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Tom Walsh: Can Detroit defy the long-term trend line?

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By Tom Walsh

Detroit Free Press Business Columnist

Each month at this time, there's a mad scramble to divine meaning from the latest car and truck sales data.

And so it was Wednesday, when Chrysler, Ford, General Motors and competitors reported July numbers.

Ford was down 4%: Did the Escape recalls hurt sales?

GM fell 6%: Is the new Chevy ad campaign falling flat?

Toyota gained 26% and Nissan sales were up 16%: It helps when production is not curtailed by an earthquake, as it was a year ago.

Chrysler sold 13% more vehicles than in July 2011 -- but company revenues were up 23% in the first half of 2012. Does July's smaller increase mean Chrysler's comeback is slowing down?

Natural as those questions or observations may seem, we should be wary of ascribing undue import to a month of sales activity, as Jon Gabrielsen, my number-crunching occasional correspondent from Atlanta, reminded me in an e-mail exchange this week.

Gabrielsen, 55, is a Michigan expatriate with local engineering and MBA degrees who moved south 13 years ago.

He still pays close attention to the economic fortunes of Detroit and Michigan, relative to other U.S. regions. It didn't surprise me when he sent a chart and a spreadsheet tracking GM's market share over the past 32 years, showing a decline from 44% in 1980 to around 18% today.

"What should be terrifying for both GM and southeast Michigan," Gabrielsen said, noting that the region's employment levels correlate closely to Detroit Three market share, is that GM's share has eroded steadily "with no meaningful change in the trend since bankruptcy."

When he combined GM sales data with that of Ford and Chrysler since 2000, it showed the Detroit Three have indeed bounced back from a steep drop during 2008-09, but the combined share is still below what it was in 2007 before the Great Recession.

In other words, despite the tumultuous industry restructuring that enabled GM, Ford and Chrysler to become solidly profitable, the long-term market share trends appear stubbornly resistant to change.

"In my consulting work, I have seen this linear market share pattern play out countless times in both the favorable and unfavorable direction," he said. "Time and time again, I am amazed by the amount of inertia there is behind these long-run trends."

Gabrielsen conceded that such turnarounds can and do happen -- and that he has witnessed market share revivals in other industries. "It usually takes a big bang of some sort to change perception," he said.

Could one or more of Detroit's automakers be at such a big-bang inflection point, as tremors continue from the shakeout of recent years?

GM folks can argue, for example, that they've done very well to hold market share steady with four brands, instead of the eight they had in 2008. Maybe there's a growth spurt ahead.

Ford retains goodwill from the public for not taking bailout cash and has solidified its main product lineup. If it can re-establish Lincoln in the luxury segment, its market share could rise.

And Chrysler has defied skeptics to boost sales and share these past two years. Can it keep surprising on the upside?

One month's sales data won't provide the answers. But the next year or so, in a gradually growing market with all the main players back on their feet, will tell us a lot.

Contact Tom Walsh: 313-223-4430 or twalsh@freepress.com