Detroit Auto Scene

"FIRST IN THE HEART OF DETROIT"

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Johan de Nysschen

Cadillac Plans New Concepts For Dealerships

As part of Cadillac's overall mission to expand and elevate within the premium automotive sector, the brand on Jan. 22 outlined its strategy to upgrade its U.S. dealer network.

Speaking at the Washington, D.C. Auto Show last week, Cadillac President Johan de Nysschen outlined how the brand will "target enhancements in the customer experience."

The company's philosophy is to place customers at the center of the brand experience, de Nysschen said. New concepts for

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Fiat Chrysler Vehicles Earn Awards – It's in the Books

month for residents of the East Coast. it was a hot month for Fiat Chrysler.

The automaker saw several of its vehicles honored by different organizations.

The 2015 Jeep Cherokee Trailhawk was named "Four Wheeler of the Year" by Four Wheeler magazine. The award is given annually by the editors of the opinion-leading off-road enthusiast magazine, said Fiat Chrysler spokesman Todd Gover.

"The 2015 Jeep Cherokee Trail-

While January was a cold hawk marks the 13th time a Jeep vehicle has earned the prestigious title, Four Wheeler of the Year," said Four Wheeler editor Christian Hazel.

"From our first competition won by the 1974 Jeep Cherokee to the 2013 Jeep Wrangler Moab Edition, the 2015 Jeep Cherokee Trailhawk joins the ranks of other off-road-capable Jeep vehicles earning the Four Wheeler of the Year award.

"The team of seasoned judges Cherokee Trailappreciated hawk's cutting-edge technology,



2015 Spark EV

Chevrolet Expanding Its Market for 2015 Spark EV

2015 Cherokee Trailhawk

fresh styling, and luxurious inte-

rior amenities packed in a vehi-

cle designed for the 21st century

that still maintains true off-road

capability.'

city/highway range.

It's priced as low as \$17,845, after federal and Maryland tax credits, he said - and it features a locally sourced electric motorand-drive unit, manufactured at General Motors' Baltimore Operations facility in White Marsh, Md

Four Wheeler's jurors conduct

CONTINUED ON PAGE 4

a variety of tests over more than

1,000 miles on a variety of ter-

"The Spark EV has been one of the most well-received electric vehicles in the industry and customer demand helped make the

CONTINUED ON PAGE 3

'This Thing Can Be Turned' – Marchionne

of buying the final stake of Chrysler weighed on the newly merged Fiat Chrysler Automobile's profits in the fourth quarter, but CEO Sergio Marchionne said Jan. 28 that the company is turning itself around.

Net profit for the fourth quarter was 420 million euro, down from 1.2 billion a year earlier. Not counting interest and taxes, earnings were in the black in all regions, which included a return to profits in Europe and Latin America

"We have no regions which are bleeding," Marchionne told analysts. "This is the first tangible proof that this thing can be turned.'

Marchionne called 2014 "a mo-

MILAN, ITALY (AP) – The cost mentous year," finalizing the fiveyear process to merge Fiat and Chrysler, which is now the world's 7th largest automaker by volumes. It sold 4.6 million vehicles last year, up by 6 percent.

> Marchionne aims to boost sales to 7 million vehicles annually by 2018 through an ambitious plan to invest 48 billion euros (\$55 billion) in a slew of new model launches.

Fiat Chrysler reported full-year net profit of 632 million euros (\$718 million), down two-thirds from a restated 1.9 billion euros in 2013. The drop was mostly due to a 495 million euro payment made to complete the purchase of Chrysler. Earnings also took a hit from the devaluation of the Venezuelan currency.

The company forecast net profit would rise next year to between 1 billion euros and 1.2 billion euros on revenues of around 108 billion euros. It expects deliveries to rise by as much as 9 percent to 5 million units.

The board of directors recommended no dividend for the third consecutive year.

Chrysler sales of Rams and Jeep drove the group's revenue growth of 11 percent, with a 15 percent boost in North American revenue to 52 billion euros. Europe saw a small increase while Latin America suffered.

While Marchionne said he is encouraged by signs of recovery in Europe, he added, "I am not opening any bottles of champagne.

Chevrolet will start selling the Spark EV in Maryland this spring, expanding the pure electric mini-

car's "range" to the East Coast.

The Spark EV is the most efficient U.S. retail electric vehicle on the market, said Steve Majoros, Chevrolet director of Car Marketing, adding that it delivers an EPA-estimated combined city/highway 119 MPGe fuel economy equivalent and 82 miles of EPA-estimated combined



Edsel B. Ford II and Ford Lincoln dealer Ronald F. Kody

Ford, Lincoln Dealers Donate **\$97** Million to Local Causes

nearly \$100 million to local caus- work, Weigandt said.

Ford and Lincoln dealers gave munities in which they live and Six dealers were selected from among more than 8,500 Ford Motor Company dealers worldwide. They are being recognized exhibiting unparalleled for giving, dedication and leadership to their communities. As part of the award, the Ford Motor Company Fund is providing \$60,000 – \$10,000 for each recipient – to a charity the dealers support that is also aligned with Ford goals. In the survey, 82 percent of participating dealers said they give money to local causes, 95 percent volunteer time to local causes, while 85 percent want to make a difference in their communities and 57 percent support local causes as a dealership tradition.

DEARBORN, Mich. (AP) Ford's net income tumbled in the cluding the Venezuela charge and fourth quarter as the company took an expected charge to deal with currency devaluation at its Venezuelan operations.

But without that loss and other one-time items. Ford came out ahead of Wall Street's expectations for the fourth quarter and the full year when Ford announced its earnings on Jan. 29.

Ford's net income fell to \$52 million in the fourth quarter, largely due to an \$800 million charge because of Venezuelan currency controls. Ford announced last week that it would remove its Venezuelan operations from its financial reporting in future quarters.

Ford's earnings of a penny per share compared with earnings of 75 cents per share in the fourth quarter a year ago.

Ford's 4Q Income Drops to \$52 Million Without one-time items, inseparation payments in Europe, Ford earned \$1.1 billion in the quarter, down 15 percent from a vear ago.

> Pretax earnings of 26 cents per share beat Wall Street's forecast of 22 cents per share, according to FactSet.

Fourth-quarter revenue fell 4.5 percent to \$35.9 billion, also beating analysts' expectations.

For the full year. Ford earnings fell 56 percent to \$3.2 billion, or 80 cents per share. On a pretax basis, the company earned \$6.3 billion, down from a near-record of \$8.6 billion a year ago.

Worldwide sales fell slightly to 6.3 million cars and trucks.

Ford had repeatedly warned that its profits would be down in 2014. Last fall, the company cut its full-year pretax earnings fore-

cast to \$6 billion from \$7 billion to \$8 billion.

Ford spent heavily to introduce a record 24 vehicles worldwide, including a redesigned Mustang and the new aluminumbodied F-150 pickup truck. Ford is spending more than \$1 billion to retrofit its two U.S. plants to make the new truck. While shipments have already begun, the Dearborn and Kansas City plants that make the lucrative trucks won't be fully operational until the second quarter of this year.

Ford struggled with higher warranty costs, including a \$500 million charge for the recall of 850,000 vehicles with defective air bags.

The company is also rapidly expanding in Asia, where it's building five plants and launching the Lincoln brand.

es and nonprofits in communities across the United States in 2014, according to Ford Motor Company's annual Survey on Dealer Giving.

The survey was administered by Ford to coincide with the 15th annual Salute to Dealers awards at the 2015 National Automobile Dealers Association Convention in San Francisco, said Ford spokeswoman Elizabeth Weigandt.

Ford and Lincoln dealers participating in the survey donated approximately \$97 million.

This generosity reflects Ford Motor Company's global brand promise to Go Further in delivering great products, a strong business and a better world, Weigandt said.

Ford's Salute to Dealers awards recognizes dealers who go above and beyond when it comes to giving back to the com-

Ford and Lincoln dealer employees volunteer a combined

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DETROIT AUTO SCENE

gmc

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Ford, Lincoln **Dealers Donate \$97 Million**

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total of 809,160 hours annually, the survey shows.

"These amazing results exemplify the pattern of caring and compassion we have come to recognize among Ford dealers across the globe," said Edsel B. Ford II, who chairs the Salute to Dealers awards program and is a member of the Ford board of directors.

'We know that regardless of the challenges our dealers face, contributing at this level is done not just out of a sense of duty, but out of a passion they share with their employees and customers.'

Dealers give to causes that address a broad range of communitv needs - from children's charities to the environment, from education and healthcare to parks, municipal services and disaster relief.

Children's causes top the list, with 80 percent of dealers donating, followed by education and scholarships, with 59 percent of dealers contributing.

Religious-driven charities attract 46 percent of Ford and Lincoln dealer contributions, veterans' causes account for 44 percent and hunger relief makes up 41 percent.

The Salute to Dealers awards were launched in 2001 Weigandt said.

This year, Edsel B. Ford II and three other judges selected winners from a total global field of 80 nominees located in the United States, Canada, Brazil, Europe, Asia Pacific, the Caribbean, Mexico and Central America, Africa and the Middle East regions.

This year's winners include:

Andre Rafael R. Borromeo, Ford Tacloban; Tacloban City, Philippines, for his humanitarian and charitable efforts and his participation in community development projects such as providing transportation when a typhoon hit his community.

 Robert Elder, Elder Ford of Tampa; Tampa, Fla., for efforts to fight childhood obesity and to promote physical activity. • Nas Khan, Jennings Ford Middlesbrough; Middlesbrough, U.K., for his help in raising aid for the earthquake-stricken Kashmir region in Pakistan. • Gary L. Uftring, Uftring Ford; East Peoria, Ill., for his Uftring Ambassadors initiative that empowers dealership employees to donate and become personally involved with helping different charitable organizations in their local communities. • Ronald F. Kody, Richmond Ford Lincoln; Richmond, Va., for his promotion of health and safety issues and his hosting a St. Jude's Hospital Radiothon every year • Miguel Zapata, Ford Zapata; Tlalnepantla, Mexico, for ongoing commitment to improving local healthcare, including the funding of a 5,000-patient rural clinic each summer.

Recall 27,000 To Fix Fuel Leaks

Audi, VW, Porsche

DETROIT (AP) - Audi, Volkswagen and Porsche are recalling about 27,000 cars and SUVs in the U.S. to fix fuel leak problems.

The recalls cover the Audi A6 and Volkswagen Touareg hybrid from the 2012 model year, the Audi A7 from 2012 and 2013, and the Audi Q7, S4 and S5 from 2011 through 2012. All the vehicles have 3-liter V6 engines

Porsche is recalling the Cavenne and Panamera S hybrids from 2011 to 2012 for a similar problem.

Volkswagen, which makes all three brands, says vibration during driving, and production issues can cause leaks in rare cases.

VW will notify owners in March and dealers will replace the fuel injector rails and seals for free.

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2015 NAIAS Big Hit with the Public Chevrolet Expanding Market for Spark EV The 2015 North American In- 102,928 brought total ticketed

CONTINUED FROM PAGE 1

decision to expand its availability to Maryland," said Majoros.

"Following the introduction of the next-generation Volt and Bolt EV concept, this further reinforces Chevrolet's commitment to electrification and delivering more choices where our customers want them."

Chevrolet introduced the 2016 Volt and Bolt EV concept earlier this month at the North American International Auto Show in Detroit.

The second-generation Volt increases its all-electric driving range to 50 miles, with a total range estimated at more than 400 miles, thanks to its range-extending generator motor.

GM spokeswoman Annalisa Bluhm said that when it comes to Maryland, GM is strongest in trucks and SUVs. The company is not as strong in the car segment.

"Anytime we can reintroduce ourselves to customers with a car they might like is a good thing." Bluhm said.

'This gives us a chance to show off a car that right now is only being featured in a few states in a market where GM has room to grow. And if GM's EVs bring people to GM showrooms who would not ordinarily visit there, all the better."

The Bolt EV concept is a vision for an affordable, long-range allelectric vehicle designed to offer more than 200 miles of range starting around \$30,000 after tax incentives.

"Maryland has a strong com- she said.

muter market and a good charging infrastructure, which influenced the decision to make it the Spark EV's first East Coast market," said Majoros. "We also have a strong dealership network in the Old Line State that's eager to offer it."

Chevrolet requires service training certification before a dealer is authorized to sell the Spark EV because of its unique propulsion system, Bluhm said.

The Spark EV is also sold in California and Oregon, where sales totaled 1,145 in 2014 - an 86.5 percent increase over the previous year.

Chevrolet Spark EV is designed to meet the transportation needs of urban dwellers, with an allelectric driving experience, said Bluhm. Its GM-built motor and drive unit deliver 327 lb.-ft. of instant torque, enabling a 0-60 time of 7.2 seconds, Bluhm said.

It's also one of the most maneuverable EVs, with a 12.2-foot overall length and a tight 33.8foot turning radius - making it ideal, Bluhm said, for the tight confines of city streets and parking spaces.

The three available levels of recharging capability to the public, Bluhm said, include the industry's first use of the recently approved SAE combo charger for DC fast charging, which charges 80 percent of the battery in just 20 minutes.

Aero refinements, unique wheels and tires and active shutter system on the grille opening help extend the Spark EV's range,

Storing that energy from the charging process and the vehicle's regenerative braking capability is a 19-kWh lithium-ion battery pack.

GM engineers have driven more than 1 million miles and completed 4 million hours of validation on the battery packs, Bluhm said. Comprehensive warranty coverage includes:

• Three-year/36,000-mile warranty:

• Eight-year/100k-mile drive battery warranty;

• Five-year/100,000-mile transferrable powertrain warranty that includes emergency roadside assistance and courtesy transportation;

• Six-year/100,000-mile rustthrough warranty.

In 2014, the Chevrolet Spark EV was ranked first in a Car and Driver comparison of the Nissan Leaf, Honda Fit EV, Fiat 500E, Ford Focus Electric and Smart Fortwo ED Cabriolet, Bluhm said.

Car and Driver's editors noted the Spark EV was a "studied application of brainpower and enthusiasm" and that "everything about the Spark was all in.'

ternational Auto Show (NAIAS) finished strong on Jan. 25 after a "brilliant" two-week celebration of the world's love affair with the automobile, said NAIAS Executive Director Rod Alberts.

The Ford GT supercar was a superstar at the 2015 NAIAS, and drew huge crowds of enthusiastic fans throughout the show, Alberts said. Jan. 25's gate of attendance to 808,775, edging out last year's total of 803,451.

"It's been an overwhelming experience to be associated with the world's greatest auto show for the last six years," said auto show chairman Scott LaRiche.

"It was a fantastic run and I'm so proud to be part of such a great team. It's definitely a bittersweet day."



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3-Dimensional Develops 'Vette Part

a prototype and low-volume production firm, has received special recognition from the Automotive Division of the Society of Plastic Engineers for the work it has done on the Chevrolet Corvette Stingray Z06 car.

The recognition was for the firm's development of a transparent plastic fin "spoiler" for the Corvette, said 3-Dimensional spokesman Ed Szykula.

The company not only developed the prototype but will produce the part on a volume basis.

The spoiler is the first transparent adjustable fin on a commercial vehicle that allows rear visibility through the fin, Szykula said.

Using Sabic Lexan PC/ITR on the transparent section, the unique look also improves vehicle handling and control by increasing downforce without impeding or blocking the driver's line of sight through the rear view mirror. The Corvette project was recognized as a finalist in the body exterior category of the 44th annual SPE Automotive Innovations Awards Gala, Szykula said. The Gala recognizes the best examples of cooperative innovation in the automotive value chain.

3-Dimensional Services Group, of excellence in both prototype and low-volume production and it is especially rewarding to be recognized by this outstanding organization," said Steve Kelly, 3-D's senior sales engineer.



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DETROIT AUTO SCENE



Fiat Chrysler Vehicles Earn Magazine Awards

rain, including pavement, gravel, dirt, sand, rocks, mud and snow at elevations ranging from sea level to more than 9,000 feet, Goyer said.

"Winning the prestigious 'Four Wheeler of the Year' award reinforces the fact that the Jeep Cherokee Trailhawk is unquestionably the most capable midsize SUV on the planet," said Mike Manley, CEO – Jeep Brand.

"We are thrilled the influential editors of *Four Wheeler* magazine recognized Cherokee's benchmark off-road capability, as well as its combination of new engine stop-start technology, exterior styling and interior amenities."

Fiat Chrysler's good news didn't stop with the Trailhawk.

Green Car Journal named the Jeep Grand Cherokee EcoDiesel its 2015 Green SUV of the Year. The announcement was made recently at the Washington Auto Show in Washington, D.C.

"The Jeep Grand Cherokee EcoDiesel delivers what today's drivers really want in an efficient SUV," said Ron Cogan, editor and publisher of *Green Car Journal* and CarsOfChange.com.

"It offers a do-everything nature with exceptional comfort, power, functionality and driving range, plus surprising efficiency that delivers lower environmental impact."

Green SUV of the Year finalists include SUVs and crossovers that feature notable environmental achievement while also providing all the attributes expected of this versatile class of vehicle, Goyer said.

The 2015 Jeep Grand Cherokee EcoDiesel was selected as a winner from five finalists by a jury made up of automotive experts and *Green Car Journal* staff members.

"We are truly delighted that the editors of *Green Car Journal* have named our full-size premium SUV – the 2015 Jeep Grand Cherokee EcoDiesel – the Green SUV of the Year," said Manley.

"We take pride that *Green Car Journal's* jurors recognized the blend of efficiency, capability, comfort and performance that the Jeep Grand Cherokee EcoDiesel offers consumers.

"Jeep Grand Cherokee is the most awarded SUV in history, and we're pleased to add this significant award from *Green Car Journal* to the Jeep trophy case."

It wasn't all just SUVs and Jeeps winning for the automaker. *Playboy* magazine named the allnew Alfa Romeo 4C "2015 Car of the Year – Sports Cars and Convertibles."

The annual award from Playboy represents a hand-picked list of their favorite vehicles in 2015. said Fiat Chrysler spokesman Rick Deneau. "The gorgeous Italian exchange student you loved in high school isn't coming back, but the stunning Alfa Romeo 4C is now here after years of being away," said William K. Gock, Playboy automotive writer. "This lightweight carbon-fiberframed pistol uses flowing body curves, highly stylized alloy wheels and a monstrous engine roar to announce Alfa's grand return. "Behind the wheel, it's obvious the 4C is a machine built for high-speed cornering, not casual trips to the corner store, which is more than enough to earn our esteem.' As part of the "2015 Car of the Year" selection process, Gock said he spent time test-driving many cars for Playboy and worked with the publication's editors on the final list of winners.

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Millennials to Represent **One-Third of Vehicle Market**

TrueCar, Inc. projects Millennial-generation consumers will buy 4.24 million cars and light trucks in 2015, producing \$135 billion in total revenue as the group's impact on the market expands.

'Improving economic conditions are shifting the rhetoric around Millennials and car buying," said John Krafcik, president of TrueCar, an Internet negotiation-free car buying and selling mobile marketplace.

"They are the largest-growing cohort in the market and saying they don't like cars simply isn't true anymore. We know having a car means the same thing to Millennials that it does to other generations: independence and identity.'

Millennials, or people born approximately 1980 from through the late 1990s, reached around 25 percent of the new vehicle market in 2014, Krafcik said.

The level of unemployment for this generational cohort has also improved, Krafcik said, dropping by 12 percent in December 2014 versus a year ago.

In addition to falling unemployment, the improving availability of quality jobs coupled with entry into the family lifestage by older Millennials also contribute to this group's ability to purchase new vehicles.

In fact, Krafcik said, Millennials typically drive more than other generations, averaging an additional 144 miles per month, according to a related survey MTV released this month.

Millennials, also referred to as digital natives, are 2.5 times more likely to be early adopters of new technology than older generations, specifically mobile devices.

The average transaction price for new vehicles purchased by Millennials in 2015 should average \$31,771, Krafcik said, slightly below the overall industry ATP of \$32,589, TrueCar projects. Total new light vehicle sales will rise an estimated 2.6 percent to 17 million units, according to TrueCar.

Millennials were heavily represented on TrueCar's mobile marketplace in 2014 making up 24.9 percent of buyers and expects to grow this to about a third of buyers in 2015, Krafcik said.

TrueCar is also attracting Millennial consumers at a more rapid pace than the general market. From 2013 to 2014, TrueCar's percentage of Millennial buvers increased by 77.8 percent. This outpaced the overall auto market, which saw Millennial participation grow by 50.5 percent.

Ford Foundation Pledges \$10M **To City of Detroit**

DETROIT (AP) – The Ford Foundation is pledging \$10 million in grants to Detroit for 2015.

The New York-based foundation provided \$125 million to the "Grand Bargain," a more than \$800 million bailout by the state of Michigan, foundations and philanthropists to prevent the sale of valuable city-owned art and avert deeper pension cuts as part of Detroit's bankruptcy.

Officials with the foundation told The Detroit News their pledge for 2015 and a \$1.3 million round of grants announced last month are about seizing the momentum created by the bankruptcy's resolution and focusing on the next chapter in Detroit.







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Cadillac Plans New Concepts For Its Dealership Facilities

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facilities, network development, high-technology showroom systems and increased financial strength are key aspects of the plan.

"A strong, financially healthy dealer organization is an essential element of Cadillac's expansion plans," de Nysschen said. "The stronger our dealers are, the better our service quality will be.

"Cadillac is on a journey back to the pinnacle of premium brands, and dealers will contribute every step of the way."

Cadillac's current U.S. network consists of more than 900 stores, giving the brand a substantial advantage in geographic coverage against its import luxury competitors, de Nysschen said.

"Our comprehensive market coverage supports customer convenience, especially in access to service," said de Nysschen. "Our task is to take further advantage of our network."

Cadillac's U.S. network currently features a core of approximately 200 flagship, stand-alone dealerships. Its concept going forward is that core will be complemented by 700 smaller, boutique locations, de Nysschen said. The boutique concept would feature exclusive Cadillac consumer touch points, highly trained sales and service staff, and luxury amenities.

"Our recently announced \$12 billion investment in product must be accompanied by corresponding upgrades to the customer experience," de Nysschen said.

"For all dealers, including multi-brand outlets, we should strive to create a premium showroom atmosphere and the sophisticated brand experience that luxury consumers expect."

de Nysschen outlined a plan to bring emerging technology to the showroom experience. "Virtual Showroom" systems could enable shoppers to quickly configure and envision multiple models, color and interior choices using interactive digital displays, or potentially even holograms.

He said Cadillac will develop new systems to incentivize and support customer satisfaction performance and dealer compensation.

Growth in dealer profitability will be supported by financial incentives to reward dealer investments into facilities and high achievement in customer satisfaction, de Nysschen said.

The company has no plans to reduce the number of U.S. dealers.

Russ Baltazar, new car sales manager at Prestige Cadillac in Warren, said he has only heard about what de Nysschen was proposing on Jan. 22, when he saw an article in *The Detroit News*.

"We haven't seen any of the particulars," Baltazar said. "But I will say that dealers tend to be smart and like taking help when it's offered."

But questions of who will pay for any changes and just what the requirements dealers will have to follow have to be answered, Baltazar said, before he could really make any intelligent comments.

"We're planning to build a new store on Van Dyke in Warren in the next year," he said. "I can't say how this new plan will affect that. It's just too early to say."





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4 AVAILABLE EMPLOYEE \$727 36 MONTH/10K PER YEAR

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"Full-size trucks continue to

thrive in 2015 and Kelley Blue Book anticipates sales will improve more than 10 percent in January alone," Gutierrez.

"Expect a strong push from Chevrolet Silverado, GMC Sierra, Ram and F-Series, especially when taking into consideration the low cost of fuel and the appeal of these recently redesigned core products."

Growth in the small crossover segment should begin to slow, but it will remain in the doubledigit range in 2015.

In January, Kelley Blue Book expects sales to improve by nearly 10 percent on strong demand for the Jeep Cherokee, Honda, CR-V, Toyota RAV4 and a host of other strong competitors in the segment.

There were 26 sales days in January 2015, compared to 25 sales days in January 2014.

All percentages are based on raw volume, not daily selling rate.

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