

'FLAWLESS' HYUNDAI TOPS J.D. POWER RANKING OF MODEL LAUNCHES

Lindsay Chappell

Automotive News

July 22, 2009 - 8:00 am ET

The **Hyundai Genesis** ranked as the most smoothly launched vehicle in a U.S. study that grades automakers on their ability to hit sales, price and dealer-profit targets with new models.

The 2009 Genesis scored 689 out of 1,000 possible points on J.D. Power and Associates' newly created Vehicle Launch Index. The worst performer: The 2009 **Toyota Matrix**. It scored 439 on a scale that measures sales volume, vehicle design, quality, the need for sales incentives, dealer inventory levels, and dealer gross profits.

Following the Genesis were the **Ford F-150** pickup and the **Volkswagen Tiguan**.

The Matrix, the Dodge Ram pickup and the **Pontiac Vibe** -- General Motors' now-abandoned twin version of the Matrix -- were rated as the worst introductions last year. The 2008 launch of the Matrix was complicated by quality issues, unappealing design and higher-than-average incentives in its segment, according to J.D. Power.

"How well a new model sells is only one part of the equation for judging how well a vehicle launch has gone," said Gary Dilts, a senior vice president at J.D. Power.

"The other questions are: Is it selling at the level that was forecast? Is it selling at the expected price point? Is it holding its value in the market? Are dealers making the expected margin on it? Is it causing the manufacturer to spend more than planned on marketing support?"

"Launches represent a four- to five-year investment of huge sums of money," Dilts said, explaining why Power has begun measuring vehicle debuts. "Automakers make assumptions about the market that turn out to be wrong a few years later, and it can be very expensive."

J.D. Power and Associates 2009 Vehicle Launch Index Ranking

2009 Hyundai Genesis	689
2009 Ford F-150	673
2009 Volkswagen Tiguan	663
2009 Nissan Maxima	636
2009 Subaru Forester	631
2009 Honda Pilot	629
2009 Ford Flex	620
2009 Honda Fit	619

2008 <u>Dodge Challenger</u>	618
2009 <u>Volkswagen Passat CC</u>	601
2009 <u>Nissan Murano</u>	593
2009 Mazda 6	592
Industry Average	582
2009 <u>Lincoln MKS</u>	580
2009 <u>Volkswagen Routan</u>	579
2009 <u>Acura TSX</u>	576
2009 <u>Infiniti FX</u>	575
2008 <u>BMW 1 Series</u>	568
2009 <u>Jaguar XF</u>	567
2009 <u>Chevrolet Traverse</u>	565
2009 <u>Audi A4</u>	563
2008 <u>Pontiac G8</u>	563
2009 <u>Toyota Corolla</u>	561
2009 <u>Acura TL</u>	523
2009 <u>Dodge Journey</u>	513
2009 <u>Pontiac Vibe</u>	504
2009 Dodge Ram Pickup Lt Duty	459
2009 <u>Toyota Matrix</u>	439

\$50 billion tab

J.D. Power estimates that automakers will spend \$50 billion to launch 205 new and redesigned vehicles over the next four years.

Dilts called the **Hyundai Genesis** launch "flawless" because of its success in hitting planned price levels and sales numbers.

The new F-150 launch succeeded thanks to Ford Motor Co.'s decision to delay the introduction until dealers could sell off inventories of 2008 models, Dilts said.

By "clearing the runway, the F-150 was able to sell as planned," he said.

By comparison, Dodge's Ram pickup was introduced amid large inventories of unsold 2008 Rams. The oversupply resulted in the Ram carrying incentives of \$7,500.

Dilts suggested that the primary cause for a poor launch is a company's failure to honestly consider the impact of competitors' models.

"It's very difficult, politically, for a manager on a new model program to push back from the official forecasts on how many units a vehicle will sell, and how much competition it will face," said Dilts, a former Chrysler executive. "People don't want to risk their careers by challenging their company. But the result, three years later, is a vehicle that has 50,000 sales instead of 100,000."

Other contributors to a poor launch are product quality problems, low brand image and unappealing design.