



Weekly Car Dealers Newsletter

May 31, 2010

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

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**SALES OF FORD F-SERIES, RAM, GMC SIERRA TRUCKS PICK UP
SUDDEN ACCELERATION DEATH TOLL LINKED TO TOYOTA RISES
MAGAZINE SURVEY FINDS AUTO BRAND LOYALTY IS STRONG
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THE 10 BEST SUMMER VACATION CARS, AN AW LIST**

SALES OF FORD F-SERIES, RAM, GMC SIERRA TRUCKS PICK UP

New versions of big, bad, politically incorrect heavy-duty pickups have starring roles in the Detroit automakers' sales and profit comeback. Chrysler recently touted the role that its heavy-duty Ram played in improving its first-quarter finances. Ford Motor cited its new F-Series Super Duty pickup as a sales standout last month. And General Motors has high hopes for revised heavy-duty versions of its sibling 2011 Chevrolet Silverado HD and GMC Sierra HD due this summer.

The sales increases, in fact, are a good omen not just for automakers, but for the economy overall. Heavy-duty, full-size pickups are typically bought by small businesses and individuals as working trucks. The sales strength is a sign that construction, farming and other key industries are rebounding strongly enough that people have enough confidence to invest in new vehicles.

"Those purchases are made by people who work and need a truck," says GM spokesman Tom Henderson. The increased capability of the heavy-duties makes them more expensive than light-duty pickups — and more profitable for automakers. A new Ford F-150 light-duty pickup goes for as little as \$21,820, but the brawny Super Duty starts at \$28,020 before destination charges. So it's no wonder a segment that was an afterthought awhile back now is in the spotlight. Chrysler says its Ram Heavy Duty sales rose 13% in April compared with a year ago. Ford said it sold

twice as many Super Duty pickups last month as it expected — and year-to-date sales through April were up 30% from a year ago.

A common boast for the new heavies: More power plus improved fuel mileage from the big gas and diesel engines. GMC, for example, says the optional 6.6-liter turbodiesel in the Sierra HD will offer 397 horsepower, 30 hp more than Ford's rival Super Duty, along with 11% better fuel economy than the outgoing GMC model. "It's a more competitive segment," says Mike Levine, editor of PickupTrucks.com. "It's about capability and who can tow and haul the most." The rivalry, he says, also has held prices in check — for working buyers who eschew the luxury versions or a lot of features that run up the sticker price. For the most part, "You don't haul your ego with these trucks," Levine says.

But makers also know there's a market for upscale versions with the horse-ranch crowd and others. The Ford F-250 King Ranch, for instance, with such touches as power leather seats, is priced at \$45,715. *Source: USA Today.com*

SUDDEN ACCELERATION DEATH TOLL LINKED TO TOYOTA RISES

The government said Tuesday that it estimated that 89 deaths could have been related to unintended acceleration in [Toyota](#) vehicles in the last decade, a sharp increase from previous figures.

The National Highway Traffic Safety Administration said that from 2000 to mid-May, it had received more than 6,200 complaints involving sudden acceleration in Toyotas. The reports include 89 deaths and 57 injuries over the same period. Previously, 52 deaths had been suspected of being connected to the problem.

Toyota Motor has recalled more than eight million vehicles worldwide. The automaker paid a record \$16.4 million fine for its slow response to an accelerator pedal recall and is facing many lawsuits.

Toyota said in a statement that it was “making an all-out effort to ensure our vehicles are safe, and we remain committed to investigating reported incidents of unintended acceleration in our vehicles quickly.”

The automaker said many complaints in the database lacked sufficient detail that could help identify the cause of an accident. Toyota also said it would “continue to work” with law enforcement and federal regulators *Source: The Associated Press*

MAGAZINE SURVEY FINDS AUTO BRAND LOYALTY IS STRONG

Most car owners will stay loyal to the brand they now drive when they shop for a new vehicle, according to a survey by [Consumer Reports](#) magazine. The survey found that 73 percent of buyers were somewhat or very likely to buy the same brand they currently drive, the magazine said in a statement. Consumer Reports interviewed 1,700 adults nationwide in households that own at least one vehicle. The telephone survey took place from April 29 to May 3, the magazine said.

[Fuel economy](#), quality and price would be the prime factors that would influence their decision if the buyers decided to switch brands, according to the survey. [Brand loyalty](#) can vary by gender and age, said Jeff Bartlett, the magazine's deputy online editor for cars. drivers, Bartlett said in a statement, are more likely to switch because of changing lifestyles, less experience with a particular brand, greater peer influence and being more trend conscious. The survey also found that women are more likely to be loyal to a brand than men, with 54 percent of women saying they are very likely to buy within the same make. Only 43 percent of men said they would be very likely to stick with a brand. Affluent buyers and people of modest means were almost equal in their attachment to a particular brand, the survey found. Safety ranked fourth on the list of factors that would influence people to change brands, followed by more standard equipment, better overall reputation and low-cost financing. *Source: Forbes.com*

NISSAN BUILDS U.S. BATTERY PLANT ANTICIPATING ELECTRIC-CAR BOOM

[Nissan Motor Co.](#) began building a battery factory next to its main North American auto-assembly plant as Chief Executive Officer [Carlos Ghosn](#) predicts U.S. demand for electric vehicles will surge. The plant in Smyrna, Tennessee, will be able to supply lithium-ion battery packs for 200,000 electric cars a year when it opens in 2012, more than the 150,000 rechargeable Leaf hatchbacks Nissan plans to build there annually. Japan's third- largest carmaker said yesterday its \$1.7 billion investment in the Leaf and battery capacity in Tennessee, funded mainly by a \$1.4 billion U.S. government loan, may create 1,300 local jobs.

"We know that we are the most bullish on the market," Ghosn, who predicts global electric-car sales may reach 500,000 a year by 2012, said yesterday. "What we're doing here will radically transform the automotive experience for consumers." Ghosn, 56, has set a goal for Nissan and its biggest shareholder [Renault SA](#), which he also runs, to lead the market for electric autos as the U.S., Japan and Europe push automakers to cut oil consumption and carbon emissions tied to global warming. While General Motors Co., [Toyota Motor Corp.](#) and other rivals are readying their own rechargeable models, none matches Ghosn's 2012 sales target.

Nissan will gain economies of scale to reduce costs when demand reaches the predicted level, Ghosn said. "I don't see this as a risk. I see this as a huge opportunity," Ghosn said at an event at the Smyrna factory. "When we get to 500,000, 1 million units, we don't need government support." Nissan has received 13,000 pre-orders in the U.S. for the Leaf, Ghosn said.

The automaker [fell](#) 2 percent in Tokyo to 634 yen as of 9:32 a.m., while the benchmark Nikkei 225 index dropped 0.7 percent. Nissan's stock has declined 22 percent this year.

'Wildly Optimistic'

Detroit-based GM aims to build 45,000 of its Volt plug-in cars, which also use gasoline, annually by 2012. Toyota hasn't set volume targets for either the plug-in version of its Prius hybrid, which will be available to U.S. retail customers from 2012, or the "urban commuter" electric minicar, set to arrive in the U.S. the same year. "Sales of 500,000 vehicles by 2012 is just wildly optimistic," said [KG Duleep](#), a Washington-based analyst for ICF International who helps the National Academy of Science and U.S. agencies with advanced automotive technology. President [Barack Obama](#) has set a goal of getting 1 million plug-in and battery vehicles on U.S. roads by 2015.

[Ford Motor Co.](#) said May 24 it's investing \$135 million and adding 220 jobs at three Michigan facilities to help the Dearborn, Michigan-based company introduce five models powered wholly or in part by electricity by 2012.

Global Capacity

With Nissan's new factory and others announced by U.S. auto and battery makers, by 2012 the country will have about 20 percent of forecast global capacity to produce advanced batteries, [Daniel Poneman](#), U.S. deputy secretary of energy, said yesterday at the Smyrna site.

"By 2012, factories like this one will be shipping tens of thousands of electric vehicles to showrooms around the world," Poneman said. The Obama administration so far has committed \$12 billion to advanced vehicle technologies, he said.

The first shipments of Yokohama-based Nissan's Leaf, capable of traveling as far as 100 miles solely on battery power, will arrive late this year in the U.S. and Japan. Nissan has said it expects U.S. tax credits and rising [fuel prices](#) to spur demand for the \$32,780 car, which will cost \$25,280 after U.S. subsidies.

Energy Department Loan

Nissan last year was awarded an Energy Department loan of as much as \$1.6 billion for "advanced technology" vehicle production in the U.S. The company has since modified its loan application, eliminating an initial plan to make electrodes for the batteries and leaving the production to Japan's [NEC Corp.](#), Mark Swenson, Nissan's vice president of North American manufacturing, said in an interview yesterday. "We still hope to do that eventually, but for now the electrodes will be supplied by NEC in Japan," he said.

About 70 percent of employees being added in Smyrna will be for the battery plant, with the rest going to work on the Leaf assembly line, Swenson said. *Source: Bloomberg.com*

THE 10 BEST SUMMER VACATION CARS, AN AW LIST

Memorial Day is the first long weekend during which car fans can get out and hit the open road. Whether you want to take an “I just won the lottery” trip or a “Let's just get outta here” trip, *AutoWeek* has you covered. First, the dream road-trip cars and some dream trips, then some practical ideas.



Wherever you go, enjoy the ride.

1956 Porsche 550 Spyder

The 550, known alternately as the “Little Bastard” for killing James Dean, and the “Giant Killer” for destroying the competition on the racetrack, sold for only \$6,800 new. Today, that number is about \$1 million, but replicas can be had for a tenth of that. A road trip with the 550 would take you to Park Cemetery in Fairmount, Ind., the final resting place of the Rebel Without a Cause.

2010 Audi R8 Spyder V10

When the R8 dropped its top at the end of last year, it became one of the biggest hits at the Los Angeles auto show. So it's no surprise that it makes our summer-car list. A 10-cylinder, 525-hp engine doesn't hurt either. The first stop on an R8 road trip would be Mazda Raceway Laguna Seca, then Laguna Beach.

2010 Bentley Continental GTC

The Bentley convertible will whoosh you away with speed, style and room for four. But don't stray too far off the main roads; you will need to find gas stations. Often. We think that's a small price to pay for the royalty that is the flying B. Take it to Los Angeles. Get discovered.

1966 Jaguar E-type

The gorgeous E-type didn't make its stateside debut until March 1961. By 1966, a 2+2 version with an automatic transmission was available for the connoisseurs who had kiddies. These days, you can score an E-type in decent condition for less than 50-grand. The perfect road trip? A week of traveling the back roads in Coventry, England, the E-Type's spiritual home.

2010 Aston Martin DBS Volante

What does James Bond take on vacation? Volante, DBS Volante. With a top speed of 191 mph, the DBS is fast enough to dodge raindrops but still slick enough to step out onto the red carpet. Take it Cannes, France. And win yourself a Palme d'Or. Or pick up someone who did.

2010 Tesla Roadster

Sure, you may need 10 of them to make it across the country, but at least you'll be green! The six-figure roadster goes 245 miles on a charge, less if you're liberal with the gas pedal. But with the top down and a sub-4-second 0-to-60-mph time, you won't even care. Ferry it to Costa Rica; it has a tiny eco footprint, and the locals will be happy to have the tourism. I believe *la electricidad* is the word you'll need.

2010 Mercedes-Benz SLS AMG

Even though the top doesn't go down, this is a serious road-trip cruiser. Not only will it cover distance, quickly, but it will do it with the comfort Mercedes always affords. Take the SLS on a trip to where it's most comfortable, *der Autobahn*.

1946 Ford Super Deluxe (Woodie)

Who needs steel when you have wood? The 1940s Woodies were perfect for the surfer generation because they were cheap, they fit a lot of people, and they could be easily fixed with woodworking skills. Same goes for a road trip; gasoline is a lot cheaper when you're splitting it six ways. Strap on some longboards and travel to Australia; Surfer's Paradise is at the southern edge of Queensland.

2009 Bugatti Veyron 16.4 Grand Sport

We couldn't leave the world's fastest convertible off the list. Each of the Grand Sport's 16 cylinders accounts for 62 hp and about 57 lb-ft of torque. That adds up to a top speed of just less than 253 mph, with no roof. The only place to take the Veyron is Eyre Highway in Australia. It's said to be the straightest, flattest road in the world.

2010 Ferrari 458 Italia

The newest edition to the Ferrari family will take you and a friend on the road trip of your dreams--as long as your dreams involve gobs of red paint and blurring scenery. With 562 horses on tap and seven speeds to spread them over, the ultimate 458 road trip would include a drive to Stelvio Pass in Italy. The road's 60 hairpins and almost two-mile climb are challenges to the even the strongest-willed driver.

The Practicals--What you'll really be taking**2011 Mustang GT Convertible**

The return of the 5.0 in convertible form isn't just a way to road trip; it's a reason. The Mustang is well priced and fits four, or three if you're going to be in there for a while. It has enough cache to get some nods on the highway and enough power to get some revs at a stoplight.

2010 Corvette Grand Sport Convertible

The 2010 Grand Sport is the slightly stronger first cousin of the base model. It gets unique side vents and gently massaged motor to boot. Get it in yellow and look for that 5.0.

2010 Mazda Miata

The Miata is a staple whenever we talk about convertibles for any reason. You know it won't be left off our road-trip choices. The perfectly balanced Miata is a blast on road trips, as long as you don't need much luggage. It's perfect for autocrossing your way across the country.

2010 Chrysler Town & Country

Ha. Ha. Ha. It fits eight, has televisions galore, a stow-and-go table for cards and gets more than 20 mpg on the freeway. That is a road-trip car. It may not get you noticed on the beach, but with all of these goodies, laugh smugly to yourself.

2010 Jeep Wrangler Rubicon

If the Jeep was good enough for the Americans to road-trip through Germany, then it's good enough for you. Get rid of the ragtop and hit the forest trails. There isn't much a Jeep can't handle. *Source: Autoweek.com*
