

Consumer News & Views

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Consumer Confidence Drops in February. The Conference Board reported that consumer confidence fell in February to the lowest level in seven months as American consumers appeared more pessimistic about job prospects and business conditions. Big losses in the stock market in early 2016 also added to the anxiety.

The consumer confidence index dropped to 92.2 from a revised 97.8 in January according to the Conference Board.



Thomas Hinton, president of the American Consumer Council, stated "There is some apprehension among consumers that the economy has stalled and Wall Street is troubled by global conditions more so than our domestic picture." Hinton added, "While the overall economy is strong, consumers tend to flinch when business conditions are soft and their personal financial situation could be threatened." Hinton also noted that consumers are becoming more concerned about the under-performing Chinese economy because so many products Americans use are made in China. According to Hinton, a declining Chinese economy could have a negative impact on the American economy this fall and even impact the 2016 presidential election.

In the short term, the American Consumer Council expects consumer spending to remain strong through July with continued spending in housing, auto sales and leisure travel.

Audi and Subaru Top the Auto Performance Charts According to *Consumer Reports*. German luxury automaker Audi topped the annual ranking of *Consumer Reports'* auto testing while quality problems hurt Tesla Motors Inc.'s Model S luxury car. The vehicles were tested by *Consumer Reports*.

Audi was followed by Subaru, Toyota Motor Corp's Lexus brand, Porsche and BMW AG. Audi, a unit of Volkswagen, was named best overall brand, based on the magazine's road testing for reliability, safety and owner satisfaction.



In September, VW admitted to secretly installing software that allowed its vehicles to emit up to 40 times legally allowable limits. In November, Audi admitted using separate software that allowed its diesel U.S. SUVs and larger cars to emit excess emissions and was forced to halt U.S. sales of new diesel vehicles indefinitely.

Consumer Reports did not rank any VW Group U.S. diesel vehicles since they cannot legally be sold.

David Cole, chairman emeritus of the Center for Automotive Research, said the top ranking would help Audi even though its image has not suffered despite its parent's cheating scandal.

Audi U.S. sales were up 2.7 percent in January, while VW brand sales were down 15 percent. "Audi hasn't borne the brunt of what happened," Cole said.

Tesla's Model S electric car was named *Consumer Report's* best overall car in 2014 and 2015, but this year the magazine opted not to name any best overall vehicle.

Jake Fisher, director of auto testing, said because of faltering reliability scores, the Model S is no longer the top ultra-luxury car and ranks behind the BMW 750i xDrive, Lexus LS 460L and Audi A8 L. He said Tesla's quality problems including issues with hatches, door handles, electric motors and batteries have increased as the automaker has ramped-up production.

U.S. brands lagged most other automakers, but General Motors' Buick brand ranked seventh, just ahead of Mazda. Toyota finished eighth, ahead of Hyundai Motor Co's Kia unit and Honda. The Volkswagen brand ranked 15th overall.

GM's top-selling Chevrolet brand ranked 20th, while the GMC brand ranked 23rd and Cadillac 24th. Ford Motor ranked 16th, but its best-selling F-150 pickup truck was named best pickup for the first time since 1999.

Fiat Chrysler Automobiles continued to struggle in the rankings. The automaker's Fiat unit finished last among 30 brands rated with its Jeep brand in 29th place. FCA's Dodge and Chrysler brands also rated near the bottom. Fiat Chrysler said in a statement it is aggressively working to improve quality.

Tesla did not have enough models tested to be considered for overall brand scores.

ACC Annual Meeting Scheduled for June 10, 2016. The American Consumer Council will hold its annual membership and business meeting on Friday, June 10, 2016 at 10:00 am at The Lodge at Torrey Pines located in La Jolla, CA. The meeting is open to all members of ACC and there is no charge to attend the meeting. The business agenda for the meeting will be published in May 2016. For more information, please contact ACC's meeting department at 1-800-544-0414.



The Lodge at Torrey Pines, La Jolla, CA

ACC's Friend of the Consumer Award Recognizes Outstanding Businesses in 2015-2016.

Is your business consumer-friendly? Does your business deserve greater recognition for its service to consumers? If so, you should apply for the American Consumer Council's Friend of the Consumer Award. Now is the time to apply!

Throughout the year, ACC presents its "Friend of the Consumer" Awards. This prestigious award recognizes manufacturers, retailers, and other businesses that produce or sell products in the United States that meet or exceed federally-mandated standards and are touted by consumers as "consumer friendly."

Each year, ACC awards numerous "Friend of the Consumer" Awards to deserving companies and organizations because they have "demonstrated a commitment to American consumers by providing a specific product or service that fosters consumer confidence and market acceptance."



To apply for the "Friend of the Consumer" Award, complete the online application and return it to ACC with the application fee. Applicants will be notified within 5 days of receipt of their application. Thereafter, a panel of independent judges will review your application and make a formal recommendation within 20 days of receipt of your award application.

For more information, visit: <http://www.americanconsumercouncil.org/awards.asp>

Green CSM Certification Accepting Applications for 2016 Spring Cycle:

If your company or organization would like to increase its credibility with consumers, you should consider applying for the **Green CSM Certification**. Applications for the 2016 Spring cycle are now being accepted through April 1, 2016.

It's a proven fact that consumers want to do business with companies that are eco-friendly and practice Corporate Social Responsibility (CSR). The process is straight-forward and all applicants are recognized by ACC and the Green USA Institute.

All applicants complete the criteria and submit their responses to ACC's Green Consumer Council for review, assessment and feedback. Program details and the **Green CSM Certification** criteria can be viewed at ACC's website located at: <http://americanconsumercouncil.org/greenc.asp>

