

Automotive News

BUICK: KEY GOAL: BETTER COMMUNICATION

PHIL FRAME

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With General Motors rolling out a new retail channel strategy, the theme of the Buick make meeting was improving communication with the factory.

There has been some difficulty in communicating the strategy, said Conrad Darby, chairman of the Buick dealer council and owner of Darby Buick in Sarasota, Fla.

'We have to communicate what the vision is,' Darby said. 'It's critically important that dealers know that we have a vision and that we do have a plan.'

Dealers generally support the channeling strategy, which calls for exclusive Buick points where they can be supported, and dualing with Pontiac and GMC in most other locations, Darby said.

The exclusive Buick locations are

the so-called flagship stores, where the planning volume and profit potential are strong, said Bob Coletta, Buick's general sales and service manager.

Buick-Pontiac-GMC duals are the next rung down. In rural areas, dualing would be with Pontiac, Oldsmobile and Chevrolet.

'Realignment is going to have to be an agreed-upon process between the dealer and the factory,' Coletta said. 'In many cases, it will involve more than one dealer to work together with the channel strategy to get it done. There's no formula because every town and situation will be unique.'

The key point, Coletta said, is that '60-plus percent of the dealers are not affected - they're already on channel.'

'In most cases, this was the first word any of them got other than what they read in Automotive News,' Darby said.

Coletta said he assured dealers 'that we will personally notify all of them by the end of May what the channel strategy means to them.'

Dealers also were told the cars that represent 90 percent of Buick's sales volume will have new sheet metal by next year, Coletta said.

The redesigned 1997 LeSabre is on sale, and it will be followed by the all-new 1997 Park Avenue, on the same platform as the Oldsmobile Aurora, next October.

Early next year will come the 1997 Century, on the new W-derived MS2000 platform, followed closely by an all-new Regal. The Regal may be dubbed a 1998 model, although it will debut before the start of the 1998 model year.

The only other cars in the Buick lineup are the Skylark and Riviera.

Dropping the Skylark was not discussed, Coletta said.

Dealers asked for more dealer rather than customer incentive programs to give them more leeway in the marketplace, Coletta said.

'We understand that, but we also know that we've got to stimulate the market as much as possible when it needs

stimulating,' Coletta said. 'Sometimes that's harder to do with dealer cash than it is with . . . money on the hood.'

Coletta said he also fielded questions about the division's decision to drop its advertising bonus fund as of last Jan. 1. That was a distribution of one-quarter of the quarter percent matching funds that Buick returned to dealers from their association fees.

The fund was intended to help dealers do more tactical advertising, but few dealers took advantage of the program, Coletta said.

'Our analysis was that it was a diversion of funds, it was not coordinated, and not brand focused,' Coletta said. 'We could not continue to let that deterioration go on. We'll now use it as brand advertising in dealers' markets.'

Darby said the meeting was a good start on his major effort for the year.

'My whole goal is to see this communication process change,' Darby said. 'To be proactive rather than reactive. Make business plans based on cooperation rather than receiving something in the mail that says, 'Effective today . . .'

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