Toyota Doubles Down on Sedans

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It’s no secret the auto industry is undergoing a bit of a shift at the moment. In fact, the surge in truck and SUV sales have led several brands to all but eliminate their entire sedan lines. But while other companies are running for the hills, Toyota isn’t just holding steady, it’s doubling down.

The recent announcement of the 2021 Camry, Avalon XSE Nightshade edition and Corolla Apex edition prove just that. Not to mention the first-ever Corolla Hybrid and all-wheel drive versions of the Prius, Avalon and Camry.

High Demand from Loyal Customers

It makes sense that Toyota would expand its sedan lineup, especially now that there are gaps in the marketplace. After all, the Camry has been America’s best-selling passenger car for 18 years and counting, the Corolla remains the best-selling nameplate in the history, the new-generation Avalon garnered rave reviews from critics and customers alike, and the second generation of the hydrogen-powered Mirai could be an alternative-fuel game changer later this year. Even as Toyota has embraced the popularity of trucks and SUVs — recently revealing its 2021 TRD Pro models and bringing back the Venza CUV earlier this year — it recognizes the importance of a strong sedan lineup.
“It’s amazing how much of a demand there still is for sedans,” says Cynthia Tenhouse, vice president of Toyota Vehicle Marketing and Communications. “We’re expecting a 4 million-unit market for sedans in 2020. We’re happy to take as much of that market as we can. For us, it represents roughly 750,000 in the U.S. That’s more than some other OEMs sell altogether.”

Indeed, out of 2.1 million units sold by the Toyota Division in 2019, nearly 770,000 were sedans. Further, Tenhouse cites a compelling statistic: In 2019, 31 percent of Toyota’s sedan customers came back to purchase another.

“These are pretty good odds for us,” she says. “It’s clearly a segment we want to be in.”

In short, Toyota keeps making sedans because customers insist on it.

**Cars People Want**

But just having sedans isn’t enough. They have to be cars people want to drive. Toyota’s revamped sedan lineup has put the onus on tech-filled vehicles that emphasize safety (Toyota Safety Sense 2.5+ will be standard across the Camry lineup) and are fun to drive. More choices on types of sedans have paid off as well.
“A Camry buyer has 17 different choices, from V6, 4-cylinder, hybrid, all-wheel drive, TRD, XLE, XSE, and others,” Tenhouse says. “We’re giving people more choices within each series.”

Through February — before the COVID-19 crisis walloped the industry — Camry sales were up 12.5 percent. Prius sales were up an incredible 29.7 percent.

Electrifying Products

Which brings us to alternative fuels. Toyota has pledged that every model in its lineup will have an electrified version by 2025. The sedan lineup is nearly there. Prius is the industry standard for hybrids, of course, and the second-generation Mirai is potentially revolutionary.

Through February, Camry Hybrid sales were up 16.2 percent, and about 35 percent of all Avalon purchases in 2020 have been hybrids. Meanwhile, the new Corolla Hybrid continues to make its mark. In June, 23 percent of Toyota’s sales mix were hybrid, compared to just 12 percent in June 2019. Toyota continues to explore all electrification options, from hybrid to battery electric to hydrogen.

With such a strong foothold in the sedan field, and an incredibly bright future on the horizon, Tenhouse raises a pretty simple question.
“Why,” she asks, “would we not stay in this market?”