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'We See the Automobile Becoming the Next Major Technology Platform' – GM's Akerson

GM CEO Dan Akerson and baseball Hall of Famer Ted Williams seem to have some things in common.

At least, that's what Akerson said when he quoted the former Boston Red Sox slugger in his speech to the Boston CEO Club June 13.

Akerson, after praising the city for being a great baseball town, said he saw Williams hit two home runs in one day when attending a game with his father.

He said he brought that up because it reminded him of two Williams quotes.

Akerson said, "The first is, 'Baseball gives every American boy a chance to excel. Not just to be as good as someone else . . . but to be better than someone else.'"

"The second is, 'No one has come up with a substitute for hard work.' I like these quotes because what's true in baseball is also true in business – at least in most respects. In business, you have to bat a lot better than .300 to keep your job."

GM aspires to play at the Hall of Fame level, Akerson said. And right now things are going well for the company. The stock is doing well.

"Most importantly, investors

see that GM is producing the finest lineup of cars and trucks, from top to bottom, in its history," Akerson said. "For example, journalists have been handing out the North American 'Car of the Year' award for two decades and it has never gone to a Cadillac – until our new ATS sports sedan won this year."

Investors see that GM has recaptured its entrepreneurial spirit and started to innovate once again, he said.

"Innovation isn't a word I use lightly – or without facts to back me up," Akerson said. "For instance, GM has been ranked No. 1 on The Patent Board's list of innovators in the automotive and transportation industry for seven consecutive quarters. But the patent office isn't the real world. That gets defined by customers."

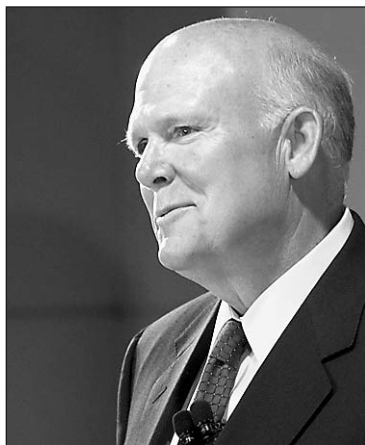
So how is GM innovating for them? One way is by bringing analog cars into the digital world, he said.

"We see the automobile becoming the next major technology platform – and one with far better battery life than an iPhone," Akerson said. "Now, if we could just get people to trade in their cars as often as they do their phones, we'd be on our way. But that's another story."

He said the opportunity GM sees has been created by the increasingly ubiquitous smartphone – and the irresistible desire people have to stay connected wherever they are. Consider these statistics: the average U.S. consumer spends 2 hours and 38 minutes per day on smartphones and tablets.

That tops the 15 hours per week they spend in cars as a driver or passenger, Akerson said. Marry the two and you have a megatrend that GM intends to harness for competitive advan-

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Dan Akerson



2014 Jeep Cherokee

Cherokee Badge Returns With 'No Compromise'

by Irena Granaas

Bringing back the Cherokee badge to the midsize SUV market after a 12-year absence, the new 2014 Jeep Cherokee will arrive at dealer showrooms in the third quarter of 2013 with a base MSRP of \$22,995.

That is less than the price of the outgoing Jeep Liberty, which replaced the Cherokee in 2002, yet according to Chrysler buyers, will benefit from significantly improved fuel economy, more

safety features and the addition of advanced technology.

"We call it the no-compromise Jeep," said Chrysler spokesperson Kathy Graham. "With some older models, if customers wanted off-road capability there was a weight penalty and a fuel economy penalty."

"The nice thing with this one is, they're still getting best-in-class capability, but it will also have great on-road ride charac-

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GM Quality Best Overall, Says J.D. Power Ford Led Way in Technology, Others Improved on It

by Jim Stickford

J.D. Power gave GM some good news last week.

That's when the market research firm, at the June 19 Automotive Press Association lunch at the Detroit Athletic Club, declared that GM did best overall among the top 25 OEMs in J.D. Power's Initial Quality Study (IQS) survey.

David Sargent, vice president, quality practice at J.D. Power, said the firm has been performing its IQS survey for 24 years. This year's study was a change from the one used since 2006.

The study, Sargent said, covers the first 90 days of vehicle ownership. The company selected about 83,000 new-car owners and contacted them by mail.

This year, the survey was done on the Internet. "This is the first time we've done that," Sargent said. "In the past, we had people fill out a questionnaire on paper and mail it back to us."

The reason J.D. Power came up with a new survey was, as technology in cars have changed, what bothers people has changed as well. For example, Sargent said, this year's survey had no questions on cassette players.

"The IQS focuses on 'design problems,'" Sargent said. "That's a problem that we consider designed into the vehicle causing something like wind noise or if technology is difficult to use."

"It's a poorly conceived design as opposed to a problem caused by a vehicle being poorly constructed. We're seeing about two-thirds of problems in new vehicles being design problems."

The IQS showed that 51 percent of respondents cared about reliability and 51 percent strongly cared about exterior styling, when naming top factors that influence buying a vehicle.

The study also showed that the top problem for new buyers is when voice recognition systems don't recognize voices. That was followed by Bluetooth/connectivity issues, excessive wind noise, interior materials scuffing and soiling too easily, and navigation systems being too hard to use.

Sargent said the OEMs use the data collected to determine where they are among the competition and where they need to make improvements. The public uses the information to help decide what cars and trucks to buy.

The customers who responded to the survey had 233 different problem symptoms to judge, Sargent said. The industry average for problems this year is 113 per 100 vehicles. GM had the top vehicle in eight categories. No other OEM had more than three.

"I find that an impressive accomplishment," Sargent said. He said the company really excelled in the large vehicle categories involving trucks, CUVs and SUVs.

The domestic OEM winners were:

City Car – Chevrolet Spark
Midsize Sporty Car – Chevrolet Camaro (tie), Ford Mustang (tie)
Large Car – Chevrolet Impala
Subcompact CUV – Buick Encore (tie), Kia Sportage (tie)
Minivan – Chrysler Town & Country
Large CUV – Chevrolet Tahoe
Large Premium CUV – Cadillac Escalade

Large Light-Duty Pickup – Chevrolet Avalanche (tie), GMC Sierra LD (tie)

Large Heavy-Duty Pickup – Chevrolet Silverado HD

Overall, GM had two of the top five brands, Sargent said. GMC finished second with 90 problems per 100 vehicles. Chevy finished fifth with a score of 97.

"GMC never finished higher than ninth, and now they're second," Sargent said.

The industry average was 113 problems per 100 vehicles. Cadillac beat that with a score of 108, Buick 109. Chrysler's score was 109 for 15th place. It was 25th last year. Jeep scored 118.

Sargent said Cadillac beating the industry average was impressive because newly-launched models have more problems.

On the other hand, models that have been out for a few years give OEMs time to fix problems. He said that was one of the reasons GM did well. The 2013 Sierra and Silverado are at the end of a six-year lifecycle, and GM has always done well improving models during a lifecycle.

Lincoln scored 113. Sargent said Ford makes good cars and trucks, but it led the way in technology, causing a higher score.

Systems like Ford's My Ford Touch came out first, he said, giving other OEMs a chance to see just what worked and what didn't.

"Ford basically took one for the team. Someone had to go first," Sargent said. "And the Ford F-150 is a good truck, but it had the bad luck this year to come up against the Sierra and

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Chevrolet Camaro



GMC Sierra



Chrysler Town & Country

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