



Dennis DesRosiers

Hope and Change

Perhaps it was the mix of cars filling display pavilions.

It might have had something to do with the booth locations staked by certain brands.

You can glean a general mood from the cars and the crowd, but this was one of those rare times when on-stage messages synced up rather well with the unofficial buzz. Detroit in 2011 was all business; efficient cars introduced via an efficient schedule in efficient presentations.

What follows are my brief observations from the show floor, gained in a marathon hustle that left the assembled autotariat thirsty for Chevrolet's end-of-show refreshment table.

Motown gets its mojo back!

Everybody likes a comeback. If there was a single obvious note played at the 2011 NAIAS, it was one of relative promise, strength and youth. Detroit's old fondness for smoke & mirrors pomp has been held at-bay for several years now, but one got the sense that the confidence projected this season was in-fact real. In many cases, this confidence was founded not on pledges but ready-to-build product.

Particularly promising were production-ready examples of the new Fords Focus and C-Max, Chevrolet Sonic and Buick Verano. The last of that quartet, Buick's luxocompact, sports a spunky Hoffmeister kink along the forward edge of its C-pillar, signaling GM's aspirations for its newest model.

A feeling of momentum pushed the show along. Many of the majors in attendance paid saccharine homage to their respective prewar roots, but in contrast to the almost-apologetic tones of past photobook slideshows ("Our old cars were amazing; we're so sorry about the 1990s; things will be better soon"), this year's tone felt confident: "We're back to our old selves!" Hopefully not their old habits but I'll leave that topic for another day.

In contrast to the muddle of 2008/9, the Detroit Three seem to have made good progress. All three have excellent early/mid-cycle full-size pickups (a downtrodden but still very important segment) and great intermediate crossovers. GM and Ford have shown additional strength with their intermediate sedans and small crossovers, and the above-mentioned B and C cars could round out the value equation.

Canadian Light Vehicle Sales by Segment - Units

	2006	2007	2008	2009	2010	Change
Passenger Cars						
SubCompact	101,053	118,316	141,538	108,173	91,029	-15.8%
Compact	401,715	399,673	431,687	380,666	363,321	-4.6%
Sport	32,058	32,641	27,211	26,384	29,529	11.9%
Luxury	74,501	70,208	70,088	63,473	66,807	5.3%
Intermediate	237,127	221,341	207,545	154,394	142,125	-7.9%
Luxury High	14,127	13,117	11,398	10,560	12,545	18.8%
Luxury Sport	7,126	5,672	5,110	3,846	3,657	-4.9%
Light Trucks						
Compact Sport Utility	180,780	209,211	216,758	211,740	236,452	11.7%
Intermediate Sport Utility	71,620	90,481	95,053	93,494	132,727	42.0%
Large Sport Utility	17,782	14,239	11,806	7,871	9,769	24.1%
Luxury Compact Sport Utility	4,514	8,133	8,979	15,604	18,806	20.5%
Luxury Intermediate Sport Utility	32,455	34,729	33,241	35,288	40,438	14.6%
Luxury Large Sport Utility	4,472	4,551	3,430	2,896	4,365	50.7%
Small Pick up	48,774	54,897	51,164	41,803	43,308	3.6%
Large Pick up	205,646	224,452	198,926	200,879	253,545	26.2%
Small Van	152,005	125,071	101,272	86,831	85,703	-1.3%
Large Van	28,946	26,630	20,780	16,679	22,995	37.9%
Total Light Vehicles	1,614,701	1,653,362	1,635,986	1,460,581	1,557,121	6.6%
Entry Level	732,322	782,097	841,147	742,382	734,110	-1.1%
Mid Sized/Family	460,752	436,893	403,870	334,719	360,555	7.7%
Large/Luxury/Sport	187,035	183,290	171,263	165,922	185,916	12.1%
Primarily Commercial	234,592	251,082	219,706	217,558	276,540	27.1%
Pure Luxury	137,195	136,410	132,246	131,667	146,618	11.4%
SUV	311,623	361,344	369,267	366,893	442,557	20.6%

Source: DesRosiers Automotive Consultants Inc. , AIAMC and CVMA

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The case of Chrysler is a peculiar one. No immediate Cruze/Focus competitor exists, and the single B-car in their group (Fiat 500) has strong but tight-focus appeal. Despite the relative failure of the Sebring upon which it's based, I'm willing to regard the new 200 midsize as an unknown quantity. Worthwhile updates to the 300 keep the big intermediate fresh, but I worry that a similar fate will befall this version as the last (i.e., strong initial demand followed by steep mid-cycle dropoff).

Markets reflect messages

Detroit is a shell of its former self. The local and regional markets for new vehicles have receded, a phenomenon common

across the industrial Northeast. Competing auto shows in New York, Chicago and Los Angeles have benefitted from Detroit's decline, rising in international stature and attracting growing numbers of venue-appropriate vehicle introductions.

Detroit has become a venue without a constituency. New York and LA represent the coastal markets with their specific cultural interests, Chicago holds the Middle American fort with broad shouldered ease while Detroit - a slow-motion, late-stage Pompeii - struggles to remain relevant.

Into that demographic vacuum has rushed the federal government.

Whether or not this was the 'greenest' auto show in recent memory is a question I'm ill-equipped to judge, but it was clear from the get-go that in 2011, vehicle companies are scared of government.

Horsepower? Gone. Speed? Gone. Trucks? Over in the corner by the coffee machine.

While the floor was full of exceptions - BMW's racy 1-Series M Coupe and Porsche's 918 RSR, for example - major introductions focused exclusively on products towing

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Canadian Light Vehicle Sales by Segment - Share

	2006	2007	2008	2009	2010
Passenger Car					
SubCompact	6.3%	7.2%	8.7%	7.4%	5.8%
Compact	24.9%	24.2%	26.4%	26.1%	23.3%
Sport	2.0%	2.0%	1.7%	1.8%	1.9%
Luxury	4.6%	4.2%	4.3%	4.3%	4.3%
Intermediate	14.7%	13.4%	12.7%	10.6%	9.1%
Luxury High	0.9%	0.8%	0.7%	0.7%	0.8%
Luxury Sport	0.4%	0.3%	0.3%	0.3%	0.2%
Light Truck					
Compact Sport Utility					
Intermediate Sport Utility	4.4%	5.5%	5.8%	6.4%	8.5%
Large Sport Utility	1.1%	0.9%	0.7%	0.5%	0.6%
Luxury Compact Sport Utility	0.3%	0.5%	0.5%	1.1%	1.2%
Luxury Intermediate Sport Utility	2.0%	2.1%	2.0%	2.4%	2.6%
Luxury Large Sport Utility	0.3%	0.3%	0.2%	0.2%	0.3%
Small Pick up	3.0%	3.3%	3.1%	2.9%	2.8%
Large Pick up	12.7%	13.6%	12.2%	13.8%	16.3%
Small Van	9.4%	7.6%	6.2%	5.9%	5.5%
Large Van	1.8%	1.6%	1.3%	1.1%	1.5%
Total Light Vehicles	100.0%	100.0%	100.0%	100.0%	100.0%
Total Market					
	100.0%	100.0%	100.0%	100.0%	100.0%
Entry Level	45.4%	47.3%	51.4%	50.8%	47.1%
Mid Sized/Family	28.5%	26.4%	24.7%	22.9%	23.2%
Large/Luxury/Sport	11.6%	11.1%	10.5%	11.4%	11.9%
Primarily Commercial	14.5%	15.2%	13.4%	14.9%	17.8%
Pure Luxury	8.5%	8.3%	8.1%	9.0%	9.4%
SUV	19.3%	21.9%	22.6%	25.1%	28.4%

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the current administration's line. Detroit has ceased to function as a public relations showcase; it now slots firmly in the government relations column. Unfortunately I believe most of us auto buffs came to see a "car show" rather than a GR exercise.

As such, much of the show catered to the Washington crowd. This year marked the completion of the PR-to-GR transformation, with sexy celeb presenters like Eva Longoria (Chrysler 2006) replaced with green evangelists like Ed Begley Jr. (Ford 2011). Thousand-point type on pavilion walls extolled each manufacturer's enviro-cred and present or promised electric projects.

To that last point: Emblazoned on Ford's display was a panel hyping the fact that the company had recently been named among the "Top 100 World's Most Ethical Companies." I question the relevance of such a statement at a show that remains nominally oriented toward the consumer market. Introducing morality into the realm of consumption choices is dangerous territory that I hope most automakers avoid in their future advertising.

Survey work performed by Maritz Data consistently shows that environmental friendliness ranks in the bottom quartile of product attributes valued by new vehicle customers. If Maritz knows this, the OEMs know it;

and if the OEM's know it, the donation of prime booth space to such ideas is explicable only if the intended audience is not governed by the same needs and wants as normal folks. A number of vehicle segments still popular with consumers (e.g. full-size pickup truck, full-size SUV) received short shrift, pushed to the edges or backs of many displays.

It is my opinion that vehicle companies should come to auto shows to meet their customers, not bow to political patrons. By my rough estimate at least half of media day played to the one percent of consumers interested in an electric vehicle. I fully understand that our industry has

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to demonstrate to the politicians they are taking fuel efficiency seriously but this is overkill by any measure.

Canada wins

I've been knocking down the doors of Canadian vehicle company presidents for the better part of a decade preaching the B and C-size message (60 percent of consumers in Canada buy this size of product) - and they always said, "Thanks, we know they'd sell but head office will never buy in to these vehicles. Taking that message to the U.S. mothership would be a fool's errand." Ten years ago, the B and C-dominated scene played out at Detroit Three booths would have been beyond imagination. A new normal has apparently settled, however, and automakers found religion.

While I continue to doubt that a true desire for these products exists in the U.S. market (and that the presence of these models on our shores has been driven primarily by political and regulatory considerations), arguably bad American policy has finally delivered to Canada what Canadians could never seem to get on their own.

Starting with the reintroduction of B-size products in the mid-2000s (Toyota Echo/Yaris Hatchback, Honda Fit, Nissan Versa, Suzuki SX4) and continuing now with the Ford Fiesta, Mazda2, Fiat 500 and Chevrolet Sonic, compact-fond Canadians are truly benefitting from the globalization of the auto sector.

Odds & Ends

The pervasive theme of efficiency has exerted influence not only on the products introduced at Detroit but on the show itself. A media schedule that has for decades been

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spread across a minimum of two days (often three) was compressed into a single twelve-hour race between press conferences with nary a single break. Yes, money was likely saved, but at what cost? Some at GM expressed surprise that so many of the assembled press and auto industry insiders turned out for their 6:15 pm Chevrolet show. I have no way to quantify my hunches but I suspect that more than a few

messages were lost in the fray on account of the compressed timeline.

Also, I do not know too many automaker executives who get up and go for a twelve-hour walk, nevermind a frenetic group chase. The lack of breaks robbed us of the traditional schmooze time, the soft networking that makes such gatherings so worthwhile. It also forced vehicle companies to play their conservative hands as they hadn't the time to spend on side projects and potentially interesting but mildly off-message (or offbeat) tangents. Few companies showed inspiring or way-out concepts. A 1953 Chevrolet Corvette sat at the entrance to GM's presentation area, reminding show-goers of a simpler time when design studies (the Corvette was introduced as a concept in January 1953 and hastily rushed into product due to public interest) aimed to save the soul, not the planet.

This was the sort of colour missing in 2011 and it made the whole enterprise feel sterile.

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