

Motor Mouth: Plush new Hyundai Genesis breaks many rules

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Motor Mouth

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This summer's introduction of the new Hyundai Genesis is the most significant automotive event this year. That's saying a lot because 2008 could yet see a bankruptcy filing from automotive giants Ford or General Motors. Both companies are limping painfully from costly mistakes, and while bankruptcy remains very remote, some business analysts are floating the possibility.

As traumatic as those failures would be, the Genesis introduction would still top them in significance because Genesis shoves the auto business forward. Genesis is entrepreneurial, representing the sort of bold risk and gutsy ambition that shakes up the status quo.

Genesis is a luxury sedan. But Hyundai is a mass-market automaker. In fact, Korea-based Hyundai, which operates Hyundai Motor America to retail and even manufacture some models, sits on the economy-car edge of the spectrum.

Now it wants to sell you a luxury sedan?

The vehicle is just now arriving at dealers like Salem Ford Hyundai in Salem, N.H. Two weeks ago I attended a daylong press briefing and test drive. I'll give you a thorough review of the car after I drive a test model for a longer, day-in-the-life evaluation. For now let's take a look at how Genesis turns conventional ideas and practices upside down.

Genesis is a luxury car from a brand more commonly associated with bargains. Hyundai lists the new model at \$33,000 when equipped with a 290-horsepower, 3.8-liter V6. The V8 version, with a 375-horsepower, 4.6-liter engine, wears a sticker price of \$38,000. Options are sparse because starting versions come so copiously equipped.

They're legitimately luxurious, too. Genesis is a large, smooth-riding car with a sturdy body and a well-isolated interior that silences unwelcome noise. Its V6 engine provides such ample power, and operates so smoothly and serenely, that it's hard to image why anyone would upgrade to the heftier eight-cylinder. The car's comfort level is seductive. Its construction and its features exhibit quality that does not compromise.

Michael Deitz, manager of product development for Hyundai, summed up the design philosophy displayed in Genesis when he described the car's seat upholstery.

"The V6 leather is a good leather. The V8 leather is a great leather," he said. From the models I saw, he wasn't exaggerating.

You can add only one option package to the V8-powered, Genesis 4.6, bringing its list price to \$42,000. Thus the Genesis ranges from a flat \$33,000 to \$42,000. Those are hardly economy-car prices. They're fully over the luxury-car threshold. But with Genesis, you get more car than you get from another luxury model in the same price band. In fact, to match the Genesis in features, you can pay tens of thousands more for comparably specced European luxury models.

So Genesis knocks down the price barrier that blocks a lot of people from luxury-class accommodations. At the same time, the car remains within the Hyundai family. That's another significant departure from the established way of business. Other car companies have set up new brands to peddle their luxury lines.

Honda figured that no one would pay luxury-car prices even for an upscale Honda. So the company created the Acura brand to sell its more distinguished models. Nissan followed the same logic when it created the Infiniti brand. Toyota's very successful Lexus line of luxury cars rises from the same line of reasoning.

Genesis doesn't wear the Hyundai logo on its dramatically patterned grille. But the Hyundai tag on the back is plainly visible. And the car is sold at ordinary Hyundai dealers, next to little \$13,000 Accent hatchbacks, \$18,000 Tuscon SUVs and \$20,000 Sonata sedans. "Will people come to the same store to shop for legitimate luxury?" the automaker is asking.

That's a good question, and it's entirely possible that they won't come. A large part of what motivates luxury buyers is image and mystique. Hyundai doesn't possess either trait. But Deitz, the product development manager, made clear that Hyundai doesn't expect the Mercedes set to buy its car.

"We're looking for the person who wants all the luxury attributes" without the untouchable price, he said.

Surely such buyers exist. But they don't assure this new venture's success. Just a few years back, Volkswagen made a similar play with its big Phaeton sedan. It crashed, presumably because people wouldn't buy a pricey cruiser that wore the VW badge.

But Phaeton was more expensive than Genesis. What's more, Hyundai is approaching the project with the flexibility that helps an organization find success. Christopher Hosford, vice president of corporate communications for Hyundai Motor America, sums up the attitude this way: "We do everything very quickly."

Don't plan, dither and deliberate forever. Put the thing out there and see how it does. If it doesn't do well, change it. Then change it again, and again if you need to. The idea is that you can't prefabricate success. But you can find it. And you find it by moving. You'll find it by thinking creatively and by taking risks.

Move fast and move a lot. Move quickly, as Hosford says. That's exactly how entrepreneurs operate. It's encouraging to see Hyundai bringing that attitude to the vehicle trade.

2009 Hyundai Genesis

Vehicle type: Rear-wheel-drive, 5-passenger, 4-door full-size luxury sedan

Price range: \$33,000 to \$42,000

Warranty: 5 years/60,000 miles basic warranty; 10 years/100,000 miles powertrain warranty; 7 years/unlimited miles corrosion warranty; 5 years/unlimited miles roadside assistance

Base engine: 3.8-liter V6

Power: 290 horsepower at 6,200 rpm; 264 lb.-ft. torque at 4,500 rpm

Base transmission: 6-speed automatic

Fuel economy: 18 mpg city; 27 mpg highway

Wheelbase: 116 inches

Length: 196 inches

Width: 74 inches

Height: 58 inches

Weight: 3,748 pounds

Fuel capacity: 19.3 gallons

Turning Circle: 36.0 feet

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