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Forecast Connection: North America International Auto Show 2010 Review

By Michael Robinet, Vice President, Global Vehicle Forecasts

This year's North America International Auto Show (NAIAS 2010) continued 2009's "green" theme and built upon it. This followed the last major global show, IAA 2009 (Frankfurt) which was also an electric/hybrid-centric collection. Global OEMs are moving swiftly with plans to meet looming regulatory challenges in most major markets. In the US, 2016 CAFE and EPA emission standards are the focal point of every manufacturer competing in this market. Most importantly, each OEM is following their own electric propulsion road map - adding to the downstream risk if the wrong turn is made.

Smaller C- and B-segment offerings were the major focus of NAIAS 2010 (e.g., Ford Focus, Chevrolet Aveo, MINI Beachcomber concept) in both production and concept form. OEMs are packaging more content, utilizing higher-quality materials and integrating substantially improved connectivity, infotainment and safety capabilities once reserved for larger, more luxury-focused offerings. Due to economies of scale, competitive dynamics and consumer trends, OEMs are compelled to raise the bar on tomorrow's smaller offerings as the market shifts in this direction. By 2011, over 35% of US vehicle sales will be compact offerings or smaller.

For the mass market, continued development of the internal combustion engine (ICE) and transmission formats is a certainty for the next decade and beyond. This includes shifting to turbo induction, lower displacement and reduced cylinder formats, direct gasoline injection and various forms of variable valve technologies combined with the ability to squeeze better fuel efficiency and powertrain performance with a minimized emissions footprint.

Connectivity in various forms took a massive step forward at the NAIAS 2010. Possibly the most important advance of the in-car connectivity world since the introduction of Bluetooth technology was Ford's new MyFord and MyLincoln Touch solutions. Addressing navigation, entertainment, climate control, communication and other vital vehicle controls, this next level of SYNC technology is a major advance in voice-activation and touch technology to connect driver and passengers with the vehicle and world around us. Beyond uncluttering the instrument panel with a reduced switch count (cost and warranty benefits abound), these extend the engagement between an OEM and customer past the service bay. OEMs such as Kia and VW's Audi brand introduced new variations on in-car connectivity as well. Other connectivity solutions on display included mobile phone to car status, voice-activated communication improvements, car-to-car communication and in-car WiFi. This technology area will continue to experience significant growth and innovation in the future.



Ford Focus



Honda CR-Z



MyLincoln

In the end, the automotive industry dealt with unprecedented upheaval in 2009. Bankruptcies, new equity/ownership arrangements, government scrappage programs and the legacy (at least for a couple years) of government/union involvement are now part of the 21st-century fabric of our industry. For the future, substantive solutions will be required to improve safety, raise fuel economy, maximize the interior package and reduce vehicle emissions, all on a global scale at a lower cost point. Combining these challenges with the need to satisfy an ever tech-savvy, globally-connected, informed and discerning consumer equates to an exciting decade for the light vehicle industry.

Michael Robinet can be reached via email at michael.robinet@ihs.com.