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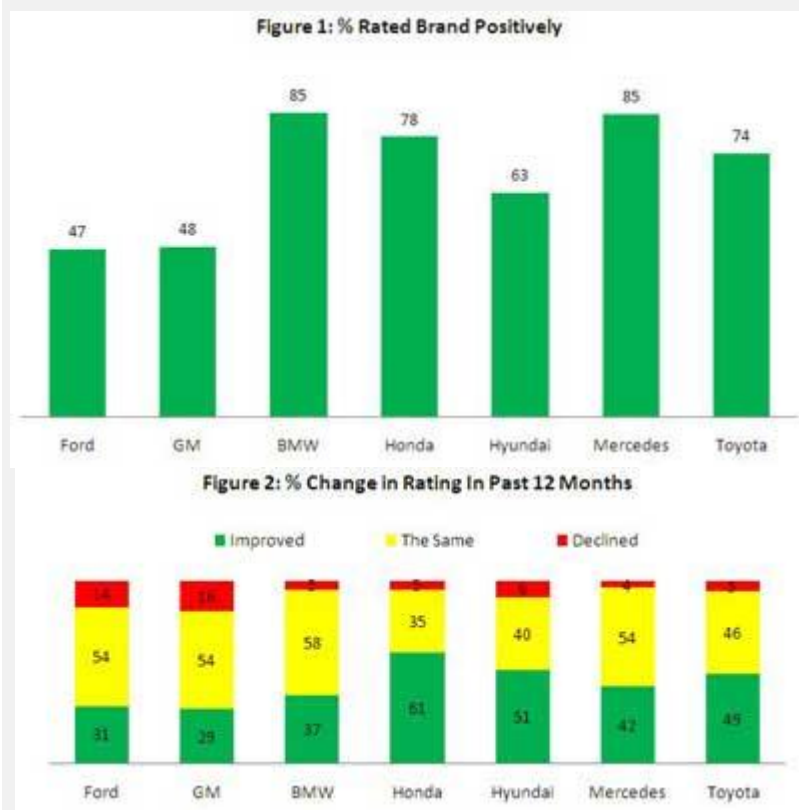
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### "GM and FORD: THE CHALLENGES THESE BRANDS FACE IN INDIA."

(MMD Newswire) October 23, 2009 -- With the rapid decline of the US Automotive industry, many consumers and business executives are asking a now familiar question: can the US automotive giants recover? While the question is an important one, the answer is not simple. Recovery will be determined by these companies' successes in the following items:

- Re-instilling confidence in the brand among its traditional customer base
- Expanding its current customer base by attracting new customer segments
- Engaging new customers in Asia, most importantly India and China, where most of the new cars built will be purchased in the next 10 years

GM, Ford and Chrysler have been feverishly developing vehicles that will attract new buyers and re-invigorate its current customer base in the US. For instance, GM recently introduced the retro Camaro in hopes of capturing the imagination of both long-time and would-be customers alike. Ford recently re-vamped its Mustang in an attempt to keep pace with its competitors, while Chrysler has been plying its retro Charger for a few years now, trying to entice a younger audience to join the ranks of Chrysler customers.



So how is the brand health of these US Automotive giants in India? How does it stack up to its competition in India where much of the automotive growth in the next 10 years will take place? Currently, both Ford and GM hold less than 3% market share in India. Are there any signs of improvements in the brand image of these giants that can provide a glimmer of hope or is the brand heading towards life support in this part of the world? The answers to these questions have implications the world over for investors, workers, managers, and of course, consumers. In order to shed some light on these issues, a study was commissioned by OnResearch Inc., a global research consultancy, in September 2009. The study involved over 750 consumers in India who were either the sole decision-maker or shared decision making responsibilities in regards to automotive purchases within the household.

Both Ford and GM performed similarly, with 47% of respondents rating the Ford brand positively, and 48% rating the GM brand positively. The next closest competitor was Hyundai, which dominates the Indian market scores at 63%. The Japanese brands Honda scored 78% and Toyota scored 74%. These numbers indicate that there is a significant gap between the US companies and their key worldwide competitors. It would appear that both US companies have to deal with a brand that is not particularly relevant to customers in India. This poses a major challenge for both US companies. Can either automotive giant make a meaningful positive impact over the next few months, or even the next few years? These scores would indicate that it will be an uphill battle to catch key rivals, much less the industry leaders BMW and Mercedes.

While poor brand performance is definitely a source for concern, there is even more troubling news for these US giants: their competitors are moving ahead and increasing the gap. Over the past 12 months, a total of 31% of respondents stated that their opinion of Ford has improved, while 14% of respondents say their opinion has declined. The news for GM is about the same with only 29% stating their opinion of GM has improved, while 16% say that their opinion of GM has declined. On its own, these numbers do not seem too alarming considering the negative press GM and Ford have been getting in past 12 months. However, during the same period, the brand strength of competitors has increased. For example, 61% stated that their opinion of Honda has improved, 51% stated that their opinion of Hyundai has improved and 49% stated their opinion of Toyota has improved. So while these companies move ahead, Ford and GM continue to fall further behind.

Not only do these US automotive giants face an uphill battle in India, but there are no real positive signs that they can point to that indicates that they have been able to improve their standing in India. As the brand continues to falter, the question remains: how long will it be until these US companies become an inconsequential option for Indian consumers?

If you like more information about this topic, or to schedule an interview with JASON TEN-POW, President of Research Operations, OnResearch Inc. please contact Dawn Forsyth at (905) 731-5567 ext 225 or visit [www.onresearch.com](http://www.onresearch.com)