquire the Canadian operations of Dealertrack from Cox Automotive's Canadian Retail business.

"We're delighted to welcome so many Canadian employees and customers to join us here at TRADER," said Sebastian Baldwin, CEO of TRADER Corporation. "This investment will enable us to deliver the same levels of product efficacy, innovation and service that our existing customers enjoy, to even more Canadian dealerships and OEMs."

"TRADER will bring to bear its experience and focus on Canadian dealers and the Canadian market to better serve dealers and their customers. In the meantime, the company noted that most Canadian Cox Automotive Retail employees are expected to transition to TRADER, meaning that customers can expect no disruption day-to-day, said Mark Bowser, executive vice-president and chief financial officer with Cox Automotive in a statement released to *Canadian*





AutoWorld. "Most importantly though, as part of this deal, many of our talented Canadian team members will be moving to TRADER Corporation with their respective business to continue the great work that has made these solutions so successful and to ensure a consistent experience for our customers."

He continued that while the company decided to divest

its retail business in Canada, Manheim, Ready Logistics and NexGear Capital will remain part of Cox Automotive.

In addition to Dealertrack Canada, TRADER has also agreed to acquire the Canadian operations of software businesses VinSolutions, Dealer.com, Xtime and Kelley Blue Book from Cox Automotive Retail.

"As Cox Automotive continues evolving to meet the changing dynamics of the industry and the needs of our customers, we believe this is the right time and opportunity for these businesses and team members to join TRADER Corporation and help deliver a deeper market-specific Canadian retail solution," Bowser, added. "While it is very difficult to say goodbye to some of our incredible team members in Canada, we thank them all for their countless contributions to Cox Automotive and wish them well as they continue the great work that has made these businesses so successful."

The legal validity of e-signatures:

UPDATES ON DITCHING THE PEN



Mainly due to the increase in work-from-home and remote communications, electronic signatures ("e-signatures") have been adopted by both provincial and federal legislation to be legally binding in Canada. Save for a few exceptions outlined below, you can feel free to sign a document electronically without compromising its legal validity.

This article outlines the regulation of e-signatures provincially, federally, and in reaction to the COVID-19 pandemic.

Provincial Legislation

Almost all provinces have enacted legislation that follows the Uniform Electronic Commerce Act, which acts as a legal framework to create a uniform system across the country in relation to the digitization of commerce.

Ontario's legislation, the Electronic Commerce Act ("ECA") directs that by default, e-signatures are legally binding. The ECA explicitly and clearly sets out the validity of e-signatures. Specifically, it states: "a legal requirement that a document be signed is satisfied by an electronic signature." [1]. In further detail, it also directs that if a contract does not mention anything about requiring an original or "wet" signature (penon-paper signature), using an e-signature is perfectly acceptable. However, if you do not want to accept the other party's e-signature, you have the right to include language in the contract that only wet signatures will be binding.

What qualifies as an e-signature under the ECA?

The guidelines around what qualifies as an e-signature under the ECA are broad and encompassing. The ECA is encouraging of the use of e-signatures and accepts them in many forms. As long as they fit within the Act's definition: "electronic information that a person creates in order to sign a document...that is in, attached to or associated with the document", they will be considered an e-signature for the purposes of the ECA.

What are the exceptions?

The ECA sets out several exceptions to the default rule that e-signatures are legally binding. Firstly, as stated above, a

party may choose not to accept an e-signature by stating so in the contract. The ECA states that there is nothing in the Act that requires a person to consent to or abide by the use of electronic information and documents[2]. It also includes the provision that electronic information is acceptable unless the parties agree otherwise[3].

Further, the ECA also lists explicit documents to which the Act does not apply. These documents may still accept e-signatures as binding, but they are governed by their relevant statutes:

- · Wills and codicils.
- Trusts created by wills or codicils.
- Powers of attorney, to the extent that they are in respect of an individual's financial affairs or personal care.
- · Negotiable instruments.
- Documents that are prescribed or belong to a prescribed class.
- Documents of title, except for contracts for carriage of goods.

Federal Legislation

The Personal Information Protection and Electronic Documents Act ("PIPEDA") sets the standards for electronic documents and signatures at the federal level. In section 26(2)(b), the Governor in Council is given the right to remove PIPEDA's legal authority wherever provincial legislation exists that covers substantially the same issues. For this reason, the ECA and other provincial legislation govern the majority of the law around using e-signatures.

When does PIPEDA apply?

In relation to e-signatures, PIPEDA is brief and specific. As listed below, several sections of the Act explicitly state the types of documents it applies to. At part 2 of the Act, it sets out a narrow range of documents that PIPEDA as a whole applies to. These documents and are limited to the federal law and provisions under the Federal Real Property and Federal Immovables Act, the Canada Labour Code, and the Federal Real Property Regulations[4].

Additionally, it is explained that an e-signature satisfies the federal requirement for a signature under all federal statutes, so long as those statutes allow for the application of PIPEDA[5]. For example, the language and regulations on secure electronic signatures as set out in PIPEDA are also adopted in the Canadian Business Corporations Act to regulate the use of electronic signatures in federally incorporated businesses.

What constitutes an e-signature under PIPEDA?

PIPEDA has a stricter acceptance of e-signatures than the ECA. In order to avoid fraudulent or forged e-signatures, PIPEDA sometimes requires a "secure electronic signature". This is defined at section 31(1) as "an electronic signature that results from the application of a technology or process prescribed by regulations". Through the use of algorithms and blockchain technology, these e-signatures authenticate the validity and origin of a signature.

Some of the factors that make up a secure electronic signature include:

- a "unique to the person" electronic signature;
- the technology used being under sole control of the person signing;
- the technology or process being identifiable to the person signing; and,
- it is evident whether or not the electronic document has been changed since the electronic signature was incorporated.
- This type of signature is required in:
- Documents as evidence (Section 36);
- Seals if required under a provision in Schedules 2 or 3(Section 39);
- Statements made under oath (Section 44);
- Statements declaring truth (Section 45); and,
- Witnessed signatures (Section 46).

COVID-19 Impact

When the pandemic began, the Canadian legislature enacted the Alternative Filing Methods for Business Act ("AFMBA") to mitigate the projected issues that remote working would cause. The concerns that were targeted in this Act stem from the Emergency Management and Civil Protection Act. The AFMBA's purpose included permitting electronic signatures in respect of certain documents under the discretion of the Minister, Director, or Registrar of the relevant business statute[6].

The AFMBA widened the scope for the legal validity of e-signatures, resulting in a more efficient and accessible way of carrying on business during, and eventually after the pandemic.

In addition to this development, the onset of COVID-19 pushed the Canada Revenue Agency to announce that esignatures met the signature requirements under the Income Tax Act on March 28, 2020.

Signing on the Dotted Line

The ability to draft, sign and send a legally binding document without touching pen to paper has become a routine that not long ago would have been considered a luxury. As a result of the digitization of today's commerce, e-signatures are providing a more efficient and accessible way of conducting business. Save for the exceptions listed in this article, you should feel just as confident to forget the pen and sign a legal document with your e-signature as you would by hand. Aw

John Yiokaris is the co-managing partner of Sotos LLP in Toronto, Canada's largest franchise law firm. He has been recognized by Chambers Canada, LEXPERT, Who's Who Legal, and Best Lawyers Canada as a leading Canadian franchise law practitioner. John practices business law with a specific focus on the automotive industry, franchising, and disputes and he is trusted counsel to both automotive manufacturers and dealers. John can be reached directly at 416-977-3998 or jyiokaris@sotosllp.com.

- [1] Electronic Commerce Act at section 11(1).
- [2] Ibid at section 3(1).
- [3] Ibid at section 19(2).
- [4] Personal Information Protection and Electronic Documents Act at sections 2 and 3.
- [5] Ibid at section 43.
- $\begin{tabular}{ll} [6] Alternative Filing Methods for Business Act at section 3. \end{tabular}$





GM expects North American EV portfolio to be profitable in 2025

NEW YORK – General Motors said that its rapidly growing portfolio of electric vehicles will be solidly profitable in 2025 in North America as the company aims to scale EV capacity to more than 1 million units annually.

"GM's ability to grow EV sales is the payoff for many years of investment in R&D, design, engineering, manufacturing, our supply chain and a new EV customer experience that is designed to be the best in the industry," said GM chair and CEO Mary Barra. "Our multi-brand, multi-segment, multi price point EV strategy gives us incredible leverage to grow revenue and market share, and we believe our Ultium Platform and vertical integration will allow us to continuously improve battery performance and costs."

In the next three years, GM plans to move very aggressively toward EV leadership as EV adoption is expected to approach 20 per cent of U.S. industry sales in 2025. GM will have multiple entries in pickup, SUV and luxury segments that represent about 70 per cent of EV industry volume, including the Chevrolet Silverado EV, Blazer EV and Equinox EV, the Cadillac LYRIQ and the GMC Sierra EV. GM is launching a new digital retail platform with its U.S. dealer partners to enhance the shopping and purchase experience for EV customers and reduce costs to GM by an estimated US\$2,000 per vehicle. Five GM assembly plants in the U.S., Canada and Mexico will be building EVs. BrightDrop – GM's tech startup creating EVs, eCarts and software] – is on track to reach US\$1 billion in revenue in 2023, as GM's CAMI plant in Ontario launches full production of the BrightDrop Zevo 600 delivery van next year, and scaling to a projected 50,000 units annually by 2025.

Hyundai named "Most Improved Brand" by Canadian Black Book

MARKHAM, ON – Hyundai Auto Canada announced it has been awarded "Most Improved Brand" by Canadian Black Book (CBB) as part of the organization's annual Best Retained Value awards. The award demonstrates the long-term value of Hyundai products, a factor important to the decision-making process when purchasing a vehicle.



For 2022, the CBB program ana-

lyzed model year 2017 vehicles in 23 different categories. Prizes are awarded to the vehicles that hold the highest percentage value of their original manufacturer's suggested retail price (MSRP). The CBB Best Retained Value Awards for the Most Improved Brand reflects the quality, reliability and value of Hyundai vehicles, as well as its commitment to providing Canadian consumers with high-quality products with the best possible value.

"We are thankful to our loyal customers for their continued trust and confidence in our vehicles and our brand," said Ken Maisonville, director of national sales at Hyundai Auto Canada. "Our focus continues to be on providing quality products and enhancing our customer experience every year, and we are honoured to be recognized by Canadian Black Book for our efforts." The CBB Best Retained Value Awards recognize vehicles that retain the highest percentage of their original MSRP after four years, offering a truly accurate measure of actual retained value in real time. In 2021, CBB added the (Most Improved Brand) category to its roster to recognize the model making substantial gains in terms of retained value, and Hyundai is now the proud recipient of the award in its second year.

Classifieds



Toll free:1-844-728-1001 Fax: 905-434-8914

Email: autotransport@mackietransportation.com Website: www.mackietransportation.com



- Frequent trips to Western Canada
- · Liftgates, Air-Ride, Meticulous Handling
- Fully Enclosed, Tracked by Satellite
- Complete Customs Expertise
- Canada, U.S.A. and International
- Over 50 Years of Auto Experience

"The Ultimate in Auto Transportation"

ANADIAN ORLD

CONTACT RALPH VENTRIGLIA FOR ADVERTISING rventriglia@metroland.com • (289) 293-0704

Honda to begin U.S. production of fuel cell electric vehicles in 2024

TORRANCE, CA – Honda announced that it will produce a hydrogen fuel cell electric vehicle (FCEV) based on the recently launched Honda CR-V starting in 2024 at its Performance Manufacturing Center (PMC) in Marysville, Ohio. This new zero-emissions vehicle will contribute to Honda's previously announced goal to make battery electric vehicles (BEVs) and FCEVs represent 100 per cent of its global auto sales by 2040.

The new CR-V-based FCEV also will mark North America's first production vehicle to combine a plug-in feature with FCEV technology in one model, which enables the driver to charge the onboard battery to deliver EV driving around town with the flexibility of fast hydrogen refueling for longer trips.

"Honda established our goal to realize carbon neutrality by 2050 and the complete electrification of our vehicle lineup by 2040 is critical to achieving it," said Gary Robinson, vice-president of auto planning and strategy for American Honda Motor Co.

"As we accelerate our plan to produce Honda battery EVs in the United States, we also will begin low volume production of fuel cell electric vehicles there to further explore their great potential as part of a sustainable transportation future."

The PMC was conceived as a small volume, specialty manufacturing facility, focused on craftsmanship and hand-assembled vehicles. Since opening in 2016, the PMC has been responsible for production of the Acura NSX supercar, mul-



tiple Acura PMC Edition vehicles (including TLX, RDX and MDX) along with Honda Performance Development race cars. This makes the PMC uniquely suited to production of high-quality FCEVs, which require special assembly procedures. This approach echoes the broad role that Honda's Tochigi, Japan plant played in manufacturing both the original NSX supercar starting in 1989 and, later, the Honda FCX Clarity FCEV in 2008.

"Our associates at the Performance Manufacturing Center have really enjoyed the opportunity to successfully introduce several specialty vehicles into the market," said PMC plant leader Gail May. "This facility is perfect for production of a new Honda fuel cell electric vehicle, as our small-volume capability enables us to really leverage the skill and expertise of our team to produce quality zero-emission vehicles here in North America."

More details about the all-new FCEV version of the CR-V will be announced closer to its introduction in 2024.

But It's Free!



The DEALERSHIP EXPERT

Gordon Cameron

My wife and I boarded our river cruise ship late in the afternoon. After the required drills and supper, I tried – unsuccessfully – to log in to the Internet from our cabin. I called the ship's operator and explained the situation. She sent a staff member to our cabin to help. After he – also unsuccessfully – tried to log in for me, he checked his phone; he didn't have any service either. He told me that they must be doing some work on the router and to try again later.

I did, but to no avail. I went to the ship's main customer service office and spoke to the purser. He told me that the Internet reception on board was poor and that the farther we sailed away from a town, the worse it would get.

I asked whether I had missed a disclaimer in the brochure,

informing customers about the quality (or lack thereof) of the onboard Internet.

"No, not really," he shrugged. "It says Internet is provided, but nothing about the quality." I explained that I didn't think this was full disclosure. "But it's free!" he replied in all seriousness. I was about to respond when my wife grabbed my arm and moved me away, whispering, "Let's go. Let it go."

I had wanted to ask, "Does the Internet service suck because it's free, or is it that because it's free, it's okay for it to suck?"

This frustrating experience came after three previous days of similar types of customer service I had received that was so far below my expectations. These negative experiences were from hospitality businesses that advertise that they provide an exceptional customer experience!

As I thought about my personal frustration, I thought back to all the times I had helped my dealership clients improve their customer service and experience. I realized the first step in this improvement process was that my client had to acknowledge there was an issue

Prior to our river cruise, my wife and I had spent three days at a huge luxury resort that bills itself as such. I spent most of the

three days lost because the signage was terrible. On Day Two, I happened to meet the resort general manager and his assistant. I asked him whether he had any idea about how confusing the signage in his massive resort was. He dismissed my question and noted the signage was "fine." I proceeded to tell him why it wasn't, but this fell on deaf ears.

This illustrates that if you own a dealership or manage a department, unless you think there's a problem, there isn't a problem, even if there actually is.

In the case of this resort, I discovered that many of the other guests, who were also there for their first time, had a similar experience. One evening, after spending 45 minutes to find a venue for which we had purchased two tickets, I asked the venue manager why there wasn't a simple paper sign pointing to where their venue is. Her response was that their signage was terrible, that everyone in the front lines tells management, but they don't do anything about it.

This comment brings me to my challenge to you, readers. If you are dealer principles or department managers, are you

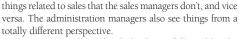
like this resort general manager? Does your staff know there's a problem and they don't tell you because they know that you will never do anything about it? Or do you hear about it from them and disagree with those in the front lines? Or do you know it's a problem, but choose to ignore it? Or do you not know how to fix it, so you do nothing?

In other words, are we dealing with negligence or incompetence? Those are strong words, but they need to be. Your job as an owner or manager is to seek out what your problems are. No, seeking them out doesn't create them. They already exist. You need to determine what they are first, and then fix them.

There are some strategies I have used with my dealer clients. For example, your customer surveys are a good source for learning what your customer issues and problems are. Most dealerships have a mechanism to deal with these. I want to share with you how to find out customer issues before they become problems as reported on your surveys.

One of the best techniques I have used many times, and with great success, is at a manager meeting. I would ask the managers whether they have ever viewed their dealership or department through the eyes of a first-time customer?

Most times, there would be a low murmur, without a

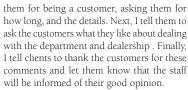


The exterior walk to the dealership is followed by the interior walkthrough from the eyes of a first-time customer. What you'll see that you've walked by for years will absolutely astound you. For example, you'll suddenly see a mess that has been in a corner for two years. A salesperson's desk, which is next to a huge window, will suddenly look like an advertisement from a cleaning company as the "before" picture.

Another fantastic way to discover your dealership's issues (before they become problems) is to simply ask your customers. This is something I tell my long-term clients, dealer, and department managers to do, once-a-week visit their waiting room. Strike up a conversation with a customer. Explain your position in the dealership and ask the customer if you could chat with them for a few minutes about their experience with your dealership. However, in this situation, most customers will tell you what they think you want to hear. That's great for your ego, but it doesn't help you improve.

I tell my clients to start the conversation by thanking

"Does the Internet service suck because it's free, or is it that because it's free, it's okay for it to suck?"



Now, for the key part of the conversation. Don't ask if they have any suggestions for improvement. Don't ask if there's anything you're doing "wrong." When put on the spot, most people don't have an answer; some will shrug and say, "Nothing!" for fear of getting someone in trouble.

Try this: "M. Customer, if you were me, as the owner/department manager, and could do one thing that could make your experience as our customer better, what would you do?" This question will lead to comments and a discussion

that can be very illuminating. Typically, it's the small things – the details – but we all know it's the small things that balloon into the big things.

The final piece to this puzzle is to take notes, and when you do, address the specific thing this customer has told you about, and then send the customer a thank-you letter with your business card and a small gift of appreciation.

These are simple things that can have a huge impact on your levels of customer satisfaction and customer retention, if you do anything with the information you leaarn. Please let me know about your experience after you've given this a try.

Gordon Cameron is the president of Gordon Cameron & Associates Ltd. He has been a dealer principal and consultant to the auto industry for the past 26 years. He specializes in assisting auto groups and dealerships to grow their business and their staff to achieve better results. He can be reached at 506-478-8484 or gordon@gca1991.com



definite "yes" by anyone. At this point, I would ask everyone to come with me for a walk. We leave the meeting room, then the building, and then walk down the dealership driveway and down the street to a point where we can't see the dealership.

Then we turn around.

I ask the managers to walk with me back to the sales department, then the service department, all the while looking at everything from the perspective of someone who has never been to the dealership before. We walk slowly so we can notice details. I also ask the managers what they don't see they think a first-time customer would like to see.

Note: I make sure to ask at least two women who work in the dealership to accompany us. The reason for this is that most dealership managers are men and the vast majority of any dealership's customers are women, so it's critical to include a female presentive.

Because it's a group, the resulting discussion is often very revealing. For example, fixed operations managers often see





FORMULA SPECIAL PROJECTS DIVISION (FSP) IS ONE OF THE LEADING AUTOMOTIVE EVENT MANAGEMENT AND MARKETING COMPANIES IN CANADA.

FSP ARE ACTIVELY ENGAGED IN A WIDE RANGE OF ACTIVITIES THAT TOUCH THE MOST ADVANCED ASPECTS OF THE AUTOMOTIVE EVENT MARKETING INDUSTRY. ESTABLISHED IN 1993, FSP CONTINUES TO MAINTAIN OR EXCEED STANDARDS DEMANDED BY EVEN THE MOST DISCRIMINATING AUTOMOTIVE COMPANIES WITHIN CANADA.

WE PRIDE OURSELVES ON OUR FRESH IDEAS AND OFFERING COST-EFFECTIVE ALTERNATIVES FOR THE CHANGING AUTOMOTIVE MARKETPLACE. FROM SMALL CONSUMER GROUP RIDE-AND-DRIVES TO FULL MEDIA LAUNCHES TO PRODUCT AND SALES TRAINING, FSP DELIVERS TURN-KEY EVENTS OF LOCAL, REGIONAL OR NATIONAL SCOPE. WE UNDERSTAND WHAT IS NEEDED IN TODAY'S MARKETPLACE.

WE HAVE OVER 25 YEARS EXPERIENCE IN BUILDING SUPERIOR, COST EFFECTIVE, AUTOMOTIVE MARKETING AND EVENT STRATEGIES. FROM INTERNATIONAL MEDIA LAUNCHES, SALES AND PRODUCT TRAINING, HIGH PROFILE NATIONAL CONSUMER EVENTS, EDITORIAL SUPPORTED CONSUMER RIDE & DRIVE PROGRAMS TO INDIVIDUAL DEALER PROGRAMS...

FSP HAS ALL OF YOUR NEEDS COVERED.



9056386132

WWW.FORMULASPECIALPROJECTS.COM





Here to support you in every situation, and every step of the way.

At TD Auto Finance, we pride ourselves on providing you with the support you need to grow your business.

Our specialized teams are here to help you structure financial solutions for almost every circumstance.

Contact us today. 1-855-TDAUTO1 (1-855-832-8861)