

Title:

Isuzu: Corporate Overview

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603

Summary:

Isuzu is now the smallest of all importers of passenger vehicles in the vast North American market. Why is this so? Diesel engines and GM may have a thing to do with it. Please read on for an important observation about this Japanese brand.

Keywords:

Isuzu, Isuzu accessories, Isuzu parts, Isuzu Trooper, Isuzu VehiCross, Isuzu I-Mark, Isuzu Impulse

Article Body:

The Isuzu brand is one of the least known of the Japanese car brands sold in the North American market. Toyota, Honda, Nissan, Mitsubishi, and Subaru are all well recognized and respected Japanese makes while Isuzu lives perpetually in their shadow and underneath the wings of world auto giant, General Motors. Let's take a look at Isuzu and what makes this car company tick.

In 1981, Isuzu followed competing Japanese automakers and entered the US, the world's largest automobile market in terms of annual sales. Getting a late start, Isuzu had some catching up to do as each of its Japanese rivals had already established themselves in the lucrative American market. Indeed, it has always been perceived by automobile experts that if an automaker was going to be successful in the world, then they needed to establish a foothold in the highly competitive U.S. market.

Earlier models from Isuzu included the I-Mark, a compact four door sedan; the Stylus, which replaced the I-Mark; the Trooper, a compact SUV; the Impulse, a sporty two door coupe; and the P'up, a compact pick up truck.

Unfortunately for Isuzu, bad publicity and a small marketing network have limited the brand in its quest to grow. A report completed by industry watchdog, Consumer Report's, alleged that 1995 and 1996 model year Troopers, "...have too great a tendency to roll over in certain situations." Consumer Report's also gave the vehicle a rare "not acceptable" rating, something very few vehicles have ever received by the group over the years. In a previous negative report

during the 1980s for the Suzuki Samurai, sales of the Samurai plunged. Indeed, Suzuki is another Japanese make with limited appeal. Could Consumer Report's findings adversely effected both companies? Some experts believe this to be true, judging by their respectively small market shares.

Eventually, many of the original models in the Isuzu line up were replaced to give the automaker a better footing in the U.S. During the early 1990s, Isuzu decided to stop importing cars, concentrating solely on pick up trucks and SUVs. An overhauled Trooper joined the Amigo and Rodeo in the Isuzu line up followed a number of years later by the VehiCross.

Isuzu's thrust into the U.S has all but stopped and, for now, they do not import a single vehicle into the U.S., relying instead on their relationship with GM, who owns 12% of the company, to sell rebadged GM vehicles as Isuzus. At last count, Isuzus sales were averaging about 1,000 vehicles per month, certainly not a sustainable figure for any car producer.

So, what keeps Isuzu going? A few things: diesel engines and GM. As a world class manufacturer of diesel engines, Isuzu provides engines for - you guessed it - GM trucks. Filling a glaring void in the GM line up, Isuzu has turned from an automotive importer to an automotive supplier; at least as far as the North American market is concerned. GM, in turn, has invested heavily in Isuzu and together they have joint ventures around the globe including a shared stake in an Australian operation.

The long term strategy for Isuzu is unclear, but it does appear that the North American market is unsustainable at least as far as the passenger car market goes. The company does have a line of commercial vehicles that are sold in the US which are favored by companies needing an economical, but compact commercial truck in their fleet. Couple that with their relationship with GM, Isuzu's future may well lay in the areas of engine supplier and commercial vehicle provider, two niches that have been successful so far for the Japanese company.