

Saturn dealers quietly mark the end of an era

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By Don Hammonds, Pittsburgh Post-Gazette

When Rikki Kirchner of Santa Clarita, Calif., heard that Saturn was going out of business, she marched out to her Saturn Astra and ripped the General Motors emblems right off the car.

"I know a guy who did that too. Heck, Saturn's an orphan right now, and it's a sad day," she said. "When I heard that Roger Penske was buying it, I danced around my office. Me and some other Saturn owners were giving each other high fives, we were so happy. Now, when I heard he wasn't going to buy it, my world was just crushed."

Last week, businessman and former race driver Mr. Penske announced that he was ending talks with GM about purchasing Saturn because he did not have a source of cars lined up once GM stopped providing products to him in 2011. Almost immediately, GM CEO Fritz Henderson said production of the brand would end -- and it did within 24 hours.

Now, Saturn dealers are left with hard-to-sell dealership buildings that are smaller than the industry average, and sales staffs that could find it hard to get jobs for dealerships that don't abide by the "no haggle" pricing policy that Saturn used, industry analysts say.

"I'm just really upset about the whole thing," Ms. Kirchner said. "The brand's reputation is very good, and their reliability is excellent. And just the whole Saturn buying process -- I went out of my way to buy my Astra from the dealer I bought my first one from."

Saturn dealers and their staffs here in Pittsburgh are under strict orders not to discuss the brand or the aftermath of the collapse of the Penske deal.

"All that I will say is that customers may continue to bring their cars to their dealership or any other GM store for service. We are not allowed to talk to the media under our rules," said a dealer who demanded not to be identified.

"Right now, Saturn dealers have been hit with a double whammy," said Alex Kurkin, a lawyer and partner in Kurkin Brandes LLP, a nationwide law firm headquartered in Miami that specializes in serving automobile dealerships. "They've just had an extraordinarily poor September sales month, with numbers as low as any in years, coupled with Mr. Penske pulling out, who they thought would be their savior. They have no alternatives at this point."

Sales of the Saturn brand plummeted 84 percent last month compared to September 2009, a far cry from the favorable response that Saturn got when it was introduced in 1990.

Ms. Kirchner is not alone in her enthusiasm for the brand; there's a long list of fan clubs and groups all over America, including three in Pennsylvania, although none are in the Pittsburgh area. There are six Saturn dealers in the Pittsburgh region.

With production halted, there are about 12,000 Saturns nationwide left to be sold -- about a four-month supply, experts say.

Saturn dealerships are usually on three to six acres of land, smaller than most other dealerships, Mr. Kurkin said. "The only kind of dealership that would go into a former Saturn dealership would be one that doesn't sell hundreds of units a month. We're talking somebody like Kia or Suzuki."

There's still a lot of money at stake, because a dealer usually has invested \$3 million to \$4 million in a Saturn dealership, he said.

The "wind down" agreement with Saturn dealers is the same as it was for other GM dealerships that face closure.

"Consistent with that monetary agreement, all Saturn dealerships will get the same consideration. They will get somewhere between \$100,000 and \$1 million ... depending upon their circumstances," Carolyn Markey, GM spokesperson said.

Saturn started life as a cute, folksy kind of car designed for people who were fed up with domestic products and the high pressure tactics used to sell them. Saturn owners were encouraged to "stop on by" the company's Tennessee home plant.

Saturn fans shouldn't hold out hope that GM will look for another buyer -- officials say they have no intention of doing so.

But Ms. Kirchner won't be discouraged. "You never know. Strange things happen. Have faith," she said.

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