

Automotive News

DEALERSHIP TOTAL DROPS BY 170 IN '96

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The retail auto industry shake-out goes on as the number of dealerships selling new cars and light trucks dwindles.

As 1997 began, 22,427 dealers selling new light vehicles were doing business in the United States, compared to 22,597 at the dawn of 1996. That means that 170 dealerships dropped out of the game in 1996, 50 more than the 120 that called it quits in 1995.

Big 3 dealerships accounted for almost all the 1996 dip - 162 outlets. The other 8 were import-only stores.

The current number of dealerships handling cars is 22,112. Another 315 are exclusive light-truck outlets: GMC, 232; Jeep, 10; Dodge, 2; Isuzu, 26; and Land Rover, 45.

A total of 1,537 dealers handle cars and no trucks. So the breakdown of the 22,427 dealerships is:

20,575, or 91.7 percent, handle cars and light trucks.

1,537, or 6.9 percent, handle cars only.

315, or 1.4 percent, handle light trucks only.

The annual Automotive News dealer census offers insight into the industry's well-being. Generally, fewer dealers leave in good times than in lean times.

BIG 3 DOWN 162

In 1996, most of the losses were Big 3 outlets. General Motors, Ford Motor Co., and Chrysler Corp. had a total of 17,872 car and light truck outlets at the dawn of 1997, down 162 from a year earlier. Some dealer exits were engineered, in part, by Big 3 manufacturers' much publicized plans to reduce and consolidate their dealer networks.

Under its 'channel strategy' - also known as Project 2000 - GM plans to realign, consolidate and downsize its dealer body to about 7,000, not including Saturn, by 2000. It still has some 1,177 to go.

Chrysler Corp., which plans to consolidate its dealer network into two divisions - Chrysler-Plymouth and Jeep-Eagle in one division and Dodge and Dodge Truck in another - wants to enter the new millennium with 4,000 dealers, about 612 fewer than it has now.

Last fall, Ford Motor Co. acknowledged that it has too many dealers and that the company will trim its sales organization. The company did not say how many dealers will leave the network. It now has 5,014 dealers, 20 fewer than it had last year.

Last year, 132 GM dealers left the ranks; Chrysler Corp. lost 40.

The Big 3 decline of 192 was reduced to 162 by a change in the number of intercorporate duals. An intercorporate dual is a dealership that handles the cars and light trucks of two or all of the Big 3 in the same store.

All figures in this article and the accompanying tables refer to the net change in dealership totals.

IMPORTS: FEW LOSSES

As this year began, 4,555 dealerships handled only import cars and light trucks - 3,551 were single-line dealerships and 1,004 were import-only duals. The imports gained 10 exclusives and lost 18 duals last year.

An import exclusive is a dealership that has sales and service facilities for a single import line.

On the franchise side, the Big 3 had 43,130 selling agreements in effect on Jan. 1, down 109 from the previous year.

Chrysler was the only Big 3 company to add franchises. It had 13,426 on Jan. 1, a gain of 188 for the year. Jeep, up 92, and Eagle, up 91, accounted for almost all the increase. Plymouth and Chrysler were up 2 each; Dodge was up 1.

GM was the biggest franchise loser in 1996 at 268. GMC, which has merged with Pontiac, reported a dip of 151 franchises. Elsewhere, Pontiac lost 10; Oldsmobile, 35, and Buick and Cadillac, 15 each. Geo was down 32, and Chevrolet was off 30. The Geo name will be dropped after the 1997 model year and its models will be folded into the Chevrolet brand.

Saturn ran counter to the GM trend. It added 20 franchises.

Ford lost 29 franchises - 12 for Mercury, 10 for Ford division and 7 for Lincoln.

The imports' franchise loss was lighter than that of the Big 3. The imports were down 76 outlets, to 10,180 on Jan. 1, 1997.

The top loser was Saab, which shed 29 franchises, followed by Subaru, down 24; Mercedes-Benz and Volkswagen, down 16; Suzuki and Hyundai, off 15 apiece; Isuzu, down 13; and Volvo, off 11.

Eleven of the imports showed single-digit declines; two were unchanged.

Kia continued to build its retail network, adding 87 franchises.

Also on the plus side was Mitsubishi, up 12 franchises.

Aston Martin, Jaguar, Land Rover and Lexus added franchises as well.

CARS AND TRUCKS

All Ford Motor Co. dealerships handle light trucks - Ford does, Mercury does and there are no Lincoln exclusives.

GM has more non-truck outlets than truck-only outlets.

All 369 Saturn dealerships are non-truck; so are the Buick and Cadillac exclusives and the duals that handle only Buick and Cadillac.

Automotive News estimates the total at 879 non-truck dealerships out of 8,546, or 10.3 percent.

All Chrysler Corp. dealerships except the three Eagle exclusives handle light trucks.

Conversely, none of the German, Swedish or Italian makes offer trucks. Land Rover is the only British make with a truck. The Koreans are 50-50 - Kia has a truck; Hyundai does not.

Captive imports are few and far between, but there's a new one this year: the Catera, which Cadillac imports from Opel in Germany. Ford still has the Aspire, but it will be discontinued at end of this model year. Chrysler has no captive.

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