



Weekly Car Dealers Newsletter

September 19, 2008

This information that follows is taken from sources including *The Carconnection*, *Autoweek*, and other industry sources. For more information please call our Edmonton office.

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[#1 SALE-KILLER: CREDIT, NOT FUEL PRICES](#)

Tight credit has replaced high gasoline prices as the chief impediment to selling a new vehicle, top Chrysler executives say. Deborah Meyer, Chrysler LLC's chief marketing officer, says dealers and consumers tell her "financing is the biggest challenge that customers have in the marketplace." "We've seen customers adjust to the gas prices," Meyer told *Automotive News*. "But if you can't get the right kind of credit, you can't buy the car at all. I don't see a quick fix around the corner." - Source: [Automotive News](#)

HAPPY BIRTHDAY GM- 100 YEARS OLD – September 16, 2008!

On September 16, 1908 the General Motors Company was founded by William Durant. Durant later on loses control of his creation and dies as a bowling alley operator. As some speculate over whether or not GM can survive its current seemingly insurmountable and many problems, perhaps it is instructive to review some of the little-remembered facts and incidents of its now 100 year past.

In recognition of GM's 100th birthday today, the *Associated Press* prepared a list of events that marked the century of achievement. Some are little known and ironic, some may supply some perspective on how to evaluate GM's present problems. Here is a sampling from the list:

September 16, 1908 – Durant forms the General Motors Company

In 1909 – They sell 25,000 units.

In 1910 – Durant brings in Buick, Oldsmobile, Pontiac, Cadillac, Champion, AC spark plug and others. Bankers give Durant the boot after assessing the debt he amassed.

In 1916 – GM incorporates and Durant, after starting yet another car company – Chevrolet – gets back his seat at the head of the GM table.

In 1920 – Durant quits. After a bout with personal bankruptcy, Durant dies as a bowling alley operator.

In 1929 – GM becomes the owner of Adam Opel AG in Germany.

In 1955 – GM brings a V-8 engine to the Chevrolet line up.

In 1960 – With the growth in popularity of smaller European imports, Chevrolet markets the Corvair. Safety concerns with the vehicle were the subject of a book by Ralph Nader (yes the same one running for President in 2008), launching congressional hearings, Nader's career, and dooming the Corvair brand.

In 1980 – Roger Smith becomes chairman – vehicle sales fall by 26 percent and GM loses \$750 million.

In 1983 – After forming a manufacturing alliance with Toyota and announcing the formation of a new car line – Saturn – GM posts a profit of \$3.7 billion.

In 1991 – GM loses \$4.45 billion – announces closing of 21 plants and plans to cut 9,000 salaried positions along with 15,000 hourly worker jobs.

In 2007 – The company loses \$38.7 billion – but that loss includes a \$39 billion charge taken for unused tax credits. GM also negotiates an historic labor agreement that will allow the company to pay new workers at \$14 per hour- the effects of this achievement will not be fully realized until 2010, but will bring the company into near parity with labor costs of key foreign competitors.

TOP SELLING MODELS FROM GM'S NEARLY ½ BILLION UNITS SOLD

This surprising list underscores the importance of the 1929 acquisition of Adam Opel

In a companion Associated Press article, they list the top selling GM models of all time. There are some surprises in this list as well.

- #1 – Chevrolet Impala – 14 million plus
- #2 – Opel/Vauxhall Corsa – 12 million plus
- #3 – Opel/Vauxhall Astra/Kadett – 12 million plus
- #4 – Oldsmobile Cutlass – 11.9 million plus
- #5 – Opel/Vauxhall Vectra – 6.5 million

- #6 – Chevrolet Cavalier – 6.2 million
 - #7 – Buick LeSabre – 6.0 million
 - #8 – Chevrolet Camaro – 4.8 million
 - #9 – Opel Ascona/Vauxhall Vectra – 4.4 million
 - #10 – Pontiac Grand AM – 4.0 million
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MAN ARRESTED AFTER TRYING TO STEAL THE SAME CAR TWICE FROM DEALERSHIP

Thief stole the car once then returned to the dealership to reclaim it. All one can say is that it must have been one heck of a car.

Eric Myrick of Hampton, Virginia is in jail after police arrested him for trying to steal the same car twice, according to a report in the *Hampton Daily Press*.

Myrick first stole the 2008 Honda Accord from Peninsula Honda on August 17. The vehicle was recovered and returned to the dealer. But Myrick kept an extra set of keys. He apparently liked the Accord so much that he returned to the store on September 15 and used the spare keys in his attempt to re-steal the car.

Police had circulated a surveillance photo of Myrick in the hope that someone would recognize him. They got more than they hoped for. Three hours after the photo went out to media outlets a staff member at Peninsula Honda called police and said the same man was back on the lot - and trying to steal the same car.

Officers arrived and arrested Myrick. He is being held on a charge of grand larceny of an automobile. – Source: *The DealersEdge*

TOYOTA SEES OPENING FOR PRIUS BRAND

Toyota Motor Co. is considering selling a family of Prius-branded hybrids with dedicated areas in dealerships to showcase the expanded line-up, a senior executive said on Tuesday. "You could have a series of derivatives under the Prius brand name that would allow you to market product at a much lower cost," Jim Lentz, Toyota's North American sales chief, told the Reuters Autos Summit in Detroit. "There is a definite desire for us to do that." Currently the sold-out Prius is offered as just another model in Toyota showrooms. - Source: [Reuters](#)

PRICE vs. FUEL SAVINGS FOR CHEVY VOLT DEBATED

The average U.S. driver of a Chevrolet Volt is expected to save \$1,500 to \$2,000 a year on fuel, compared with today's compact cars and about \$1,000 a year compared with a Toyota Prius hybrid. But the debate continues over how much consumers will pay to get the fuel savings. GM, which unveiled the production design of the electric Volt on Tuesday, has yet to say how much the range-extended electric vehicle will cost when it goes on sale, but early estimates have put the cost in the mid-\$30,000s to low-\$40,000s. "My research tells me people won't pay that kind of premium," said Kevin Tynan, an analyst at Argus Research. His research shows that consumers won't pay more than \$2,000 extra for a fuel-efficient vehicle. - Source: [Detroit Free Press](#)

GM RESHUFFLES PRODUCT PLANS

General Motors Corp. has suspended plans to build a small, seven-seat crossover wagon for its Chevrolet brand in North America and instead plans to bring another small car to the U.S. from Asia. The moves come as it continues to reshuffle its product plans amid a rapidly shifting U.S. market. The MPV, or multipurpose vehicle, would have been based on GM's compact-car architecture but would have been capable of seating seven people. The vehicle could still be built for markets outside North America, such as Europe, where smallish MPVs are more popular. A concept version of the model -- called the Chevrolet Orlando -- will debut at the Paris auto show next month. - Source: [The Wall Street Journal](#)

CHRYSLER TO SHOW DEALERS ELECTRIC CAR

Chrysler LLC, in a bid to cheer up its dealers, next week plans to offer them a glimpse of an electric car it is scrambling to develop, people familiar with the matter said. The concept is similar to the Chevrolet Volt electric car that General Motors Corp. is working on and aims to launch by 2011. The event, which also will preview other Chrysler models under development, will be broadcast from the company's headquarters to dealers gathered in 100 movie theaters across the country, according to invitations distributed... The presentation is aimed in part at lifting the spirits of the company's hard-hit dealers. Many are being squeezed by Chrysler's slumping sales and more-restrictive lending policies that Chrysler put in place because of its own difficult financial situation. - Source: [The Wall Street Journal](#)
