

Sporty New Corolla Aimed At Youthful Buyers

Tom Krisher, AP Auto Writer

DETROIT (AP) — The Toyota Corolla, an aging, stodgy but reliable economy car, is getting a radical new look.

The world's largest automaker rolled out a new version of the compact Thursday night at a splashy event in Santa Monica, Calif., hoping to shed the old version's low-cost image and attract new, younger buyers to its brand.

The 2014 version, which goes on sale in the fall, is longer and sits lower, with an athletic look that's much closer to a sports car than the econobox it replaces. It also gets a new transmission, suspension and interior that Toyota says will make the car quieter and more luxurious, with better handling than the current version. It's the 11th generation of a car that Toyota has been selling worldwide since 1966.

"It's a huge car for us. It helped really identify the company and the brand and what we're all about," says Bill Fay, group vice president of the Toyota Division in the U.S. "We should appeal to a little younger buyer and broaden out the appeal of the car to more than what it is today."

The car's bold design is unusual for Toyota, which in the past made few changes to its cars with each update. But the new version is badly needed. The Corolla, with a reputation for sterling dependability, is still America's top-selling compact. But dealers have had to cut its selling price and offer big discounts to compete against sleek new versions of the Honda Civic, Ford Focus, Hyundai Elantra and Chevrolet Cruze.

"They clearly here are saying 'we've got to give the Corolla more personality and more life,' given the way the competition is," says Tim Calkins, a marketing professor at Northwestern University. "I certainly understand why they are pushing it here."

Toyota sold 132,514 Corollas this year through May, beating the No. 2 Civic by 3,500. But the Corolla's average selling price of \$18,464 is the lowest of the five top-selling compacts. It sells for almost \$1,600 less than a Civic, according to the TrueCar.com auto pricing site. And Toyota is second only to Ford's Focus in discounts per car at \$2,072.

The Corolla's looks really haven't changed much in the past decade, even with an update five years ago. Meanwhile, competitors spent money on leather interiors, touch-screen systems, new transmissions and powerful yet efficient engines for their compacts.

Those rivals now pose a challenge in a segment long ignored by Detroit and dominated by Honda and Toyota. In the past, all it took was a decent, reliable car to

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gain buyers. But industry analysts say reliability is now easy to come by. Companies have to set themselves apart with style, fuel economy or performance.

Toyota didn't disclose the new Corolla's price, or its fuel economy numbers, although it did say an Eco version should get over 40 miles per gallon on the highway. The current version starts around \$18,000 with an automatic transmission. Fay says Toyota's goal is to keep the new version close to that price.

As customers see the value of the updated version, Toyota expects transaction prices to rise, with an uptick in sales predicted for early next year, Fay says.

The new version will certainly get better gas mileage. The current car falls near the back of the class with an estimated 34 mpg on the highway, due in part to an outdated four-speed automatic transmission. The Civic, Corolla's closest competitor, gets an estimated 39 mpg on the highway with its five-speed transmission. With more gears, engines generally don't have to work as hard at freeway speeds.

Toyota is offering two engines in the latest version, a 1.8-liter, 132 horsepower four-cylinder that carries over from the current model, and the same engine with new valve technology that adds eight horsepower to reach 140. The newer engine comes only on the Eco version.

The base engine is less powerful than the Corolla's main competitors. The Civic has 140 horsepower, while the Focus has 160 and the Elantra is rated at 148.

Toyota is giving the new version a continuously variable transmission that has seven "shift points" that mimic a conventional automatic. CVTs don't usually shift gears, instead allowing the engine to operate efficiently at most speeds.

The new Corolla also is nearly four inches longer than the current version. That gives passengers more room in both the front and back, Toyota says.

"Not only will the interior be a lot more comfortable and have more of a premium feel, it's going to be quieter," Fay says. "It's going to have a lot different feel."

The average age of a Corolla buyer is 53, about the average for the whole compact segment, Fay says. The new car's sporty look and digital technology should help lower that figure. "We're going to be able to get on (more) people's shopping lists," Fay says.

Northwestern's Calkins says the radical styling runs the risk of turning off longtime buyers who are used to a more conservative look. But Tom Libby, lead North American analyst for the Polk automotive research firm, says traditional Toyota buyers are extremely loyal.

"The propensity of a Toyota owner to stay with the Toyota brand is pretty high relative to other makes," Libby says.

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