

# Scion Brand to Transition to Toyota

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## Scion Fact Sheet

TORRANCE, Calif., Feb. 3, 2016 – Scion, established as a separate brand in 2003 as a laboratory to explore new products and processes to attract youth customers, is now transitioning back to the Toyota brand. Scion achieved its goals of developing unique products and processes, and bringing in new, younger customers to Toyota. With more than a million cars sold, 70 percent of Scions were purchased by customers new to Toyota and 50 percent were under 35 years old.

“This isn’t a step backward for Scion; it’s a leap forward for Toyota. Scion has allowed us to fast track ideas that would have been challenging to test through the Toyota network,” said Jim Lentz, founding vice president of Scion and now CEO, Toyota Motor North America. “I was there when we established Scion and our goal was to make Toyota and our dealers stronger by learning how to better attract and engage young customers. I’m very proud because that’s exactly what we have accomplished.

“We could not have achieved the success we have had without the incredible support of Scion’s customers, dealers and team members, so supporting them throughout this transition process will be one of our top priorities,” said Lentz.

Toyota’s decision was made in response to customers’ needs. Today’s younger buyers still want fun-to-drive vehicles that look good, but they are also more practical. They, like their parents, have come to appreciate the Toyota brand and its traditional attributes of quality, dependability and reliability. At the same time, new Toyota vehicles have evolved to feature the dynamic styling and handling young people desire.

Scion has consistently been the youngest brand in the auto industry with an average age of 36 years old. At 29, the tC sports coupe has the lowest-average age buyer in the industry. The most recent additions to the line-up, the iA sedan and iM 5-door hatchback, are bringing in new buyers with 70 percent being first-time new car purchasers. Additionally, more than 50 percent of iM and iA buyers are under 35 years old.

As part of the brand transition, beginning in August 2016, MY17 Scion vehicles will be rebadged as Toyotas. The FR-S sports car, iA sedan and iM 5-door hatchback will become part of the Toyota family. The tC sports coupe will have a final release series edition and end production in August 2016. The C-HR, which recently debuted at the L.A. Auto Show, will be a part of the Toyota line-up.

The service and repair process for Scion customers will be unaffected by this change as customers will continue to visit Toyota dealerships’ service departments.

“We appreciate our 1,004 Scion dealers and the support they’ve given the brand,” said Bob Carter, Toyota senior vice president of automotive operations. “We believe our dealers have gained valuable insights and have received a strong return on their investment. During this time of transition, we will work closely with them to support this process and help communicate this change to customers.”

Scion’s 22 dedicated team members, who represent sales, marketing, distribution, strategy, and product and accessories planning, will have the opportunity to take on new jobs at Toyota Motor Sales, U.S.A., Inc. in Torrance. Scion regional representatives will assume different responsibilities in their respective Toyota sales offices.

“Scion has had some amazing products over the years and our current vehicles are packed with premium features at value prices,” said Andrew Gilleland, Scion vice president. “It’s been a great run and I’m proud that the spirit of Scion will live on through the knowledge and products soon to be available through the Toyota network.”

### **Scion Accomplishments:**

**Scion Processes** – Scion served as a laboratory for products and key sales and marketing processes that have provided valuable lessons for other Toyota brands:

- Pure Pricing – dealers set a price for a car and customers did not need to negotiate
- Mono-Spec cars – providing cars with only two options: transmission and color
- Personalization – offering a large array of accessories to help customers customize their vehicles
- Pure Process – transparent financing process
- Pure Process Plus – an online system so much of the car-purchase process could be completed online
- Scion Service Boost – pre-paid maintenance plan
- Release Series – dynamic life cycle management through special features and options
- Grassroots marketing – initial Scion brand was “discovered” by customers through unique events

**Scion Products** — Scion has had some outstanding products that have made an impact in the industry including the original “box,” the xB and the FR-S affordable sports car. The tC sports coupe has consistently attracted the youngest buyer in the industry.

**Scion Executives** — Scion served as an important training ground for Toyota vice presidents, many of whom have been promoted to other roles:

- Jim Lentz — Chief Executive Officer, Toyota Motor North America
- Mark Templin – Managing Officer, Toyota Motor Corporation, Executive Vice President, Lexus International
- Jack Hollis – Group Vice President, Toyota Marketing
- Doug Murtha – Group Vice President, Corporate Strategy and Planning, Toyota Motor North America
- Andrew Gilleland – current Vice President, Scion

### **Scion sales by model and year:**

Scion Sales History 2003 – 2015														
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
FR-S									0	11,417	18,327	14,062	10,507	54,313
iQ								0	248	8,879	4,046	2,040	482	15,695
tC		28,062	74,415	79,125	63,852	40,980	17,998	15,204	22,433	22,666	19,094	17,947	16,459	418,235
xB	6,936	47,013	54,037	61,306	45,834	45,220	25,461	20,364	17,017	19,789	17,849	16,583	15,223	392,632
xD					10,948	27,665	14,499	10,110	9,573	10,756	9,005	7,377	794	100,727
xA	3,962	24,184	28,033	32,603	9,547	39	3							98,371
iA													7,605	7,605
iM													5,097	5,097
Total	10,898	99,259	156,485	173,034	130,181	113,904	57,961	45,678	49,271	73,507	68,321	58,009	56,167	1,092,675