ED WALLACE

Things Change

BY ED WALLACE NOVEMBER 20, 2020 12:00 AM







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In the summer of 1998 near Pemberton, British Columbia, our caravan of upcoming 1999 Acura TL sedans made a strange sight sitting at a dead stop on Canada's Highway 99. A Native American woman had forced us to stop so that Kia could finish filming an upcoming car commercial farther down the road. As it turns out, this stretch of highway is a favorite of car companies; there they can capture the look of a new vehicle against the backdrop of what looks to be the American Rockies but is not.

While we waited, I struck up a conversation with the woman, which is how I learned that she found fairly steady work holding up traffic for ad agencies filming future automobiles for manufacturers' commercials. Oh, and she had seen the vehicle we were driving; she called it the Saber. I corrected her, saying it was actually the new Acura TL, but she rolled her eyes at me and said, "It's the Honda Saber, and we shot the commercial for it a few weeks ago." Yeah, even Japanese car commercials were shot on Highway 99 in Canada.

That was my second trip to British Columbia that summer; on the first I spoke to the Midas dealer convention in Vancouver. It was a time of change in the auto industry in ways completely forgotten today. Just two years earlier the Federal Trade Commission had ruled that Exxon's ads for its 93 Supreme Octane gasoline were deceptive. The claims were familiar: higher octane gas would leave your engine cylinders cleaner, thereby reducing maintenance costs and, the ads suggested, boosting fuel efficiency, too. The FTC of course asked for the scientific proof of those claims, which didn't exist. Maybe it might have been true decades earlier, when

cars had carburetors and lead deposits could build up inside your engine; but as leaded gas went away and new vehicles became computerized, those gasoline claims no longer had much, if any, validity.

Of course, that consent decree had the effect of ending premium gasoline ad campaigns for years; but the public never really noticed that they disappeared back then. (Today some are back, making the same claims the FTC ruled against two decades ago.) Similarly, most don't remember that new cars went from having cheap bias-ply tires standard to radials as standard equipment during the Second Energy Crisis, or that in the late Nineties the lifespan of the best radial tires was about to improve dramatically. And Americans would get an object lesson on that issue within just a few months of my speech for Midas, when the Ford Firestone rollover scandal hit the news.

But on that day Midas had its own problems that concerned its dealer body. Just as auto manufacturers had started installing OBD II computer systems to control engines and fuel use, thereby allowing them to start promoting cars that did not need major tune-ups for years, they were also moving into the age of stainless steel muffler systems. And if your company name is Midas Mufflers and the primary reason for your corporate existence is about to go away, that's an issue.

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The other problem facing that repair group at the time was disc brake pads on cars. As Midas' president discussed that weekend, there are only two types of brake pads, those that are quiet but throw brake dust on wheels and don't last very long, and harder material brake pads that last a long time, don't throw brake dust, and squeal. Again, today everyone forgets that was the norm on cars not that long ago. Soft brake pads had been around forever and wore out quickly, but we expected that. In fact, when our family moved back to Fort Worth in 1968, one of the most relentless commercials on TV was for Bill King's Brake-O, where he promised his mechanics would fix your brakes even if you showed up five minutes before closing. Then by the late Eighties more and more vehicles featured alloy wheels, replacing fake wire wheel hubcaps; and suddenly everyone noticed that those quiet but inferior brake pads were throwing dust out — covering the owner's beautiful, expensive alloy wheels.

So Midas was at a crossroads that year. Replacing mufflers as a business was going away, and no matter which kind of brake pad one used, it had serious downsides. Again, within months Ford Explorers' rolling over would take over news departments coast to coast; now the quality of tires on our vehicles would be thrown into the mix. Oh, and somewhere between the FTC's ruling on premium gasoline ads' being deceptive and SUV rollovers, the government also ruled that Slick 50 engine additive ads were completely deceptive, too. Again, no one seemed to notice that suddenly one of the most advertised engine additive ads disappeared, shortly after ads for premium gasoline went away. Left in their place was the start of the new age for our automobiles: Computerized, far more fuel efficient, with brake pads that neither squealed nor wore out early, mufflers that seemingly never needed replacement, tires that lasted 50 percent longer, and engines that would run for hundreds of thousands of miles with no need for snake oil or high-priced gas, just minimal maintenance.

Not to mention that suspensions in automobiles were vastly improved; crumple zones added to the front of vehicles transferred energy away from occupants in frontal collisions; and cars now came with super stereo systems — just as the music was downgraded to mp3 level sound.

Oh, and we were starting into the age of service loan cars at new car dealerships, even though or maybe because fewer cars needed repairs over their first ownership period. But we also need to notice that you don't have to change the oil on your new car after the first 600 miles to get the metal shavings out of it, nor change the oil every few thousand miles after that. The computerization of vehicles today means "normal maintenance work" may or may not happen on a specific mileage reading anymore, nor even the next oil change — although sensors can still go bad, and Texas' hot summer temperatures theoretically mean more maintenance here than in more moderate climates. But again, all of these changes happened in the past few decades. And everyone forgets how it used to be.

Over the past few years people have written me about getting a flat tire at 40,000 miles and wondering why it's not covered under a manufacturer's warranty. Or an engine blows at 150,000 miles, or brake pads wear out at just 50,000 miles and again, they wonder why the manufacturer isn't stepping up to fix their problem. That's when you realize what hasn't changed in the auto industry. As it turns out, it was the same story as my speech to the Midas dealers in Vancouver in the late Nineties.

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I spoke about customer satisfaction surveys. At the time it had been almost two decades since the first surveys on buying cars from new car dealers had come out, I recalled, yet in spite of all of the improvements in the auto industry and training on customer care, the overall satisfaction rate hadn't moved but just a percentage point or so; it was stuck at the 85 percent (very or extremely satisfied) mark claimed on buyers' most recent car purchases. We had seen similar things with service surveys, too.

I suggested that if, instead of spending all of our time trying to make the least happy customers happier with us — not to be confused with fixing anything a dealer or service company messed up — we instead spent the time with the 85 percent of buyers that kind of liked us to begin with, repeat purchases and services would likely improve more. As I pointed out that day, if you just took the one customer that is always, always unhappy and simply decided to not do business with them, they would never get another survey and your customer satisfaction scores would go up automatically. Again, not a customer where you messed up and made unhappy, just that individual that sadly is never happy with anything.

Today we have many dealers with CSI and service scores in the nineties, even high nineties; but I often wonder if, rather than improving service, that's a function of moving many in the lower middle class into the used car market. Or maybe it's just the fact that manufacturers from America to Europe and South Korea have made so many quality improvements to their vehicles that there's not nearly as much to complain about. Let's face it, new car dealers took the brunt of the anger in the days when new cars came with factory defects as standard equipment.

Then again, in spite of super high satisfaction scores with the best dealers, the overall industry's ranking remains remarkably close to where they've always been. Service loan cars or not.

Note from Ed: Last week we reported that VW's new ID.3 outsold Tesla 75:1 in the Netherlands in September. Turns out, it was October. Additionally, we used the term "nearly twice" to describe Uber's increase in food fetching services, which should have read, "more than doubled." Thank you to Star-Telegram reader Johnny Williams for catching those errors.

Ed Wallace is a recipient of the Gerald R. Loeb Award for business journalism, bestowed by the Anderson School of Business at UCLA, and hosts the top-rated talk show, Wheels, 8:00 to 1:00 Saturdays on 570 KLIF AM. Email: edwallace570@gmail.com

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BY ED WALLACE FEBRUARY 12, 2021 12:00 AM









It never occurred to me that one day I might be at a loss for words, but here we are. This will be my last column for the Fort Worth *Star-Telegram* after

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