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Chrysler Interiors Turn Corner, Win Two Awards

by Christine Snyder
Staff Reporter
Tech Center News

For Ralph Gilles, senior vice president, product design at Chrysler Group and CEO and president of its Dodge brand, being in the same room with Audi and BMW is an accomplishment, let alone competing against them and winning an award in an area that long has been the automaker's Achilles heel: its interiors.

"I still can't believe what we accomplished in just two-and-a-half years," said Gilles as keynote speaker at the Ward's Auto Interiors conference May 17 in Dearborn.

Gilles called Chrysler's poor interiors a "monkey" on his back. "I don't want to just get

the monkey off my back, but retire it completely," said Gilles, who added continuing with Chrysler's old interiors wasn't the way to go about it.

He shared a European journalist's criticism that stuck with him. "He said, 'Your cars are beautiful, but your interiors are (awful),' " said Gilles.

"You can make plastic beautiful, but we managed to make plastic look harder than plastic," said Gilles.

"I dreamed of more, gathering the most talented people to work in interiors. We used to take exterior designers and force them to do interiors and it wasn't natural for them."

The transformation started almost three years ago, Gilles said, when Sergio Marchionne addressed employees at the

Chrysler Tech Center.

"He was humbled by the group and we were humbled by his humility," said Gilles. "He believed in us. He told us the impossible is possible."

Chrysler received its first interiors award in 2009 for its Ram truck. "It showed where we were headed," said Gilles.

Then last year, in 2010, Chrysler didn't show anything at the North American International Auto Show in Detroit. "We didn't want to embarrass ourselves."

Meanwhile, though, the team was working and getting inspired.

"Part of what's working is decoupling the process," said Gilles. "Some of it was just time and becoming friends."

The culture has changed and so has the company's attitudes to its interiors. "Interiors are about the intoxication of the driving experience," said Gilles. "The culture is absolutely changed. We aren't going to screw it up this time."

Today, Gilles said people are requesting the 200, the 300 and Durango by name.

"We are not done with it yet," said Gilles. "We plan to have a lot of fun with it."



Ralph Gilles

"We want to start leading, not just be competitive."

Chrysler won two awards at the conference for its Dodge Charger Rallye Plus and its Jeep Grand Cherokee Overland Summit. It was the only automaker to receive two awards.

Meanwhile, the annual Interiors show, which used to be held at Cobo Center in Detroit over two days, is now held at a hotel in Dearborn on a single day. Interest in interior design and the resulting awards given out remains fairly high.

Ford Marks 10 Years of Popular 'Idol' Sponsorship

DEARBORN, Mich., May 25, 2011 — It's ten and counting.

As fans across the country wait to find out whether Scotty McCreery or Lauren Alaina will be the next American Idol, Ford is marking its 10th season as a sponsor of the hit FOX television show that has enabled the Blue Oval to engage millions of consumers with its products and technologies.

"American Idol's high ratings make it a mini-Super Bowl every week," said Crystal Worthem, Ford Brand Content and Alliances manager. "The show attracts a huge audience that is able to connect with our vehicles in a fresh and meaningful way because of the custom content we have been able to create."

The relationship began like most sponsorships — with a pitch. Worthem says the Ford Marketing team had a "gut instinct" about American Idol when they first met with the show's producers before it ever launched.

"Reality shows are so common now that it is hard to comprehend how unique the property was at the time. Nothing like it existed," she explained. "However, the names behind the show had a lot of strength, and the concept itself sounded riveting and new. That's why Ford was willing to take a risk."

It was a risk that paid off, according to Worthem.

"One of the most interesting things about American Idol is that even after all these years, the show is still as strong as it was when it debuted," she said. "It is one of the biggest platforms on television, and it's very difficult to find something that can compete with it in the entertainment space."

Beyond product placement for Ford, sponsorship of American Idol has translated into increased vehicle sales, enhanced ad performance, and greater consumer awareness and affinity for the brand.

"American Idol enables us to showcase the contemporary nature of new Ford prod-

ucts and technologies, and it is the perfect avenue to launch new products with custom content that can live in all media channels — branded content, product placement and social content as well as digital, mobile, broadcast and print advertising," said Worthem, noting that Ford involvement with American Idol over the past 10 seasons alone has resulted in more than 1 million consumers opting in for more information about Ford vehicles.

"The reason it works so well," explained Worthem, "is that we do it in a way that is really relevant to the context of the show."

Ford achieves that relevance through the creation of original branded content like the Ford Music Videos — which air weekly during the American Idol season and are posted on www.americanidol.com.

"The Ford Music Videos place the Idols and the products together, engaging viewers to spend more time with the brand," Worthem continued. "It takes the viewers who are really connected to the Idols, and enables them to see how they interact with Ford products and technology."

Every season, Ford strives to take its relationship with American Idol to the next level.

For example, in season three, Ford created the Ford Music Video Contest & Sweepstakes, which awarded winners a walk-on role in the final Ford Music Video and a new Ford Focus ST. In season six, Ford participated in the "Idol Gives Back" charity initiative, creating a special music video with downloads to benefit the cause. And just last year in season nine, Ford designers worked with the top 12 contestants to create personalized Idol-inspired Fiesta.

"Ford has been a great partner for us on the show, and worked with us to keep their integration fresh and relevant," said Keith Hindle, CEO Americas for FremantleMedia

Enterprises. "The concept of having the first music videos of the contestants car themed is a great asset for Ford, and has led to some beautiful and really fun TV moments".

And as technology has evolved over the years, Ford has broadened the scope of its marketing efforts.

"Our involvement with American Idol has extended beyond the weekly music videos to a digital platform using social media and gaming to connect viewers with our vehicles," said Worthem.

This season, Ford's relationship with American Idol is bigger and better than ever before.

Ford expanded the impact of the Ford Music Videos by creating a virtual scavenger hunt within the videos on www.americanidol.com that drives consumers to log on and re-engage with the videos to find hidden icons.

The grand prize was two tickets to the American Idol finale and a new 2012 Ford Focus.

Ford also used the American Idol forum this season to showcase its Drive One 4 UR School test-drive program, an initiative that brings together local dealerships and neighborhood high schools to raise money.

The program will be highlighted in a video that will air during the finale.

"When the final three Idols went on their hometown visits, we took our Drive One 4UR School program to their local high schools and raised \$10,000 for each school," said Worthem. "The Idols also surprised their favorite teacher from high school with a trip to the American Idol finale, courtesy of Ford Motor Company."

Since its creation, Ford has donated more than \$5.5 million to local schools through the Drive One 4 UR Schools program.

"As a gift for their accomplishment, we award Ford vehicles to the final two Idols," said Worthem. The added twist this year is that the Idols are going to surprise their fa-

vorite teachers with their own Ford Focus."

Previous American Idol winners who were awarded Ford vehicles continue to support the Ford brand. Season seven winner David Cook, who received a Ford Escape Hybrid, later purchased a Ford Flex.

Crises Stall Japan's Weak Economy

by TOMOKO A. HOSAKA
Associated Press

TOKYO (AP) — Japan's economy shrank in the first quarter, veering back into recession as factory production and consumer spending wilted in the aftermath of March 11 earthquake and tsunami.

Real gross domestic product — a measure of the value of all goods and services produced domestically — contracted at an annualized rate of 3.7 percent in the January-March period, the Cabinet Office said Thursday.

The result marks the second straight quarter that the world's No. 3 economy has lost steam and undershoots an annualized 2.3 percent fall forecast in a Kyodo News agency survey.

While there is no universally accepted definition of a recession, many economists define it as two consecutive quarters of GDP contraction. Others consider the depth of economic decline as well as other measures like unemployment.

Martin Schulz, senior economist at Fujitsu Research Institute in Tokyo, said there is "no doubt" that recession has returned. More surprising is just how quickly the economy crumpled, he said.

The latest GDP report includes just 20 days following the disaster, but "the impact is huge," said Schulz, who had expected to see most of the economic fallout in the second quarter.

The Nikkei 225 stock average fell 0.4 percent to 9,620.82.

The magnitude-9.0 earthquake and tsunami left more than 24,000 people dead or

missing, and wiped out entire towns in the hardest-hit areas. Damage is estimated at \$300 billion, making it the most expensive natural disaster in history.

It damaged factories in the region, causing severe shortages of parts and components for manufacturers across Japan, especially automakers. A crippled nuclear power plant caused widespread power shortages that added to the headaches faced by businesses and households.

As a result, Japan's factory production and consumer spending both fell the most on record in March. Exports in March went south for the first time in 16 months. Companies are reporting lower earnings and diminished outlooks for the rest of the fiscal year.

The recent events have deeply unnerved households, who are likely to remain cautious for the coming months, Schulz said.

"The nuclear disaster showed just how much is wrong in Japan actually," he said. "And many things that seemed so stable and sure like electricity supply... are looking not safe at all."

Toyota Motor Corp., Japan's biggest automaker, said last week that its quarterly profit tumbled more than 75 percent because of parts shortages after the tsunami. As of May, the crisis cost the company production of 550,000 vehicles in Japan and another 350,000 overseas.

Toyota is expected to lose its spot as the world's top-selling automaker to General Motors Co. this year.

Even before the disaster, Japan's economy was shaky. In a historic shift, China overtook the country as the world's No. 2 economy last year. Japan struggled to address a slew of problems including years of deflation, a rapidly aging and shrinking population, and ballooning public debt. Japanese companies increasingly relied on ex-

ports to drive growth and offset the persistently lackluster demand at home.

After four solid quarters of growth, Japan's GDP turned negative in the last three months of 2010 due to weaker exports and consumer demand. The downturn was expected to be temporary.

Instead, Japan has now recorded consecutive quarters of contraction for the first time since the global financial crisis. GDP fell for four straight quarters starting April 2008.

Japan's economy and fiscal policy minister Kaoru Yosano described the current slump as milder than the previous slide, when global demand "evaporated instantly."

"The Japanese economy's ability to rebound is sufficiently strong," Yosano said, according to Kyodo News agency.

Goldman Sachs said the economy will likely bottom in the second quarter.

It expects GDP to begin growing again in the third quarter as reconstruction bolsters demand in both the private and public sectors.

"We assume the production and exports will shift to mild growth facilitated by supply chain restoration, although power supply is an uncertain factor," chief Japan economist Naohiko Baba said in a report to clients.

The first-quarter GDP figure translates to a 0.9 percent fall from the previous three month period, according to the Cabinet Office data.

Consumer spending, which accounts for some 60 percent of the economy, declined 0.6 percent. Capital investments by companies retreated 0.9 percent from the October-December quarter.

To fund recovery spending, Japan's parliament passed at 4 trillion yen (\$49 billion) budget supplement earlier this month.

Further government outlays are expected to follow in the months ahead.

Experience is What Branding is All About, Says Ford Designer

CONTINUED FROM PAGE 1

interior.

"We looked at exterior queues," said Gelardi. "We got a sense of cohesion between the interior and exterior."

Whenever there was a problem, Gelardi said the team looked back at the Mustang DNA to solve it. "We took the experience of the brand to solve the problem."

Aluminum was used where it could be and strong use of the Mustang brand, including a logo that lit up at night.

"It was important to make a statement," said Gelardi. "If you spend that much time on the badge, the rest of the car must be fantastic."

Because Mustangs are all about customization, the redesign used technology so owners could customize it, like changing the interior lighting color.

"It looks technologically advanced, but it's all about driv-

Saab Designer Castriota in Top 100 'Most Creative'

ROYAL OAK — Featured in *Fast Company's* June 2011 issue is the third annual ranking of The 100 Most Creative People in Business, and Saab's Executive Director of Design Jason Castriota joins the ranking at number 69.

Castriota shares the honor with a prestigious list of influential executives, artists and impresarios.

"I am incredibly honored to be selected by *Fast Company* as one of 100 Most Creative People in Business," said Castriota, executive director, Design, Saab Automobile AB.

"To be included within such an impressive list of professionals encompassing technology, entertainment, design and education signifies the breadth and depth that creativity carries to all facets of our lives."

Castriota is most recently responsible for creating the next generation of Saab cars — the Saab Phoenix concept. Based on new architecture that will empower the next Saab 9-3 model, the Phoenix introduces "aeromotional" design inspired by Saab's aviation roots. The Phoenix captures Saab's new design direction and future technologies.

Castriota hails from the New York metropolitan area and graduated from Emerson

College in Boston before attending the prestigious Art Center College of Design in Pasadena, Calif. In 2001, he left the college to join Pininfarina's design studio in Turin, Italy, where he rose to hold the positions of chief designer responsible for Special Projects.

He took up the position of director of Design at Stile Bertone in 2008 and then opened a design consultancy with offices in New York and Turin.

In June 2010, he was appointed executive director, Design, at Saab Automobile. In this position, Castriota and his design company are responsible for exterior and interior design and lead the design activities at Saab.

Saab, or Svenska Aeroplan Aktiebolaget (Swedish Aircraft Company), was founded in 1937 as an aircraft manufacturer and revealed its first prototype passenger car 10 years later after the formation of the Saab Car Division.

In 1990, Saab Automobile AB was created as a separate company, jointly owned by the Saab Scania Group and General Motors, and became a wholly-owned GM subsidiary in 2000.

In February 2010, Spyker Cars N.V. of the Netherlands,



Saab Cars North America designer Jason Castriota.

acquired the company from GM as an independently-run business.

Saab cars reflect the brand's unique Scandinavian design ethic, which is fused with its aircraft engineering heritage. The company is a global premium carmaker with a distinguished history of innovation.

It is recognized for its pioneering role in turbocharging, as well as occupant safety and the introduction of flex-

fuel technology through Saab BioPower.

Saab Automobile AB currently employs approximately 3,800 staff in Sweden, where it operates world-class production and technical development facilities at its headquarters in Trollhattan, 70 km north of Gothenburg.

Saab Cars North America is headquartered in Royal Oak in a new facility that Saab moved to after leaving GM's RenCen.