

GM drives away Cadillac buyers

To the Editor:

My accounting firm serves more than 200 vehicle dealerships.

I believe that in many markets with no other luxury franchises Cadillac's share is more than it would otherwise be. With dealers losing their Cadillac franchises, I expect fewer Cadillacs will be sold.

Some customers have dealer loyalty, not brand loyalty, and will not drive extra miles for a Cadillac. Many customers will now find it easier to buy other makes. In some cases because of the inconvenience, they will not buy GM products again. I do not see how GM benefits materially from terminating smaller dealerships, particularly those in rural markets.

The manufacturers have said they are terminating dealerships to save substantial costs, including distribution costs. I believe there will be no material savings directly associated with eliminating those dealerships.

We hear that reinstating some of the terminated General Motors and Chrysler dealerships could threaten the automakers' turnaround. I do not know anyone knowledgeable who believes that.

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