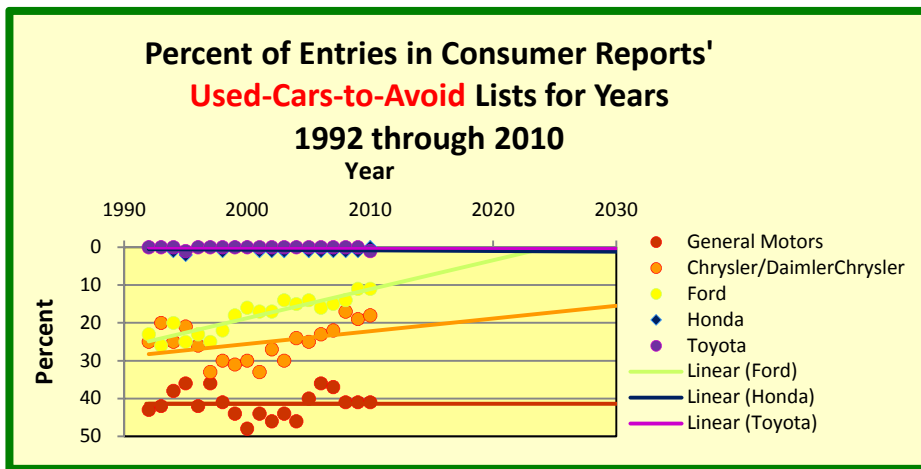
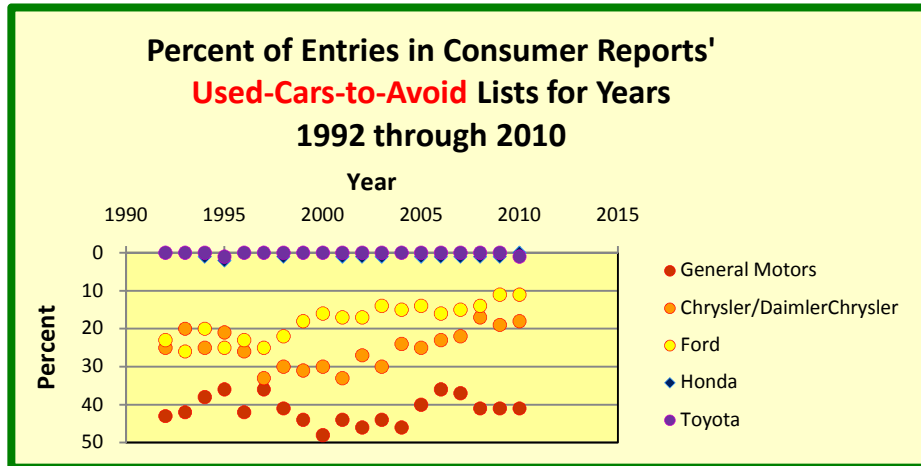


Charts of Annual Shares of Consumer Reports' Used Cars to Avoid

By James Bleeker

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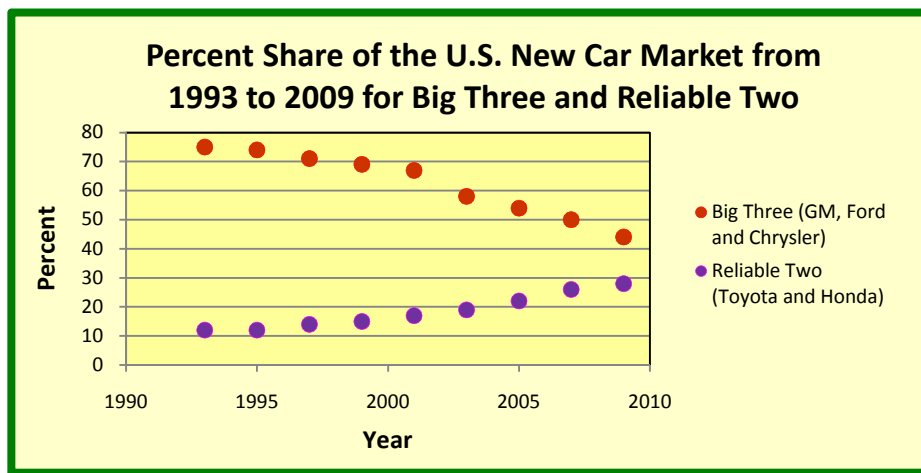
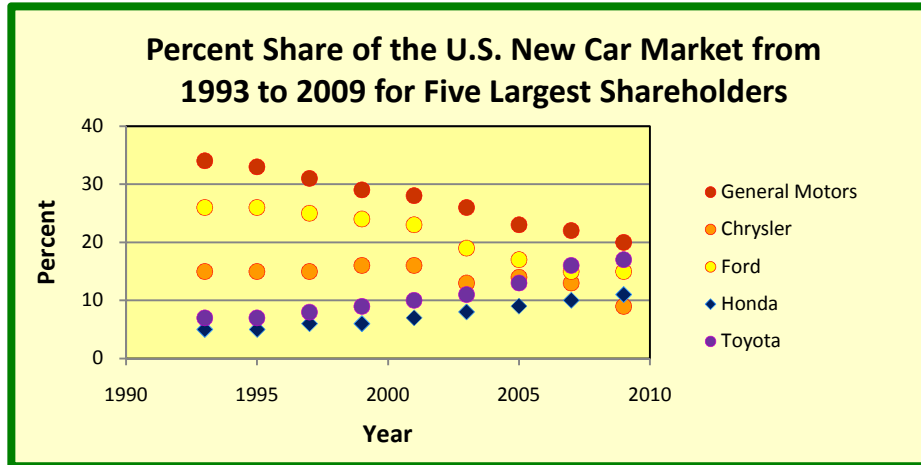
Below are charts of the annual shares of Consumer Reports' **Used Cars to Avoid**. The first chart gives plots of the shares of General Motors Corporation, Ford Motor Company, Chrysler Corporation/DaimlerChrysler AG/Chrysler LLC, Honda Motor Company, and Toyota Motor Corporation for 1992 through 2010. The second chart includes plots of these shares and a best-fit line for each manufacturer's set of shares based on a linear regression of degree one.



The second chart helps to better depict the trend in quality of each manufacturer's products. From the chart, it seems almost certain that Ford Motor Company has made some improvement in the quality of its products. It is less clear whether Chrysler products have improved, as the modest upward trend (declining share of used cars to avoid) may only reflect an increasing number of manufacturers offering for sale in the U.S. a rapidly increasing number of models of cars, sport-utility vehicles, and minivans. General Motors Corporation's flat trend line at about 42% of CR's Used Cars to Avoid strongly suggests that GM's products are mired in the low quality of the spectrum and will be for many years, maybe generations, provided that the next recession or two don't put it into liquidation. At the opposite end of the spectrum, Toyota Motor Corporation's flat trend line at about 0% of CR's Used Cars to Avoid suggests that its reputation for excellence in engineering and manufacturing will be warranted for many years to come. Honda Motor Company's trend line has a nearly imperceptible decline, suggesting that its reputation for excellence will be warranted for many years as well.

The difference in product quality between the Big Three (GM, Ford and Chrysler) on the one hand and the Reliable Two (Toyota and Honda) on the other has taken a heavy toll on the former's U.S. new car market share, as the following charts of market share indicate. The first chart depicts the individual U.S. new car

market shares of GM, Ford, the Chrysler group, Toyota and Honda. The second chart depicts the composite shares of the Big Three and the Reliable Two.



The very slow decline in the market share of the Big Three and the even slower rise in the market share of the Reliable Two suggest that information disseminates very slowly. The questions arise: Why is information dissemination so slow, and why wasn't GM forced into bankruptcy reorganization a decade or two earlier? The automobile industry provides an excellent opportunity to do consumer research.

The sources for the shares of the Used Cars to Avoid are the April issues of Consumer Reports for the corresponding years. The sources for U.S. new car market shares were the Wall Street Journal.

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