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*2008 Malibu: Factoring The Positives*



# Malibu - Factoring in the Positives

By *e*MOTION! Staff

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**T**hese days, as General Motors continues to sidestep arrows deftly aimed at its heart by self-appointed critics, it continues to keep its purpose for existing at the forefront. Providing new or revised vehicles to win over consumers is primary for any automaker. Doing so with success while battling the "headwinds" of a stagnant housing market, staggeringly high vehicle fuel prices and widespread anxiety about economic security would be a challenge for any one of them. Claiming a major win with the new Chevrolet Malibu while wearing a target on its corporate back has to be a satisfying victory for GM.

## **Chevy proves there's life in the legend**

It wasn't long ago that the Malibu name was a major question mark for General Motors Corp. The sedan had a long history as the placeholder in GM's midsize automotive stable. It was supposed to be the dominant sales generator, a profit maker and the bread and butter car of GM's most populist and popular division, Chevrolet. The Malibu had undergone a transformation a few years earlier, adding a spunky little hatchback called the "Maxx" to the mix. But a rather uninspired design, and interiors that seemed downright tacky in some ways, kept it from reaching the sales level it was designed for.



GM clearly had to do something to rescue the vehicle's longstanding tradition as a keystone for the Chevrolet brand. It couldn't afford to drop Malibu, the center of its sales volume lineup. But it couldn't afford to have it lag from disinterest either, as consumers began to cross it off their comparison-shopping lists.

But Detroit, Michigan-based GM, in heart of the American Midwest, had long been facing a daunting challenge along with its two competitors across town. That was a burden in its efforts to match the product quality of the imports from Europe and the Far East that had been nibbling, then gobbling away chunks of the North American auto market.

Like neighboring Ford and Chrysler with their unionized workforces, GM bore a heavy load of "legacy" expenses, primarily the staggering cost of health care benefits that added thousands of dollars to the price of every vehicle it built. In addition, GM didn't enjoy the kind of government backing that had eased the way for competitors, first from Japan and subsequently from South Korea. It was akin to a "one hand tied behind the back" approach to creating something that would be irresistible to consumers while the opposition ran the race unfettered.

It took a combination of factors to pull the Malibu, and part of GM's longtime heritage, out of the void. And, it goes without saying that if GM were accorded the same extraordinary levels of support—trade policy and monetary—routinely provided by the governments of its Asian and European competitors, seen as being in the national interest, there would be no question relative to GM's continuance as the world's largest producer of automobiles.

Instead, they find themselves in a trade policy environment that ensures the right of off-shore competitors to profitably do business in the U.S., while it does nothing to provide GM, Ford and their supplier bases with the same assurances of unobstructed business conduct in the home countries of their rivals.

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### **Shuffling the Deck**

First was a change of philosophy that had begun permeating GM designs in the past few years and has begun transforming what had been so-so cars and trucks into exciting vehicles both in style and performance.

Credit for much of that focus initially came from GM's Vice Chairman, Robert W. Lutz, a refugee from Chrysler's ultimately doomed earlier merger with Daimler. Lutz must have helped breathe life into GM's design philosophy almost from the day he first got there. An arced collage of colorful letters pasted on a wall of the company's design studio shortly after his arrival said simply, "Thank you Bob Lutz."



That gave a hint of things to come. Lutz himself at one point expounded his impact on the extremely conservative approach the company had followed in recent years. Designers, he pointed out, now were allowed to do such previously *verboten* things as narrow the gap between tire and wheel well to give the car a sportier, more eye-catching, more finished look. One could almost feel the company creatives start to relax.

Where there once had been cookie cutter cars that barely masked the differences between what one division offered versus another, GM vehicles began to take on their own unique character in line with the character of the division that offered it. Malibu was no exception. The once tight creative reins that had hampered designers were allowed to drop to the ground, and imagination began to surge out of the gate.

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### **Switching priorities**

But another aspect of Malibu's resurgence came in a long-sought change within the company. After years of trying, during its latest contract negotiations with the giant United Auto Workers (UAW) union, the company finally had managed to strike a deal last year that eased some of those legacy costs, with responsibility of much of the health care burden shifting to a union directed setup. What must surely have brought uncertainty to many autoworkers promised to lift some of the cost-imposed design restrictions that GM had long encountered. The reinvention of the Malibu led a major design-inspired gamble by GM, one the company needed to have pay off.

According to industry guru, Dr. David Cole, head of the Center for Automotive Research (CAR) in nearby Ann Arbor, Michigan, with legacy costs eased, GM would now be free to invest more in the one place it previously had been forced to skimp -- in its vehicle interiors.

According to Cole, GM like any other auto maker has areas where it simply can't compromise: The powerplant and mechanics that go with it such as transmission, suspension, road gripping components, the body structure, the safety equipment. When all the necessary development money has been spent to get those areas right, what's left over can go to the "one place people notice most and where they spend their time," said Cole. Inside.

At its invite-only introduction in September, Malibu was a revelation. What once had appeared to be an interior created from leftovers, now sang with originality, verve and attraction. There were the same kinds of quality touches that grace the interiors of the BMWs, the Mercedes-Benzes, the Audis of the world. Inside, the entire look flowed with an ease not seen before on Malibu.



## The Whole Package

With those qualities as the frosting, GM certainly hadn't skimped on the cake underneath. A new six-speed front-drive transmission not only leapt to life on the road, but eked more mileage out of a gallon of precious fuel. That transmission, just developed by GM, would mate with a new V-6 for optimal performance. It later would be added to the Malibu's 4-cylinder engine version -- a delay that earned GM considerable criticism for not having it available with the "four banger" right out of the chute.

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Criticisms aside, since those first days the new Malibu has managed to live up to its promise. With the 2008 calendar year half over, reports of Malibu sales have managed to dodge the pall that recently has brought a mileage-sensitive auto buying public to foot-dragging revolt against anything that even hints of being a fuel hog.





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Malibu's success has become one of the smile makers in the GM lineup, even as the company and entire industry continues to adjust to the unprecedented fuel price shock of recent months. Maybe that shows that building it right, despite the odds, can be the right answer.

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