Honda Scrambling To Revamp Civic

Tom Krisher, AP Auto Writer

ROMULUS, Michigan (AP) — Honda is scrambling to revamp its Civic just eight months after a new version hit showrooms, and critics say it's an admission that the compact car fell short in quality and handling.

The revamp, to come by the end of 2012, is rare because new models aren't usually overhauled for at least three years. Honda executives say they're simply trying to stay ahead in an increasingly competitive small-car market.

The move comes as small car sales are on the rise in the U.S., and more people choose them because of worries about gas prices and car payments. Compacts also are no longer the cramped econoboxes of the 1980s and 1990s, and they have many of the same amenities as larger cars.

The new Civic was panned by critics when it started arriving at dealerships April 20. Consumer Reports magazine said it was less agile than its predecessor, and its interior quality was worse. The magazine refused to give the Civic its coveted "Recommended Buy" rating, saying that the braking distances were long and it suffered from a choppy ride. The car's sales ranked fourth among U.S. compacts from May through November.

The previous Civic, which came out in 2005, was known for its sporty driving, high-quality interiors, lack of noise and excellent braking, says David Champion, senior director of auto testing for Consumer Reports.

"The new one seems to have fallen apart in those areas," says Champion, who thinks that Honda cut costs with the 2012 version.

Honda also recalled more than 1,000 of the 2012 Civics because a fuel line could leak due to a manufacturing error.

Honda has told dealers a reworked Civic will arrive before the end of next year. The car starts around $16,000, and a base model with automatic transmission gets 32 miles per gallon in combined city and highway driving. Its price and fuel mileage are about the same as its competitors.

American Honda President Tetsuo Iwamura said Tuesday that the company will improve the Civic's drivability, but he stopped short of saying exactly what the company will do to the rest of the car.

"It's about how do we get two or three laps ahead of the competition," says American Honda Executive Vice President John Mendel.

In the past two years, the usual compact-car race between the Honda Civic and

Toyota Corolla became a free-for-all that included high-quality entries from Chevrolet, Ford and Hyundai.

The competition will be good for buyers because companies will offer better small cars and could discount them as the competition heats up, Mendel said. He said Honda would continue to show restraint on discounts, selling its products based on their value rather than price.

The battle between the Civic and Corolla for the rank of top-selling compact in the U.S. was also upset by the March 2011 earthquake and tsunami in Japan. The disasters disrupted production, and utput was again hampered by flooding in Thailand in the summer.

Honda production only recently returned to normal, and Mendel doesn't expect dealers to be fully restocked until March.

At the same time, the competition has rolled out new models like the well-received Chevrolet Cruze, Hyundai Elantra and Ford Focus.

From May through November, the only full months that the new Civic was in showrooms, the car's sales were nearly 109,000. The Cruze led the way at almost 140,000, followed by the Corolla at 118,000, and the Elantra at 110,000.

But last month, with supplies moving toward normal after the earthquake and floods, the Civic led all compacts in sales, according to Autodata Corp.

Despite the criticisms, the Civic still has a strong following of loyal customers, says Jeff Dyke, executive vice president of operations for Charlotte, North Carolina-based Sonic Automotive Inc., a dealership chain that includes Honda dealers.

"I can't keep one on my lot," he says.

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