

Camry In Battle To Stay America's Best-Selling Car

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DETROIT (AP) — America's top-selling car is in danger of losing its title.

Toyota's Camry has been No. 1 for more than a decade, but the company is stretching to keep it there with price cuts, rebates and lease deals.

Camry sales fell 2 percent from January through June. Meanwhile its main rivals in the midsize car market — the Honda Accord, Nissan Altima and Ford Fusion — posted big gains. The hot-selling Accord trailed Camry in sales by 21,000 at the end of June. Last year at this time the gap was 59,000.

Toyota has raised discounts and cut the Camry's price in an effort to keep it on top. In early July, the Camry's average sales price was the lowest of the nine top-selling midsize cars, according to data from J.D. Power and Associates obtained by The Associated Press. Discounts on the Camry were among the highest in the segment, according to the data.

Camry has lost style points, literally. While the car's ultra-conservative design appeals to many loyal Toyota buyers who favor basic transportation, others are defecting to the sportier Accord, Fusion and Altima, industry analysts say. Those cars also have more features and better performance, they say.

"Although the Camry is not that old, it certainly seems older than the rest," said Jessica Caldwell, senior analyst for the Edmunds.com automotive website. She says Toyota needs to hold onto Camry's market share because it's the mainstay for the brand in the U.S., Toyota's largest market.

Through June, Toyota sold 207,626 Camrys. But Accord sales rose 21 percent during the same period to 186,860. Altima sales gained nearly 8 percent to 167,787, while Fusion sales rose nearly 19 percent to 161,146. Since January, the Camry's share of the midsize car market has fallen by 1.6 percentage points to 12.6 percent, according to Ward's Automotive. During the same period, the Accord gained 0.5 points to 11.2 percent.

To combat the falling sales and market share, Toyota has lowered the Camry's price. The Camry on average sold for just over \$20,900 in early July, about \$1,400 below the price from a year ago, according to the J.D. Power data. Discounts, such as low-interest loans and sweet lease deals, totaled nearly \$3,100 per Camry, up almost \$1,900 from July of last year and among the highest in the market, according to the data.

The Accord is rolling off dealer lots even though it sells for roughly \$2,600 more

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than the Camry for an average of \$23,500. That includes discounts of only \$1,300 per car, the lowest in the market.

The Camry used to sell with few discounts, but its average price is typically among the lowest in the segment, Caldwell said. That's likely because Camry buyers view cars as simple transportation and don't often load them up with expensive features, she said.

Toyota is happy with the Camry's top position in the market, and it will continue to promote the car's quality and reliability, said spokeswoman Carly Schaffner.

Toyota normally sells more than 30,000 of the cars per month, and sales nearly hit 40,000 in May, Schaffner said.

She wouldn't comment on when a revamped Camry might come out, but said Toyota President Akio Toyoda has been emphasizing stylish design and fun-to-drive cars in the company's recent models such as the Avalon full-size car and the Corolla compact that's due out this fall.

Edmunds' Caldwell thinks Toyota will keep the Camry ahead of the Accord, where it's been since 2002. Toyota can sell more Camrys to rental car companies and other fleet buyers to boost sales, and it can keep offering discounts, she said. Honda typically doesn't sell to rental car companies. If Camry sales fall to No. 2, then Toyota runs the risk of losing future sales to Ford, Honda or others, Caldwell said.

The Camry may also be losing sales to newer Toyota vehicles such as the popular RAV4 small crossover SUV and the Avalon, both of which are newer and more stylish, said John McEleney, who operates Toyota and General Motors dealerships in Clinton, Iowa, near the Mississippi River.

McEleney said his Toyota sales have held steady this year, but Camry sales are down. But he maintains that the Camry is still a great car. "I drive one. I just love the car," he said. "But," he admitted, "it doesn't have a lot of flash."

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