

# Automotive News

## Delay of diesel Jetta irks Volkswagen dealers

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Although Volkswagen dealers have four new vehicles this year, they still have one gripe: the delayed launch of the diesel Jetta. The Jetta TDI originally was due this spring but won't arrive until late in the third quarter. That's especially painful because VW didn't build a 2007 TDI, so dealers have been without the model for some time.

The new TDI will be a "clean diesel" that can be sold in all 50 states, unlike prior versions that couldn't be sold in some major markets, including California and New York. Even with that restriction, the diesel accounted for 15 percent of Jetta sales, so dealers are hungry to sell the new one, says Bob Grace, chairman of the Volkswagen National Dealer Advisory Council.

But Grace says VW dealers have a lot to cheer about — including the four new vehicles: Tiguan compact SUV, the Routan minivan and the CC to top the Passat range. A Jetta station wagon also is due this year. "Those are more than enough," Grace says.

He was interviewed by Staff Reporter Diana T. Kurylko.

### **Bob Grace**

**Age:** 51

**Dealer since:** 1992

**Dealership:** Southpoint Volkswagen, Baton Rouge, La.

**Average monthly sales:** 55 new, 45 used

**Dealer council's top concern:** Having the right product at the right time and with the right incentives

**Quote:** "Short term, we need more marketing. Longer term, future product and marketing have to match. We need a brand campaign that positions us as an affordable German choice."

### **What has been your biggest disappointment as council chairman?**

Not having the TDI (diesel). In 2007, the factory built some to bridge us into this year. The fuel and engine design changed, so they decided to build a whole new product. We were to have it in Q2 of 2008, but it has been pushed back to end of the third quarter. TDI Jetta comes first, and then we hope to see it in the Tiguan and other products that follow.

### **What are the dealer council's top concerns? How is the factory responding to them?**

We want to be profitable, and that means having enough products at the right time and the incentives to keep customers coming through the door.

We have a new wave of products coming, and it's exciting to hear about the potential growth. It goes hand-in-hand: If dealers are profitable, we can take care of the factory the way we are expected to.

### **Are dealers satisfied with VW?**

I think so. They are excited to hear about the potential growth in this market — the talk of finally building a U.S. factory. It is being talked about by the people who have the authority to talk about it.

### **Has VW told dealers it will build a factory?**

They told us they will make a decision early in 2008.

### **Have they told you what products will go into the new plant?**

They have not.

### **What's missing in the VW lineup?**

On my wish list would be a full lineup of TDI (diesel) products. We need a seven-seat SUV. We hear of products priced below the Rabbit, and we welcome that.

### **What does VW need to do to help you sell more vehicles?**

Short term, we need more marketing.

Longer term, future product and marketing have to match. We need a brand campaign that positions us as an affordable German choice. There will be a new one for the first quarter of next year, and I look forward to the direction it takes.

### **New CEO Stefan Jacoby has set a target of selling 800,000 units, nearly triple 2007 sales, by 2018. What will that mean for a VW dealer?**

That's in 10 years — and that's important. There is a lot of new product coming. We are banking on it being right. Dealers are looking for steady continued growth year after year.

### **Has the turmoil at VW affected U.S. sales?**

I don't think so. Any time there is change, there is a fear of the unknown. We met with Stefan and are confident of his direction and commitment.

**Why don't VW sales grow as fast as, say, Toyota? What are you missing?**

We are only competing in half the segments. We don't have a truck or van or SUV. Starting this year, we will be coming in some of those segments.

**Have you seen the new Routan minivan?**

I sat in it and I like it. I am excited about it. It has our DNA, safety equipment and seating, so it is different from the Chrysler minivan.

**What's the problem with today's cars?**

The price premium is the biggest problem.

**Does VW have enough niche vehicles or too many?**

We are OK with what we have. I do not want to be a niche company.

**Has VW abandoned its roots?**

I don't think so, I hope not. We are still an approachable car company. We are honest, and we are still fun.

**What kind of annual sales can you expect from the Tiguan?**

After driving it, most dealers felt that the 25,000 to 30,000 forecast would be a little light.

**What does the price need to be?**

\$22,900 is a great price that will make it very competitive in its segment.

**Do you need a range topper like the Phaeton, but cheaper?**

There is talk that they may introduce a shorter version with gasoline and diesel. I think the dealer body would be happy to see it come back. I do not know the timetable. c



Bob Grace

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