2015 Los Angeles Auto Show - Scion C-HR Concept Vehicle Reveal - Andrew Gilleland

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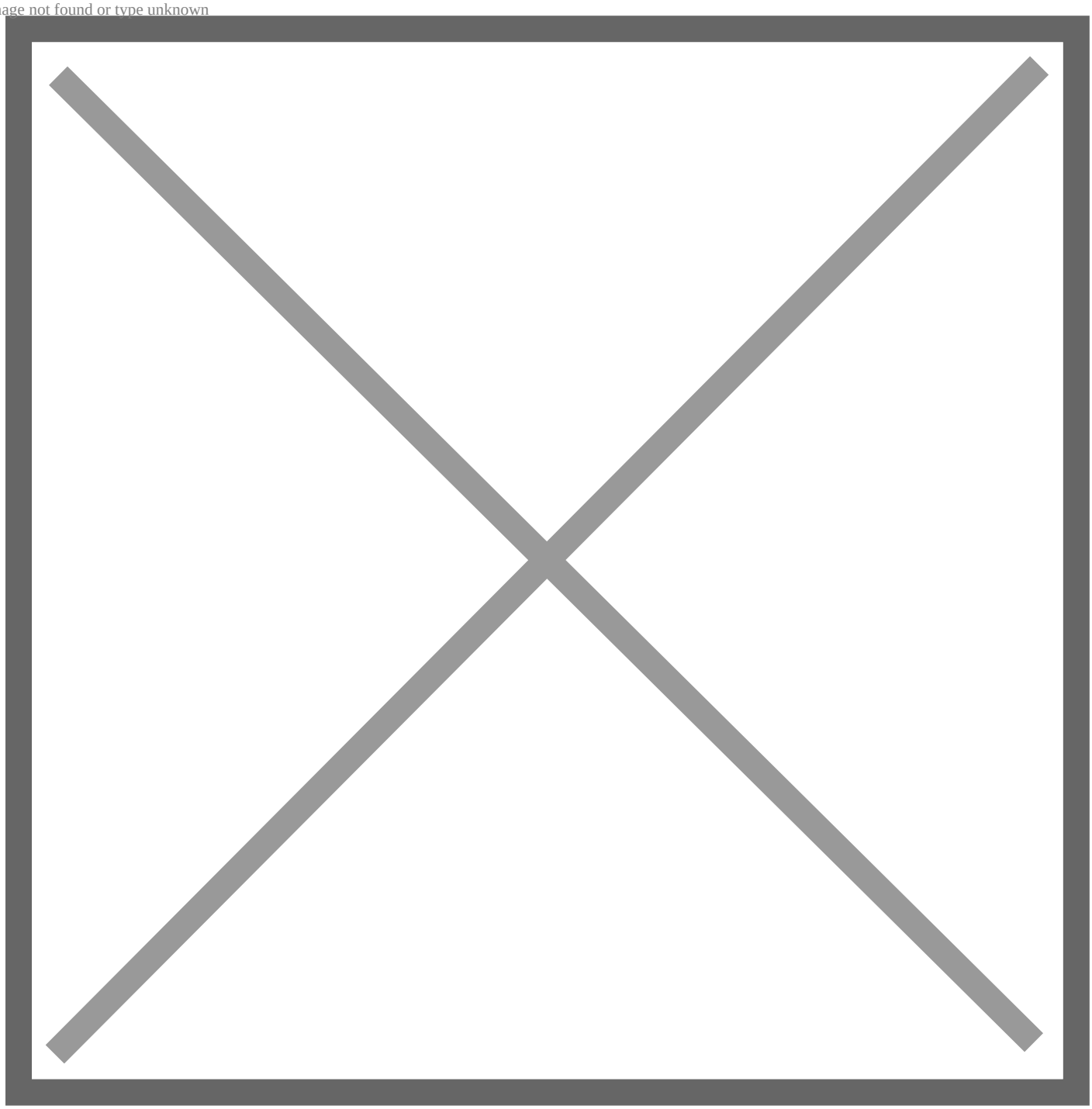

As prepared for:

Scion C-HR Concept Reveal
2015 Los Angeles Auto Show
Wednesday, November 18, 2015, 2:00pm
Andrew Gilleland, Vice President, Scion
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Good afternoon.

I'm glad you could join us today.

I know I'm happy to be here in L.A. and back at Scion.

I was here when we launched the brand in 2003 and since then both Scion and I have changed.

I'm a little bit older, hopefully a little bit wiser but no less passionate about the brand.

And Scion is no longer just a new idea. But something that hasn't changed is Scion's mission to be a laboratory to bring in new, younger customers to Toyota.

I'm happy to say that after 12 years and a million vehicles sold, the Scion experiment is proving to be successful.

Of those million-plus vehicles, 75 percent of the buyers were new to Toyota. And half of these customers were under 35 years old.

Those are pretty impressive statistics …to be sure …and the picture is looking even brighter as the Scion iM and iA have rolled on to the scene.

Since they went on sale in September we've had our best sales months in three years and we're tracking to have our best 4th Quarter in eight years.

Together the iA and iM will account for 60-80 thousand annual sales, which will help drive Scion volume to more than 100 thousand by 2017.

And … as is consistent with Scion, more than half of the incoming iM and iA customers are new to Toyota and under 35 years old.

As I said, under 35 is our sweet spot.

But one thing that has been eye-opening for me is how different our current customers are from those we were attracting in the "old" days of Scion.

While we're still targeting 18-34 year olds who want to stand out from the crowd, today's millennial customers are much more optimistic, pragmatic and realistic about the advantages of buying a car from the Toyota family.

They know it has quality, dependability, reliability and most importantly to these customers value.

Fortunately, the iM and iA are fitting the bill. Customers are drawn to the iM for its styling, sportiness, and premium features.

Meanwhile the 17,000-dollar iA represents a tremendous value especially with its outstanding safety features, like being the lowest-priced MSRP car with standard low-speed pre-collision.

With our two new products and our sports coupes the tC and FR-S, we've got a solid line-up to reach our core customers.

And we're continuing to offer fresh versions of our existing products to boost excitement.

Our latest special model is the perfect example.

The 2016 FR-S Release Series 2.0 introduces a new level of luxury to our great-handling sports car.

It features an exclusive color we call Lunar Storm and comes with luxury amenities inside and out, including:

- black and camel leather trim throughout
- dual-zone climate control
- heated leather seats
- 17-inch forged alloy wheels, and LED running lights

The FR-S Release Series 2.0 will be available beginning in January and only 1,000 cars are available.

The 6-speed manual version will be $29,510 and the automatic will be $30,610.

Developing unique cars is one of Scion's hallmarks and if you were recently at SEMA you probably saw two of our newest creations which reflect some of our customers diverse interests.

The Scion iA Lowrider in partnership with Eddie Huang of "Fresh off the Boat" fame and the Scion iA Outcast car built in collaboration with the creators of The Walking Dead.

These cars are the latest in the long history of fun projects and that's just one of the ways Scion is different than other automakers.

We're smaller so we can do some unusual things with our products and processes.

We can offer mono-spec cars with only two options – color and transmission, but then our dealers can provide a wide range of accessories to personalize a customer's car.

Our dealers also offer Pure Pricing and we're piloting Pure Process Plus, which allows customers to handle much of the car-buying process from the comfort of their living rooms.

With all that …some might call Scion unique and others might call us weird.

But we think being weird with a purpose is actually cool. In fact, it means more than just being different.

If you've watched any sports or top-rated shows on the major networks recently chances are you've seen what we mean in our commercials with James Franco, Urkel and that crazy, waving Tubeman.

We spotlight the surprising level of standard features in our cars which continue to make Scion a smart choice.

The response to our Weird, Right? Campaign has been tremendous and we're planning to roll out two more ads next year.

Let's take a look …

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These ads have hit their mark with our customers.

Scion drivers don't want to be ordinary …and they like the idea of being different from the rest of the crowd.

With that in mind, Scion's third model is right up their alley.

In fact, before the designers put pen to paper they did elaborate research here in Southern California with people they called "Yuccies" Young Urban Creatives.

These customers provided examples of products that seamlessly combined function and form.

When it came to cars, they said they wanted something that did the same thing …provided the functionality for their urban lifestyles without the boring styling of most SUVs.

They want a vehicle with a design that sparks emotion.

In fact, they said "good" polarizing design was exactly what they were looking for.

With that in mind, I'd like to introduce the new Scion C-HR Concept.

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C-HR stands for Compact size with High Ride height and much to our customers' delight, it's kind of weird.

It doesn't fit neatly into any category, and that's exactly why we and our customers think it's perfect.

It's got 4 doors and a hatch …but it's not a hatchback.

It's large …with room for 5 …but it's not an SUV.

And it's got a fast-sloping roofline …but it's not a sports car.

I guess you could say it crosses over into many segments …or even that it's in a class by itself.

When the C-HR goes on sale in the U.S. we expect it to appeal to people who want a high-style, high-function, great-handling vehicle at a value price.

The small SUV segment has increased 20 percent in the last year to become the largest segment in the industry. Half of that growth is coming from entry level SUV models.

While we see the C-HR appealing to many in that segment we also see it drawing in subcompact buyers with its distinctive styling and car-like handling characteristics.

But however it gets classified it's bound to capture attention.

With its aggressive stance, bold lines, and contrasting features, it was designed to spark emotions.

And today we have someone here from the International Design Team of the C-HR concept.

Ian Cartabiano with Calty will be available after the press conference and he can share more about the design philosophy behind the C-HR concept.

Another person who has played a vital role in the C-HR concept is our Chief Engineer Hiro Koba.

While Koba-san couldn’t be here today I can tell you his signature will be all over the production vehicle when it comes to market.

I recently had an opportunity to meet with Koba-san in Las Vegas at our National Dealer Meeting and we bonded over racing.

Koba is a race car driver and when the C-HR arrives you’ll see that he put his heart, soul and passion into the driving dynamics of this vehicle.

Even though the C-HR has a high ride height, Koba was committed to creating a vehicle with refined driving comfort, responsive handling and precise steering.

He told me he wanted to have as much fun driving the C-HR in the city during the week as he has driving on a race track on the weekends.

One advantage he had in that process is that the C-HR is built on the Toyota New Global Architecture platform …otherwise known as TNGA.

The TNGA platform allows for increased body rigidity, a lower center of gravity, and a new double-wishbone rear suspension, resulting in better handling, and a fun to drive vehicle.

The new platform also provides more flexibility and efficiency in creating exciting designs.

The C-HR’s combination of outstanding driving dynamics, five-door functionality and stellar styling is just what our target customers are looking for.

While we don’t have timing or technical information to share at this time we’re confident the C-HR will be a blockbuster addition to the Scion line-up.

In fact this has all the potential to be the next ICON for the Scion brand.

Before we invite all of you up to check out the C-HR concept more closely, please give the photographers a moment to take some shots of the car.

Thank you very much and have a great day.

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