



A look at the driving forces for 2004

Fuel-sipping gas-electric hybrid vehicles are likely to be next year's big buzz as Honda adds another, Ford fields its first and Toyota starts expanding to most of its fleet. Meantime, your dad's Oldsmobile disappears at last from General Motors' lineup after fading for years. Cadillac — who'd have thought? — is cool. Minivans might get popular again. Some auto executives are on very hot seats. And USA TODAY's auto team picks the year's best. A look at what's hot — and what's not — in cars and trucks heading into 2004. (Photos: [What's Hot: What's Not.](#))

THE YEAR'S BEST

Here are the auto team's favorite vehicles launched this year:

Car

Toyota Prius (\$21,000-\$26,000). The latest-generation gas-electric hybrid sedan is a roomy, slick-looking way to get 50 miles per gallon.

Road report



Honda Civic hybrid.

Pickup

Ford F-150 (\$22,000-\$42,000). Brawny makeover of the best-selling vehicle in the USA finally seems to have the right combination of power, handling, comfort and head-turning looks.

SUV

Volkswagen Touareg (\$35,000-\$54,000). A classy SUV that makes the twice-as-expensive Porsche Cayenne seem silly.

Minivan



Ford Freestar minivan.

Toyota Sienna (\$23,000-\$42,000). Everything you always wanted in a minivan — including optional four-wheel drive, run-flat tires and an invisible sliding-door track — but hadn't found in a single package.

HOT

Hybrids



Cadillac CTS-V.

It's getting hip to be green. Honda sold 21,376 Civic gas-electric hybrids and Insights the first 11 months of this year, while Toyota peddled 20,602 Prius hybrids. Honda's next move will be a hybrid Accord, probably next year, but nothing immediately after that. Toyota, meantime, says it will make hybrid systems available as routine options on most of its vehicles within a few years. First up is the Lexus RX 330 sport-utility vehicle next year. Detroit,



Ford Thunderbird.

not sold on hybrids, moves slowly. Ford Motor is planning a hybrid Escape next year, becoming the first U.S. automaker to sell a mainstream hybrid vehicle. Within a few years, as many as half a million will be roaming American roads, says the crystal-ball crowd.

Shark fin antennas

You see them on your finer automobiles. They perch on the roof near the back and house a package of electronics required by the array of communications technology in today's high-end vehicles. Every time you fire up the navigation system, the shark fin's innards are jawboning with a global positioning satellite. The fin brings home the satellite radio signal and connects your call on a built-in cell phone. When a car radio was a luxury and the antenna was a skinny pole on the fender, motorists flew their thin metal rods proudly. The same urge remains. Even as car companies shrink the already small shark fins, wannabes are buying phony fins from catalogs for about \$20.



Porsche Cayenne.

Minivans

Can minivans be hot? Sales this year will be about 1.1 million, down 6% from a year ago. But new designs power the market and new vans abound. Toyota Sienna, Ford Freestar and Nissan Quest are new for '04. Chrysler is relaunching its minivans early next year with two rows of folding seats. General Motors launches four so-called sport vans in October with a floor and seat system that opens space for 4x8 sheets of plywood. Honda is readying a new Odyssey for next fall. Even if sales don't jump, choices and designs are the best ever.



Volkswagen Beetle.

Backup alerts

The little bumper scanners that beep inside the car when we're about to back over a tricycle — or worse — are popping up in a variety of new models. Safety advocacy group Kids and Cars says that at least 58 children were backed over and killed last year, often in their own driveways, by sport-utility vehicles, minivans or pickups, which tend to have large blind spots. Some vehicles have cameras that show what's behind the car on the navigation system screen. Others beep faster as the car gets closer to the obstacle. Edmunds.com says rear sensors are available on 76 '04 models, up from 59 '03 models.

Voice command

Speak and it shall be done. That's the theory, anyway. Hoping to keep drivers' attention on the road and off the controls, voice-activated features are a fast-growing phenomenon among higher-price vehicles. You can dial the phone, adjust the temperature or change radio stations, even tell the navigation system, "I'm hungry" and get restaurant locations in your area. In a recent J.D. Power and Associates survey of navigation systems, in fact, three of the five top-scoring systems had voice controls. A Power survey shows that about 62% of motorists want voice controls and would pay as much as \$500 for them.

Cadillac

It hasn't been the top luxury brand since Reagan was president, but it's making a strong comeback on the strength of its edgy-looking CTS sedan, SRX SUV and exciting XLR two-seat roadster. The momentum begun when urban artists took to the Escalade SUVs is being continued this year by more refined models. Caddy sales are up 8% vs. '02 numbers, and early this month crossed the 200,000 level the first time since 1994. Coming in 2004 is a new STS sedan to replace the front-drive Seville, and a 400-horsepower CTS-V, part of a new high-performance Cadillac series.

COLD

Oldsmobile

The General Motors brand more than a century old will be relegated to automotive history in 2004, joining Plymouth, Packard, Studebaker, Nash and other museum pieces. Aurora and Intrigue sedans and Bravada sport-utility vehicle already have been discontinued. Silhouette minivan and Alero compact are the only 2004 Olds models, and they will fade to black by next fall. Oldsmobile hopes a five-year/60,000-mile warranty makes up for the going-out-of-business stigma. The good news: Olds models already have taken their big, one-time depreciation hit for Olds' demise and have returned to normal Olds depreciation rates, according to Automotive Lease Guide. The bad news: Oldsmobiles depreciate faster than most cars.

Ford Thunderbird

Ford thought it would be an image maker, but it's just another lackluster car. And it's likely to get the ax by 2006, although Ford says it never intended the T-bird for long-term production. The Thunderbird had been a four-seat coupe and was redesigned as a sporty two-seat convertible introduced in 2002. The retro design was meant to mimic the original 1955 version, complete with portholes. Ford planned to sell 25,000 Thunderbirds annually, but sold only 19,085 in 2002. Through November this year, sales were 17,196, down 3.3% from the same period last year. Critics say the Thunderbird's limited sports performance and high sticker price — \$37,650 — cooled buyers. Still, the Bird has cachet. Cinema siren Halle Berry drove a T-bird in her role as Jinx, a CIA operative in the James Bond thriller *Die Another Day*. No word on whether Berry will drive the T-bird when she reprises the role.

Porsche Cayenne

Sure, it has boosted Porsche's perennially small sales, but it isn't setting the SUV market on fire as predicted by the automaker's German managers. Dealers are bringing down the price by thousands. And even though the automaker said before the launch that a real Porsche has to have a Porsche engine, it will serve up a cheaper V-6 Cayenne with the Volkswagen engine from VW's Touareg SUV. VW and Porsche jointly developed the basics of the two SUVs but diverged on engines, bodies, interiors and other major features. Touareg has been the hit that Porsche hoped Cayenne would be. Now Porsche thinks a cheaper Cayenne will help meet sales targets.

Cassette tape player

This longtime standard feature in cars is headed the way of eight-tracks. Motorists today want CD players. Cassette players, combined with an AM/FM radio or with a radio and a CD player, are in 52% of cars sold this year, down from 80% in 1998, according to J.D. Power and Associates. About 39% of new cars had an AM/FM radio and cassette player in 1998. Now, only 7% come with that combination, Power says. But cassette players are dying slowly. The most popular audio combination in new cars, at 35% of the market, is a radio with both a cassette and single-disc CD player.

Volkswagen

While the Touareg has been well received and a convertible version of the New Beetle has shored up that model's sales, others are iffy. The core of VW sales is its small cars, Golf and Jetta, and those are slumping. Replacements aren't due in the USA until late next year. Even sales of the midsize Passat, a *Consumer Reports* favorite, are tumbling. Quality problems and owner anger over faulty ignition coils have hurt the brand's reputation, possibly scaring off buyers. Management expects U.S. sales and market share to drop in 2004.

Mitsubishi

In 2002, Mitsubishi was the fastest-growing Japanese automaker, gearing up to expand its Illinois plant to meet demand. Then we learned that the company was pushing vehicles out the door at ridiculous prices using ludicrous loan terms that created a legion of deadbeat owners and a glut of repossessed, year-old Mitsubishi on which no payments had been made. The company, now chastened and under new management, is back to a slow-growth plan — just as soon as the sales hemorrhage can be stanchied. Sales are down 24% from '02 in a new-vehicle market about flat with last year.

SWEATING

Dieter Zetsche

The CEO of Chrysler Group arrived three years ago to fix DaimlerChrysler's U.S. unit and show American managers a thing or two about the German ways of building cars and making money. But the turnaround stalled in mid-2003. If Chrysler loses money again in 2004 — when it is launching 10 vehicles — his prospects for succeeding DaimlerChrysler Chairman Jürgen Schrempp start to look as likely as a Plymouth winning the Indy 500.

Bill Ford

We're not sure a Ford worth a couple of hundred million ever really perspires. But while Ford Motor's CEO doesn't need the money, he does want the respect. To get it, automotive operations need to show a decent profit in 2004. Helping the cause: Taurus finally is being replaced with two family cars: the Five Hundred and Freestyle crossover SUV.

Upside-down buyers

A shocking number of vehicle owners have negative equity in their vehicles. They owe more than the car or truck is worth, even after three years of making payments. Still, they get wooed by rebates and new sheet metal, and they take longer loans to finance the new car and what they owe on the old one. But who wants to be four years into an eight-year loan, still owing thousands on a Taurus? Common-sense suggestions: Drive your car or truck until it really needs replacing. Instead of buying that plasma-screen TV, save the money for a down payment on the next car, to minimize how much you have to borrow. Keep the car loan as short as possible — no longer than four years if you really want to avoid being upside down. Remember that depreciation is the biggest car expense, so skip the sex appeal and instead buy a vehicle that depreciates slowly.

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