

Dealers Rate Their Automakers

Despite falling sales, there are bright spots in NADA's latest dealer attitude survey.

BY LEIGH GLENN

PAIN AND UNCERTAINTY ruled in the latest NADA Dealer Attitude Survey, affecting almost all franchises, though not equally. Not surprisingly, Chrysler and GM dealers rated their franchises down across all categories. Because of the drastic changes at both automakers, *AutoExec* will report on dealer attitudes toward them when we cover the upcoming summer survey. Here's a rundown of other automakers:

FORD: A DOMESTIC BRIGHT SPOT

With 52 percent of Ford dealers responding—up from nearly 45 percent last summer—dealer attitudes toward Ford improved across all categories. The ride up reflects dealers' confidence in management, including its foresight in getting a \$23 billion loan in 2006 that allowed Ford to forego tapping federal money to help it survive.

The fundamental culture of the company is changing, a result of CEO Alan Mulally's emphasis on asking questions and listening—to dealers, to buyers of Ford products, and to Ford employees, says NADA Ford Motor Co. franchise chair Don Chalmers. "It's a culture of never-ending improvement in quality and listening to dealers and customers, and dealers are their most important customers."

Dealers really believe in the skills of former Toyota marketer Jim Farley, and they're proud of the quality of the vehicles, says Chalmers, especially the Fusion hybrid. They

look forward to the arrival of the EcoBoost engine, an internationally designed Focus, and the new Fiesta, a result of Mulally's insistence on marrying the best of what the global company's different units have to offer.

THE ASIANS: OPPORTUNITY IN THE MAYHEM

Sliding sales shook out some surprises, with **Subaru** leapfrogging to the top of the value index and higher up the scale in other categories, including people and overall attitude. (**Lexus** otherwise retained the top spots.) NADA Subaru franchise representative Michelle Primm attributes the bump-up to Subaru's making "ethical decisions, based on what's right for the customer, what's right for the dealer, and what's right for the manufacturer" and to its listening skills. Of course, it helps that Subaru's U.S. sales were up last year, making it one of only three automakers whose sales rose in a down year. Dealers expect good things from a new Legacy sedan, due out this year.

Though **Honda** lost ground to Subaru, slipping in value from first to third, NADA franchise rep Forrest McConnell says the automaker does well because it wants to know what its dealer think. That's why its survey presentation meetings are attended by so many Honda people from all levels of management, he says. Honda's emphasis on fuel efficiency, concern about the customer, tapping of dealers' customer knowledge,

and emphasis on being a value leader all fit perfectly in today's market.

Another Asian maker, **Hyundai**, unveiled its innovative Assurance program just before the winter survey. The program lets Hyundai buyers and lessees who lose their income in the first 12 months of ownership return their vehicles.

NADA franchise rep Bill Underriner credits the program with Hyundai's rise in policy and people scores, which boosted the maker's industry rank from 11th to 6th and 10th to 8th, respectively. And in this market, dealers appreciate Hyundai reps' e-mailed tips on how to improve business, including service and parts. One challenge: keeping the management team in place, which will further improve Hyundai's relations with dealers, says Underriner.

THE EUROPEANS: HOLDING THEIR OWN

Europeans tracked the industry ratings, receiving lower scores in value and overall attitude, but higher scores in policy, people, and input. The winter survey also saw **Smart's** debut.

Audi got positive marks across the board, jumping from 15th to 9th in value and 21st to 15th in overall attitude, though dealers are concerned about their captive's overly tight retail credit standards, says council chair Blake Strong. **Volkswagen** reaped higher marks in every category except value, where it lost more than two points. Credit goes to CEO Stefan Jacoby and chief operating officer Mark Barnes, says NADA franchise rep Wade Walker. "They've done an excellent job communicating to the dealers, hearing the dealers' concerns, and trying to get to the bottom of issues the dealers have," including product. Dealers are gratified that VW has committed itself to the U.S. by building a plant here, and they hope to get a small car like the Polo,

which sells well in Europe. Plus, VW attacked its computer problems and empowered field reps to fix problems as they arise, says Walker.

BMW scored lower nearly across the board, moving from 8th to 14th on overall attitude. With business off, BMW has had to cut expenses. There was a change in leadership, and some policies may not have been well communicated. But BMW is "anxious for a better showing," says NADA franchise rep Jack Tulley, and the CEOs of both BMW and **MINI**—which slid from 7th to 23rd on policy and from 4th to 16th on overall attitude—have since "listened and asked good questions." [AE]

Leigh Glenn is senior writer with NADA Public Affairs.

