

Area dealers expect increase in competition  
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By Kathy Showalter

Retail car-sales giant AutoNation will stir up the car market in Columbus, sharpen up competitor sales practices and maybe drive up used car prices.

That's the reaction of several established new- and used-car dealers in Columbus to AutoNation's interest in the former Incredible Universe store in Hilliard.

Tom Carpenter, president of Saturn of Columbus, said an AutoNation near Saturn West's showroom will mean more traffic for his dealership. Consequently, he might stock more used cars there.

"They're a major force," said Carpenter. "It was probably a matter of time before they had a presence in Columbus."

Carpenter said he's visited AutoNation's first store in Florida, which he said was half the size of the Incredible Universe property.

"This is a big box," he said of the Columbus building. "There's one way in. There's no glass windows. It's twice the size of a normal store, unless they have some kind of cold weather plan. The parking lot is out front as opposed to all around it."

Because AutoNation is a big advertiser and specializes in late model, low-mile cars with higher used-car price tags, Carpenter says his dealership will benefit from AutoNation's arrival.

"They're not selling \$3,000 used cars," said Carpenter. "It might give us an opportunity to expand our used car business over there. We'll be able to grow our business with a good competitor in the same neighborhood."

Dick Ruhl of Dick Ruhl Ford said he doesn't believe AutoNation will have an impact, partly because the chain has yet to turn a profit.

"I don't understand how they can work. They have to have 1,000 cars. They have to have 1,000 cars priced right. Where do they get them? They go out and pay top dollar," Ruhl said.

AutoNation gets its used cars from corporate accounts, auto auctions and automotive dealerships. AutoNation's plans are to get used cars from about 90 new car dealerships it already owns. Ruhl gets his used cars from trade-ins on new purchases.

"I would think I'd be more competitive," he said.

Alluding to AutoNation's higher sticker prices, Ruhl said it could drive up costs of used cars in Columbus.

"If they get \$15,000 for a used Taurus and I'm selling them for \$14,000 what do you think I'm going to do?" Ruhl said.

Ruhl said an Atlanta dealership with which he is familiar saw an AutoNation dealership move next door.

"His volume and gross profits went up," Ruhl said. "(AutoNation) hasn't put anyone out of business yet -- and they're losing money. Competition is always a threat if you're on your butt. We've been here 22 years, and we've sold a lot of cars and trucks. A goodly percentage of (customers) comes back to us."

The advent of AutoNation and competitors like it are making the retail auto industry rethink itself. In Indianapolis, Ford, Lincoln and Mercury dealers were asked by Ford Motor Co. whether they would consider reorganizing their 18 dealerships into five megastores owned jointly by the dealers and Ford.

Ruhl said he was shocked when he heard it, but he believes if it happens, it will be successful.

"Ford has the right attitude," said Ruhl. "I don't know if it's going to work, but I think Ford is going at it the right way -- by sitting down with the dealers and saying, 'Here's our plan. What do you think?'"

Ruhl said Indianapolis might be a prime location for such a project because Ford has smaller market share there than it has in communities such as Columbus, where such a partnership is unlikely to occur.

Fred Ricart, co-owner of Ricart Automotive, said the Indianapolis plan makes sense.

"I think they're finally recognizing that the megastore service center is better," said Ricart. "It's better parts department, better selection and better service. Today's consumer has everything they want."

"We're a pretty good example of how to do it," Ricart said. "Saturn recognized it 10 years ago."

Ricart said AutoNation is still too young -- and too busy expanding -- to see a profit.

But Ricart said the Incredible Universe location is an excellent site for a large operation, though it won't pull in customers as they drive by.

"The best place for a dealership is on a main road where cars can turn on and off," he said. "It's a journey just to get back in there."

Ricart said AutoNation will do well in the Columbus market if the company finds a supply of cars other than rental cars.

"Columbus buyers like one-owner used cars. They're particular about the quality of cars they buy."