



Weekly Car Dealers Newsletter

January 18, 2010

This information that follows is taken from sources including *The Carconnection*, *Autoweek*, and other industry sources.

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[SMALLER, ELECTRIC CARS REIGN AT DETROIT AUTO SHOW](#)

DETROIT -- Electric, hybrid and small cars will grab center stage at the Detroit auto show this week, as the industry adapts to a world reshaped by the Great Recession and environmental worries. The event will demonstrate just how automakers are responding to this new reality. Ford wants to build on its success in midsize sedans and re-ignite its small car sales, while Hyundai aims to extend last year's triumph in budget-conscious models. GM and Chrysler will start fresh with electric vehicles but also try to boost their small-car credibility. Toyota hopes to solidify its dominance in hybrids. *Source: [The Associated Press](#)*

[AFSA'S VEHICLE FINANCE CONFERENCE - INDUSTRY'S TOP CHALLENGES](#)

WASHINGTON -- While the economy is beginning to show signs of recovery, many challenges remain for the vehicle finance industry. In response, the American Financial Services Association (AFSA) has assembled a powerful lineup for its 14th Annual Vehicle Finance Conference and Exposition at Walt Disney's Yacht Club Resort in Lake Buena Vista, Fla., from Feb. 10-12, 2010. Led by AFSA's Vehicle Finance Division Chair Stephen Smith, senior vice president, financial services, American Honda Finance Corp., the conference will begin with an

update on AFSA's initiatives by Chris Stinebert, president & CEO, followed by a Keynote Address from Fox News Sunday host Chris Wallace. The conference program will address the economy and credit markets, financial reform, improving operations, risk management, planning for the future and marketing to attract the "new hip consumer."

CEO Panel speakers will be: Steven Lambert of Nissan Motor Acceptance Corporation; John Noone of Ford Motor Credit Company, LLC; and Thomas Wolfe of Wachovia Dealer Financial Services. Providing the dealer perspective will be: Forrest McConnell, III, chairman of NADA's Regulatory Affairs Committee and president of McConnell Honda; Edward Tonkin, NADA chairman-elect and president of Ron Tonkin Dealerships; Stephen Wade, NADA vice chairman-elect and president of Stephen Wade Auto Centers; and Kevin Westfall, AutoNation senior vice president, sales F&I. Source: [American Financial Services Association](#)

FINALLY, US AUTOMAKERS START TO SEE IMPROVEMENT

DETROIT -- The vital signs are improving for American automakers. General Motors may reopen some shuttered factories because it can't produce four of its vehicles fast enough to meet demand, and Chrysler is set to hire more engineers and product development workers. While both companies still depend on government help, the moves are signs of increased confidence that the U.S. auto market bottomed out last year and will improve in 2010, even without a jolt from a Cash for Clunkers-style program. The head of Chrysler, Sergio Marchionne, said his company does not have enough people to revamp its U.S. product line and soon will start hiring, probably beginning with temporary workers. Source: [The Associated Press](#)

TOYOTA 'TRYING' TO BOOST NORTH AMERICA SALES TO AVOID LOSS

Toyota Motor Corp.'s sales and production in North America may not rebound in the current fiscal year, jeopardizing the world's largest automaker's ability to turn a profit in the region even after cutting costs. "The finance company is having a solid year, so if you include that it will be so much easier to say positive things," Yoshimi Inaba, Toyota's North American chief executive, told reporters in Detroit. "We are still trying hard to improve" sales and manufacturing operations, he said at the North American International Auto Show yesterday, without elaborating. In the year ended in March 2009, collapsing North American sales, combined with an unfavorable exchange rate and excess production capacity, helped fuel the ... company's record ... \$4.37 billion net loss. Toyota ended 2009 with a 20 percent drop in U.S. vehicle sales, its biggest since 1961. Source: [Bloomberg](#)

WARRANTY WOES TAKE TOLL

Auto dealers struggling with sluggish sales are facing a new challenge in a difficult market, and some are blaming direct-marketing companies — many based in the St. Louis area — that industry leaders accuse of poisoning consumers' attitudes about extended auto-service contracts. Missouri Attorney General Chris Koster is suing 11 St. Louis area direct marketers — including US Fidelis — for allegedly violating state telemarketing and consumer-protection laws. The suits allege that the companies made false claims about the factory warranty status on consumers' vehicles; failed to pay refunds owed to consumers; misrepresented the terms of

service contracts; and suggested a relationship with automakers and dealers that doesn't exist. The St. Louis Better Business Bureau, which has waged a national crusade against the service-contract marketing companies based here, distinguishes between contracts sold by direct marketers and coverage sold by dealers. Although the watchdog group doesn't endorse any aftermarket coverage, consumers' complaints about dealer-sold contracts "are very minimal in comparison to those sold by third-party brokers," said Christopher Thetford, a BBB spokesman. Source: [St. Louis Post-Dispatch](#)

CHRYSLER CEO: SALES WON'T IMPROVE UNTIL JUNE

DETROIT -- Chrysler Group LLC's sales will continue to slump until around June when compared with last year's numbers because the company used big incentives early in 2009 to move cars and trucks as it headed toward bankruptcy protection, the company's CEO said Wednesday night. But Sergio Marchionne, who also is CEO of Italy's Fiat Group SpA, said Chrysler will survive until its product lineup is refreshed with new designs because it has \$5 billion to \$6 billion in cash reserves and is being frugal. "You know the concept of hibernation Canadian bears use?" he asked when fielding a question about how the company will make it through a sales slump with no new products coming in the immediate future.

Source: [The Associated Press](#)

U.S. NEEDS MORE CASH FOR CLUNKERS BOOST?

DETROIT -- The U.S. needs a comprehensive manufacturing strategy and another auto sales boost that could be achieved by launching a more generous "cash for clunkers" program immediately, billionaire investor and supplier magnate Wilbur Ross said Wednesday. Ross, who has bought a number of suppliers to create International Automotive Components, said he would implement a new clunker trade-in incentive program tomorrow if he could. But it would be simpler with fewer time and other restrictions on the vehicles that can be traded in and would have to ensure dealers are paid promptly, he said at the Automotive News World Congress.

Source: [The Detroit News](#)

FORD'S COMEBACK MAKES MULALLY A STAR AT DETROIT SHOW

Ford Motor Co. Chief Executive Officer Alan Mulally, whose company gained market share in the U.S. last year while his domestic rivals went bankrupt, is the toast of the North American International Auto Show this week. Ford swept the show's awards for car and truck of the year and unveiled the Focus compact. The car, which Mulally plans to sell worldwide, attracted throngs of media and auto executives. "We're not talking about just surviving," Mulally said during a Jan. 11 filet mignon dinner with reporters at the MGM Grand Detroit casino. "I came to Ford to help turn around a global and American icon." Source: [Bloomberg](#)

CHRYSLER RETURNS TO SUPER BOWL TO ADVERTISE DODGE

DETROIT — Chrysler is advertising during the Super Bowl for the first time since 2004. The automaker will showcase its Dodge brand in a 60-second ad in the first half of the

world's most expensive advertising showcase on Feb. 7. Chrysler spokeswoman Dianna Gutierrez says the company wants to let Americans know it has emerged from bankruptcy protection. Source: [The Associated Press](#)

TWO CARS DROPPED FROM BARRETT-JACKSON



The roster of cars at the Barrett-Jackson auction in Scottsdale, Ariz., next week has been cut by two.

Barrett-Jackson has dropped a 1971 Plymouth Hemi 'Cuda recreation because the vehicle identification number on the car did not match the VIN on the title. A little legwork found that the car had been reported stolen in 1976.

Earlier this week, Barrett-Jackson removed a 1958 Chevrolet Impala from the Scottsdale lineup. The consignor of the car said it had been owned by rock legend Buddy Holly. But questions have been raised whether Holly actually did own the car and the auction company says it hasn't been able to find solid answers.

Not to fear, Barrett-Jackson says it still has more than 1,200 vehicles set for its Scottsdale auction. Source: [Autoweek.com](#)
