

GM Says Most Of Its Dealers Will Upgrade

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LAS VEGAS (AP) — General Motors Co. said Saturday that most of its 4,400 U.S. dealers have agreed to upgrade their showrooms over the next four years.

The upgrades include new signs, more modern interiors and lounges with free Wi-Fi. In some cases, dealers might also open cafes or salons.

The company announced its plans at the National Automobile Dealers Association convention in Las Vegas.

GM said 3,400 dealers have agreed to upgrades, and 1,000 have been completed.

GM said it also plans to give dealerships more sales and service training and encourage them to do more online marketing. If they meet all the upgraded standards, they'll receive quarterly payments, spokesman Tom Henderson said.

Henderson said 36 percent of GM's stores were built before 1970.

"We're investing in our retail network because today's new-vehicle customer expects a shopping experience to match the character of the brand they're considering," said GM North America President Mark Reuss.

But some dealers question the costs, which can approach \$1 million per dealer. They say the expense would be particularly difficult for smaller dealers.

The National Automobile Dealers Association released a study Saturday recommending that auto companies better explain the need for the upgrades. It also suggests that costs could be lowered if discounts were negotiated with construction companies or if dealers could use different, but comparable, materials.

The association also said companies and dealers need to jointly research and determine future trends that could affect dealerships. Dealers might be able to have smaller properties with fewer cars on their lots as people increasingly shop for and order cars online, for example. The study also suggested that as car quality improves, dealers might need fewer service bays or put them on different sites.

"The world is changing," said Glenn Mercer, an independent automotive analyst hired by the association to do the study, which polled 75 dealers, automakers and buyers.

Timothy Kool, who owns two GM dealerships in southwest Michigan, said GM is evaluating his dealerships and deciding whether he can keep the floor tile he installed nine years ago. Though the tile is the right color, its dimensions don't meet GM's specifications for upgraded facilities.

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"It's frustrating," Kool said. "There's not one bit of evidence that because my tile is the same as other dealerships, my sales will improve."

GM isn't the only carmaker asking dealers to upgrade their facilities. Ford Motor Co. said last week that 75 of its Lincoln dealers have already done major renovations of their facilities, and more have agreed to future upgrades.

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