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[GM's Poor Brand Loyalty Complicates Chances of Survival](#)

By Alan Stewart Carl | Related entries in [Business](#), [Economy](#)



As General Motors struggles to survive, the Democratic Congress is considering a bailout. While we can debate whether or not a Chapter 11 bankruptcy filing would be more beneficial, there's one good reason why GM might be eager to avoid such a scenario: their brand loyalty is very poor.

In fact, national branding expert Robert Passikoff of Brand Keys, [points out](#) that surviving bankruptcy is much harder when a company's brand is as poorly regarded as is GM's. Customers who are already predisposed to have negative views of a brand's quality may treat a bankruptcy as a sign that they should abandon the brand altogether.

How bad off is GM's brand within the car market? Passikoff provides this list of brand loyalty among the major car companies:

- 1) Toyota
- 2) BMW / Mercedes
- 3) Honda
- 4) Nissan
- 5) Saab / Subaru
- 6) Chevrolet
- 7) Jeep
- 8) Volkswagen
- 9) Hyundai
- 10) Chrysler / Volvo
- 11) Ford

- 12) Kia
- 13) General Motors

Not a pretty picture. I can see why GM would be wary of bankruptcy. But, really, wouldn't a bailout (which is likely to be unpopular with many taxpayers) also damage the brand? The one bright spot is that Chevrolet apparently has the most brand loyalty of the American-made cars. Maybe GM could focus on that line and abandon all the poor performing models that have all but ruined the company's image?

Whatever happens with GM's current struggles, I think it's clear that neither Chapter 11 nor a large cash infusion will guarantee the company's long-term survival. We have to be very careful not to waste money prolonging the inevitable. Controlling the collapse may be our best option. But how we do that is still open for debate.

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11 Responses to "GM's Poor Brand Loyalty Complicates Chances of Survival"

1. *rachel* Says:

[November 13th, 2008 at 4:46 pm](#)

GM has lower brand image than *Kia*?! Oh my, that's bad.

2. *emptywheel* Says:

[November 13th, 2008 at 6:11 pm](#)

You do know, of course, that Chevy is a GM brand, right? Still not great, but better than brand stalwarts Volvo and VW...

3. *emptywheel* Says:

[November 13th, 2008 at 6:14 pm](#)

And of course SAAB, which is also a GM brand.

Given this list, one would argue that GM is the one American company to save, not let go into bankruptcy...

4. *Chris* Says:

[November 13th, 2008 at 6:19 pm](#)

Kill the beast! Don't save GM, it's not worth saving. I feel sorry for the multitudes of people employed by the giant failboat, but keeping it afloat is a handicap on the rest of the country and it's