

Breakdown

2002 U.S. market share, by category.



Compact: 9.9%

Top seller: Honda Civic



Midsize: 24.6%

Top seller: Toyota Camry



Minivan: 6.5%

Top seller: Honda Odyssey

Gas prices, fuel efficiency and safety are drawing some people out of gas guzzlers and into smaller cars.

Thinking smaller

By Donna Halvorsen
Star Tribune Staff Writer

Melissa and Steve Frohrip of Minneapolis have decided to downsize from their sport-utility vehicle to a family car that will accommodate them, two small children in car seats and, on occasion, three dogs.

Insurance, gasoline and maintenance on their 1996 Chevy Blazer cost too much. So they're in the market for a reliable, energy-efficient family car, possibly a Saturn wagon.

Who needs an SUV, anyway? That's what Melissa Frohrip wants to know. "Many people look at SUVs as being the trend for yuppies, and frankly, in this economy, is that so cool?"

It's too soon to know whether rising gas prices, safety worries and federal fuel efficiency standards will move people out of gas guzzlers and into smaller, higher-mileage cars. Not likely, analysts say. At least, not yet.

CARS continues on D2

The rest

Subcompact	1.9%
Luxury	7.5%
Full-size van	2.0%
Pickup	17.6%
Specialty	2.0%
Sporty	3.5%

Source: CNW Marketing

SUV: 24.5%

Top seller: Ford Explorer



CARS from D1

Small cars accounted for 6 of 10 January best-sellers

"Gas prices would have to go up a lot more before we see consumers make lifestyle changes to reflect that," said Mary Butler, senior editor at the Web site Cars.com.

But a trend may be in the offing. In January, for example, small cars accounted for six of the 10 best-selling cars in the United States, according to Ward's Automotive Reports. They were the Honda Civic, Chevrolet Cavalier, Ford Focus, Toyota Corolla, Dodge Neon and Hyundai Elantra.

And General Motors Corp., the world's largest automaker, plans to spend \$2 billion developing new small cars and trucks over the next several years.

There is a segment of "value driven" buyers seeking more affordable, less-polluting cars, said Patrick Terhaar, general manager at Rosedale Dodge/Hyundai. "They're not nearly as materialistic. They want the long warranty, the low mainte-

nance. I see that trend."

The truck market was strong in the 1980s, but the car market's coming back, Terhaar said. "There's no doubt that people are looking at cars more for transportation than image."

Size still matters

Auto analysts beg to differ. For consumers, small cars are "cost-efficient, reliable ways to get from point A to point B," said George Peterson, president of AutoPacific Inc., a California automotive market research firm. Nonetheless, most people still want big, luxurious cars, he said. "With exceptions, a lot of people are sentenced to small cars rather than doing it by choice."

In fact, small cars may fill manufacturers' needs more than they do consumers'.

Foreign automakers made inroads against American manufacturers last year, and the Big Three — GM, Ford and

DaimlerChrysler — are eager to get their collective market share back and add to it. In addition, automakers must meet federal fuel efficiency standards called CAFE (corporate average fuel economy), which is an average standard for all the vehicles a company makes. For every large, low-mileage vehicle that rolls off the assembly line, an automaker has to make a small car to bring the mileage number up, even though automakers generally don't make money on small cars.

For consumers, the small car of today isn't the tiny contraption it once was. Consumer Reports, in its 2002 new car survey, gave high safety ratings to the Volkswagen Golf, Jetta and New Beetle, as well as the Honda Civic and Ford Focus. Many small cars now have side and front airbags, better braking, steering and handling, door reinforcements and front "crumple" zones that shift the impact away from driver and passengers.

The creature comforts in small cars have improved, too. "The small cars today are pretty darn nice today compared to what they were 10 to 15 years

ago," Peterson said.

'Fun to drive'

Dave and Sonya Strutz of St. Cloud downsized 18 months ago from a 1989 Plymouth Voyager SE minivan that got, at best, 23 miles per gallon to a four-cylinder Saturn wagon that gets 32. They're happy with their decision.

"The Saturn is much more fun to drive, and the optional roof rack takes care of those very rare times when more carrying capacity is needed," Dave Strutz said. "I'd like to think that current fuel prices will encourage more Americans to downsize."

The recent retirees liked the price, too: \$21,000. Some small cars have base prices in the teens. Conversely, prices for midsize SUVs with just some bells and whistles range between \$30,000 and \$40,000.

"It's good to see some vehicles that are actually affordable being introduced," said Butler, who travels the country to write about auto shows for Cars.com. (The Twin Cities show is March 15-23 at the Minneapolis Convention Center.) "That's probably going to

fill a gap in the market that has been taken by Kia," she said. "They had a phenomenal year last year."

Part of Kia's appeal is its 10-year, 100,000-mile warranty, "but they just are making much higher quality vehicles than when they first entered the U.S. market," Butler said. "Their sales are just now starting to reflect that."

Kia's cars start at \$6,995, though features that might be standard on other cars can drive the price up.

By offering bare-bones cars at low prices, Kia is following the course Honda and Toyota set years ago. Their products are among the most popular in the United States, but they've gradually gone upscale.

At the same time, U.S. automakers are redesigning some of their old standards to make them more functional and desirable. And, from trucks to compacts, many vehicles have more horsepower.

— Donna Halvorsen is at dhalvorsen@startribune.com.