

Dealers try to change image, tactics

Continued from 16B

"It will be like a shopping mall atmosphere," said manager Andrew Price. "We're trying to take away any kind of negative that anyone could come up with."

In Butler, N.J., when Kaytes Ford and Nissan expanded in April, it added a nail salon, coffee shop and a boutique that sells items such as T-shirts, hats and greeting cards.

"We have a lot of women that bring their cars in" for servicing, said Nancy Bolan, the office manager. "Rather than hang around in the so-called men's world, we're making it more of a relaxed atmosphere for women."

But even more than physical changes, these dealers stress a new customer service philosophy.

Wes Lutz, who owns Extreme Dodge in Jackson, Mich., said he tired of forcing customers to go several departments for different needs. So he gave each of his

salesmen a wireless phone, a fax and personal computer with full access to dealership data.

"We've eliminated having to go ask someone," Lutz said. "We've just empowered our people to be the definitive answer for every customer that walks through the door."

Tom Roulette, owner of Courtesy Chevrolet in San Jose, Calif., also had customers in mind when he installed a 1950s-style diner in his dealership. The diner is not only a hit with customers and sales staff, but it's attracting a lunch crowd from neighboring businesses and is turning a profit, Roulette said.

"It's just a step up above what most dealers are doing," he said. "If I was a younger man, I'd go to Starbucks and try to put one in every GM dealership."

At stake for many dealerships is their survival. The nation's 22,700 dealerships are disappear-

ing at a rate of 50 per year, and that rate is expected to triple in five years, according to the dealership association.

Mark Rikess, a dealer consultant in Los Angeles, says the number of failed dealerships could be much higher — largely due to bloated management, poor customer service and because many have resisted no-haggle policies.

There also have been changes in the auto business. There's an ample supply of quality new vehicles and an unprecedented number of places to buy them, from new superstores to the Internet, said Donald L. Keithley, a partner at J.D. Power & Associates in Agoura Hills, Calif.

"The bottom line is the consumers are really kind of calling the shots," he said.

Many dealerships say they have seen results from their changes. After Grand Traverse Auto in

Traverse City, Mich., hired professional greeters, placed its service area in the front of the dealership and built a glass-enclosed area for new vehicle deliveries, sales went up 50 percent in August alone. "The customer response has been phenomenal," said general manager Gary Moss. "We're getting more customers from a wider reach because this is such a unique store."

Lutz, like several of the dealers who made changes, said no single factor motivated him. But he said the auto business is cyclical, and that it's best to make the changes before a downturn rather than after one.

"You're either going ahead or your going backward, you can't stay still," Lutz said. "Competition is very strong in this business. I think you need every edge you can get."

American Mazda chief resigns amid turnaround

By Chester Dawson
THE ASSOCIATED PRESS

TOKYO — Mazda Motor Corp. said president Henry Wallace, the first non-Japanese to head a major Japanese company, stepped down Friday after helping steer the world's 12th largest automaker out of a four-year slump.

Wallace, 52, said it was an appropriate time to step down, citing Mazda's improved financial performance and strengthened ties with Ford Motor Co., which owns a controlling one-third stake, said spokesman Hiro Akutagawa.

The tall, mustachioed native of Scotland assumed the top job at Mazda in June last year shortly after Ford increased its stake in the company to 33.4

percent from 25 percent. Wallace had previously served as the head of Ford's Venezuela division.

The move came as no surprise to auto industry analysts.

"Wallace's departure is not unexpected," said Saul Rubin, auto analyst at SBC Warburg Japan Ltd., noting Mazda is back on track for stronger profit growth after a racking up losses for much of the decade.

The appointment of Wallace last year stirred concern that Mazda, a proud, formerly family-run business, would face massive job cuts and a future as little more than a small car division of Ford.

But Wallace sought to put those fears to rest by pledging to trim payroll by attrition instead of layoffs.

Still, he oversaw the implementation of cost-cutting measures such as the use of shared auto platforms with Ford and the introduction of a merit-based employee performance evaluation system. He appeared in full-page Japanese newspaper ads to plug Mazda's cars.

And his efforts were paying off. On Friday, Mazda reported a three-fold increase in parent company net profit for the April-September period to 555 million yen, or \$4.4 million. Sales rose 11.4 percent to 746.22 billion yen.

Mazda, based in Hiroshima, has wallowed in red ink at the group level since 1993. But SBC Warburg analyst Rubin said the Mazda group will probably stage a return to prof-

itability after the current fiscal year which ends in March.

Mazda shares fell 12 yen, or 3.2 percent, Friday to close at 361 yen on the Tokyo Stock Exchange. The decline stemmed from jitters the management change may indicate further trouble for the carmaker, traders said.

Vice president James Miller, an American who is part of a management team installed by Ford, will replace Wallace. Miller, 51, recently headed Ford's Eastern European and South African operations.

Ford bought its 25 percent stake in Mazda in 1979.

Recall affects Ford's Aerostar

Continued from 16B

problem. Cox said in the lawsuit that he was involved in an accident July 31 in Marianna, Fla. The accident among other things resulted in a collapsed disc, he said.

Ford spent months investigating the problem. In late August 1996 Ford tried to fix the transmission in new Aerostars by replacing the rear driveshaft with a new, aluminum driveshaft.

Ford at that time decided a recall wasn't necessary, Vinyard said. But the fix didn't work for the new vehicles, and those same Aerostars fixed once already are part of the recall announced Thursday.

Clarence Ditlow, executive director of the Center for Auto Safety, said even if Ford didn't know how to fix the problem, it should have notified NHTSA and the public in 1996.

In mid-September, Ford did alert NHTSA that it would recall the vehicles. But the automaker asked the agency not to disclose the recall until Ford's then-planned announcement in January.

The agency complied — even though it's rare for NHTSA to do that, agency spokesman Tim Hurd said. "It will probably get more rare," he said.

Hurd said NHTSA agreed because there had been no injuries or crashes and Ford was doing what it was supposed to do. Vinyard said Ford wanted to keep it private until the automaker got enough parts to fix the problem.

But Ditlow said such reasoning was faulty, saying vehicle owners should be alerted as quickly as possible.

"It's simply inexcusable for NHTSA to have joined a conspiracy to conceal this from the public,"

he said.

When Ford did announce the recall two months earlier than planned it was because the parts became available, Vinyard said.

The suit also names Dana Corp., the maker of the driveshaft. Gary Corrigan, spokesman for Dana Corp., said he doesn't comment on pending litigation.

Fieger said his lawsuit and pressure from NHTSA forced Ford's hand.

Fieger said Ford doesn't know how to fix the problem and should buy the minivans back at a total cost of at least \$1 billion.

Vinyard said Ford has discovered a fix, which involves not only replacing the rear driveshaft but also the rear driveshaft case. As for Ford's motivation in making the announcement earlier than planned, Vinyard said, "It wasn't Geoffrey Fieger," he said.

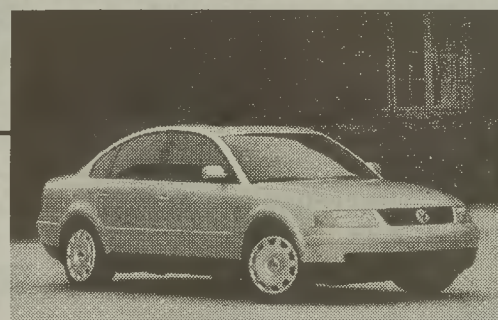
Get you copy of
The '97 Black Guide Today

FORD'S USED TIRES
Tuesday & Wednesday Special
Buy 3 used tires & get 1 Free
#2056515 #2057015 #2357515

• Brake Job - Labor \$35.00
• Oil Change - Labor \$17.95

NEW LOCATION
2012 Beatties Ford Rd.
Charlotte, NC 28216
(704)392-9799

1222 Central Ave.
Charlotte, NC 282
(704)377-0870



All New 1998 Volkswagen Passat

LIVE LARGE

...Even if your budget isn't.

The all new Passat from Volkswagen.

We've given you everything you want from a car: comfort, safety, quality and style. And we've taken something away: The high price you'd expect from a car of this caliber.

The all new Passat is the car of the future, but you can drive it today. Come see us and prepare to be impressed.



Volkswagen Audi
South

7401 South Boulevard 552.6500 800.426.5347

STRIVING TO BE...
Charlotte's #1
Lincoln-Mercury Dealer

97 Lincoln TOWN CAR
PROGRAM CARS
PW, PL, Leather, Alloy Wheels, Low Miles. Has Remainder of Factory Warranty
Prices Starting At **\$23,999**

LINCOLN NAVIGATOR 15 AVAILABLE

98 Mercury SABLE G5 \$16,999
PW, PL, AM/FM Cassette, V6

98 Lincoln CONTINENTAL \$33,999
Leather, PW, PL, AM/FM Cassette, Alloy Wheels

98 Mercury VILLAGER \$17,999
V6, PW, PL, AM/FM Cassette, 7 Passenger

98 Mercury MOUNTAINEER \$23,999
V6, PW, PL, Alloy Wheels, AM/FM Cassette

97 Mercury Grand Marquis \$18,599
PW, PL, AM/FM Cassette, Low Miles

Lincoln Town Car \$32,999
"LOADED" Starting At

Nobody Beats Our Price... Not Now! Not Ever!
Queen City LINCOLN Mercury

7301 SOUTH BLVD. CHARLOTTE 704-553-8300

ALL NEW CARS BELOW INVOICE

Hours: M-F 8:30am-8pm Sat 8:30am-7pm

* Discounts include all rebates, incentives, owner loyalty, factory discounts, and \$400 Recent College Grads Discounts. Low APR in lieu of rebate. Low APR up to 48 months. All prices plus tax, tag, and doc fees. '98 Sable 2.9% APR '98 Mountaineer 3.9% APR '98 Villager 1% APR.

Have news of note about your organization?
Fax it to Jeri Young at (704) 376-0496.
You can reach us toll free at (888) 376-Post

For Comments or questions, Please call us at
704-376 0496 or 1-888-376-POST

LIVE IN AREA ONE YEAR
SIX MONTHS ON JOB
MUST EARN \$1050 PER MONTH
YOU CAN RIDE TODAY!
BAD CREDIT, NO CREDIT

BANKRUPT REPO CHARGE OFF **DIVORCE PAST DUE TAX LIEN** **JUDGEMENTS FORECLOSURE COLLECTION**

***EVERY APPLICATION ACCEPTED* GUARANTEED**

HARRELSON FORD
6500 South Blvd. • Charlotte
CALL TOLL FREE 1-888-910-5626
1-800-852-3528 • 552-2760

HARRELSON MAZDA
9029 South Blvd. • Charlotte
1-800-430-4041
552-8522