

ATS, SRX Expand Cadillac Brand as January Sales Surge

by Irena Granaas

Driven in large part by its new ATS luxury sport sedan, Cadillac sales in the U.S. soared 47 percent in January compared with the same month in 2012.

Brand sources cite growing demand by individual buyers, which made January the best month for Cadillac domestic retail sales in 23 years. According to Cadillac estimates, the brand gained about three percentage points of share in the U.S. luxury market last month, more than any other major luxury brand.

"The award-winning ATS and the consistently strong SRX crossover drove a surge in demand this month," said Chase Hawkins, vice president of Cadillac sales. "When you look inside the numbers, we're even more encouraged to see our products building momentum, drawing new luxury consumers and expanding our brand."

Talking about the robust January sales increase, Cadillac Communications Manager David Caldwell noted that in the last year the brand launched two new product lines, the XTS, which is a larger car, and the smaller ATS sport sedan. In particular, he cited the ATS and the SRX midsize luxury crossover in driving the increased sales.

"The ATS has a particularly important role because it expands our brand in an important way, and we are seeing it is drawing a new sort of consumer to shop

our brand. So it's expanding our brand not only in the sense of being a new product that we didn't have before, but also expanding the base of people that our products appeal to," Caldwell said. "And the other big thing in January was the SRX, which we've had for a few years so it's not a brand-new car, but it's just been consistently really strong, and it had another really strong month."

SRX had its best January ever, climbing to the no. 2 spot between its luxury crossover and SUV rivals. The 2013 model SRX strengthened its appeal with well-received tweaks to its design, as well as technology updates.

In the prime luxury markets on the East and West coasts, Cadillac saw robust sales increases, up 41 percent in California and 42 percent in New York. Ninety-four percent of Cadillac sales in January were retail, the highest level since 1990. The new ATS gained ground on its European luxury brand rivals in January, nearly doubling Cadillac's market share in its segment last month compared with the previous month, bringing Cadillac's share to an estimated 12.5 percent.

"The thing to keep in mind is that all of our products compete in what we call the top tier luxury market," Caldwell explained, adding that sales in this segment are heavily concentrated in major urban metro markets on the East and West coasts, and in oth-

er luxury sale hot spot metro areas such as Dallas, Miami, Chicago and Atlanta, to give a few examples.

He noted the ATS is still a very new product for Cadillac, having been in the market for only about four months, but already it appears to be a potential game-changer. Right now, Cadillac is looking to see whether the brand's newest wunderkind is attracting a new audience and whether the sports sedan is a factor in Cadillac expanding its base.

The car is certainly a factor in achieving conquest sales for the brand. According to Cadillac sales data, 56 percent of ATS buyers either brought in a competing product or did not trade in any other car. The sport sedan is skewing a little younger than is traditional for Cadillac as well – one-fifth of ATS buyers are younger than 35, twice the level of buyers in the age segment of Cadillac vehicles in general.

"It's another way of seeing whether we're broadening and expanding our base . . . In expanding our product lineup, we're going up against chiefly European brands and at a pretty high level, which is a difficult and challenging situation, but we think the ATS is the kind of car that is up to that challenge, Caldwell said. "That's one thing we're taking a look at as a way of tracking how much we're really expanding, because, in luxury it's not always about mass volumes .



2013 Cadillac ATS

.. It's important for us to look at the type of clientele that's coming into our stores or looking at us online."

He noted the ATS has recently been named North American Car of the Year at the North American International Auto Show in Detroit; and it had already won as *Esquire* magazine Car of the Year and Motor Press Guild Car of the Year.

"We're proud of that, of course, but what's important for us is that, as a new entry into this kind of idea of the luxury sports sedan, that it's been virtually 100 percent dominated by European brands, so we have to earn our way in there," he commented.

Caldwell said that as Cadillac's new car, the ATS is "kind of finding its footing – it's tremendously important, because the mission ... is about, yes, expanding but it's also elevating the brand to the point where we're a compelling challenger to those top European brands."

DEC Talk to Cite Manufacturers' Economic Role

Jay Timmons, president and CEO of the National Association of Manufacturers (NAM), will be speaking to the Detroit Economic Club on Wednesday, Feb. 13.

The speech is part of a DEC luncheon which begins at 11:30 a.m. and will be held in the Motor City Casino in Detroit.

As the slowest economic recovery in the nation's history drags on and President Obama begins his second term and a divided Congress settles in, Timmons will discuss the role of manufacturing in revitalizing the economy and solving the nation's unprecedented long-term fiscal challenges. With international competition growing more intense, Timmons is slated to talk about how manufacturing in America can maintain its global leadership.

Prior to his appointment as NAM president, Timmons was executive vice president beginning in 2008. In 2005, he joined the NAM as a senior vice president of policy and government relations.

For more information on the luncheon, visit the DEC Web site at www.econclub.org. The presiding officer is Andra Rush, founder of The Rush Group.

GM Sees Record Sales Month in China

General Motors and its joint ventures sold more than 300,000 vehicles in a single month for the first time ever in China last month. January sales totaled 310,765 units, an increase of 26.0 percent from the same month in 2012 and 15.9 percent above the previous all-time monthly high of 268,035 units in January 2011.

Domestic sales by Shanghai GM and SAIC-GM-Wuling, and their Buick, Chevrolet and Wuling brands all set new single-month records as well in January.

Shanghai GM – comprising Chevrolet, Buick and Cadillac – sold 154,220 vehicles in China, an increase of 24.3 percent year on year. SAIC-GM-Wuling sold 151,819 vehicles, as domestic demand for its products increased 26.6 percent on an annual basis. Demand in China for FAW-GM's products increased 84.5 percent on an annual basis to 4,490 units.

Buick sales in China rose 21.7 percent from the first month of

2012 to 86,509 units. Its best seller in January was the original Excelle passenger car lineup, which generated demand of 30,264 units, an increase of 5.5 percent. Buick also continued to enjoy strong demand for the Excelle XT and GT, which experienced sales growth of 19.7 percent to 23,694 units. In addition, the Encore SUV had sales of 7,881 units in its first January in the marketplace.

Chevrolet sales in the domestic market rose 21.6 percent year on year to 66,141 units in January. The brand's most popular model was the Cruze. Its sales grew 7.8 percent to 24,477 units. Sales of the Sail family also remained strong, increasing 21.0 percent to 21,866 units.

Cadillac luxury vehicle sales in China totaled 1,570 units in January. Baojun, GM's entry-level passenger car brand in China, had sales of 7,018 units.

Wuling sales in China totaled 144,801 units in January, which

was up 35.9 percent from the same month last year. Its best-selling model was the Hong Guang, whose sales grew 158.9 percent to 47,765 units. The Sunshine also had robust sales of 45,733 units.

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