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# The New York Times

## Incentives and New S.U.V. Help Chrysler Bolster Sales

*Fara Warner. New York Times.* (Late Edition (East Coast)). New York, N.Y.: Feb 4, 2004. pg. C.7

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Dateline: DETROIT, Feb. 3

Section: C

Publication title: New York Times. (Late Edition (East Coast)). New York, N.Y.: Feb 4, 2004. pg. C.7

Source Type: Newspaper

ISSN/ISBN: 03624331

ProQuest document ID: 536708581

Text Word Count 981

Article URL: [http://gateway.proquest.com/openurl?ctx\\_ver=z39.88-2003&res\\_id=xri:pqd&rft\\_val\\_fmt=ori:fmt:kev:mtx:journal&genre=article&rft\\_id=xri:pqd:did=000000536708581&svc\\_dat=xri:pqil:fmt=tex t&req\\_dat=xri:pqil:pq\\_clntid=9269](http://gateway.proquest.com/openurl?ctx_ver=z39.88-2003&res_id=xri:pqd&rft_val_fmt=ori:fmt:kev:mtx:journal&genre=article&rft_id=xri:pqd:did=000000536708581&svc_dat=xri:pqil:fmt=tex t&req_dat=xri:pqil:pq_clntid=9269)

### Abstract (Article Summary)

Ford's overall sales were also hurt by a sharp decline in car sales, slipping 9 percent, according to Ward's. Ford sold 14 percent fewer cars last month than in January 2003, including a 26 percent decline for the once best-selling Taurus as it continues to pull back on putting the family car into rental fleets. Ford's truck sales declined by 4.8 percent, Ward's said, despite a 10 percent increase for the redesigned F-150 truck.

Chrysler's sales surge was helped by an incentives program dubbed Zero Plus, which gave buyers interest-free financing and \$2,000 cash back on almost all of Chrysler's products. The incentive helped drive double-digit sales increases for both the Jeep and the Chrysler brands.

"It worked, and we're going to promote it even louder this month," said Gary Dilts, Chrysler's vice president for sales. "We went out with a clear message and it created good showroom traffic." Chrysler plans to maintain the incentive through February.

### Full Text (981 words)

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By offering incentives worth more than \$1,000 and a range of new sport utility models, the Chrysler Group of DaimlerChrysler and several Japanese automakers racked up sales gains in January even as General Motors and the Ford Motor Company posted declines.

Chrysler said its sales increased 9 percent last month compared with the corresponding month in 2003 after adjusting for one extra selling day this January. Including Mercedes, sales for DaimlerChrysler over all rose 7.7 percent, according to Ward's AutoInfoBank, a data tracking service in Southfield, Mich.

Chrysler's redesigned Dodge Durango sport utility vehicle led the surge. Sales of the new Durango rose 38 percent, with 50 percent of buyers paying more for the option of a V-8 Hemi engine, the company said.

Nissan's sales rose 25 percent, while Toyota sold 143,729 vehicles, its best January ever, it said, and an increase of 15.8 percent over the comparable month a year ago.

By contrast, G.M.'s overall sales slipped 2 percent, as a 17 percent decline in car sales overshadowed a 13 percent increase in truck sales. G.M.'s market share slipped to 26 percent, well below the 28 percent it had for all of 2003.

"It was a disappointing month in terms of market share, and, yes, we will have to pick up the pace," said Paul Ballew, G.M.'s chief sales analyst, adding repeatedly throughout the company's sales conference call that no one should overreact to one month's sales. Mr. Ballew did say that G.M. will have to make some adjustments to incentives, but declined to be more specific.

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Nissan's sales were helped by sizable incentives on two of its models. The 2003 Sentra compact came with a \$2,500 cash rebate or low-interest financing in January, and its sales were up 17 percent. Buyers of the 2004 Altima midsize sedan received \$1,500 cash back or a low interest rate, and its sales jumped 26 percent. Both of those incentives will remain through February, the company said.

Nissan also benefited from brisk sales of two new models, neither of which came with incentives. It said it sold 2,330 Pathfinder Armada S.U.V.'s in January and 4,035 Titans, its first full-size pickup truck. Neither vehicle was on sale last January.

At the end of last year, many auto executives said that their companies would reduce the size and availability of incentives on 2004 models, especially as the economy and consumer confidence improved. But as January's sales figures show, rebates, low-interest loans and other incentives remain a common tool to bolster sales with almost every major car company offering some kind of incentive on a variety of vehicles.

"Some of the best New Year's resolutions don't last too long," said Bob Brisco, chief executive of CarsDirect.com, an online car-buying site that tracks incentives and pricing through the more than 3,000 dealers who take sales leads from the site. "A continual flow of large incentives over the past few years have trained consumers to always look for a deal."

#### [Chart]

"Auto Sales in January"

##### ANNUAL SELLING RATE

For cars and light trucks (includes minivans, sport utility vehicles and pickups) sold in the United States.

Graph tracks number of cars and light trucks sold, seasonally adjusted, from July 2002 to January 2004.

##### INDUSTRY SALES

For vehicles sold in the United States.

##### Cars

2004: 495,410

2003: 543,528

CHANGE\*: -12.4%

##### Light trucks

2004: 627,435

2003: 544,679

CHANGE\*: +10.8

##### Total

2004: 1,122,845

2003: 1,088,207

CHANGE\*: -0.8

##### CAR SALES

Leading U.S. sellers, ranked according to 2003 sales.

G.M.

NUMBER SOLD: 123,505

CHANGE: -17.8%

MARKET SHARE: 24.9%

Ford+

NUMBER SOLD: 72,066

CHANGE: -17.7

MARKET SHARE: 14.6

Toyota

NUMBER SOLD: 73,005

CHANGE: +6.4

MARKET SHARE: 14.7

Honda

NUMBER SOLD: 53,859

CHANGE: -5.9

MARKET SHARE: 10.9

Daimler-Chrysler\$S

NUMBER SOLD: 41,040

CHANGE: -18.1

MARKET SHARE: 8.3

Nissan

NUMBER SOLD: 43,126

CHANGE: +8.3

MARKET SHARE: 8.7

TOP-SELLING VEHICLES

The most popular vehicles and changes from a year earlier.

Ford F-Series

NUMBER SOLD: 61,979

CHANGE: +5.3%

Chevrolet Silverado

NUMBER SOLD: 40,966

CHANGE: +9.2

Toyota Camry

NUMBER SOLD: 30,730

CHANGE: +9.4

Dodge Ram

NUMBER SOLD: 28,021

CHANGE: +0.7

Ford Explorer

NUMBER SOLD: 26,253

CHANGE: +3.4

Honda Accord

NUMBER SOLD: 25,402

CHANGE: -11.0

Toyota Corolla

NUMBER SOLD: 23,498

CHANGE: +12.0

Nissan Altima

NUMBER SOLD: 20,300

CHANGE: +26.5

Chevrolet Trailblazer

NUMBER SOLD: 20,274

CHANGE: +24.5

Chevrolet Impala

NUMBER SOLD: 19,161

CHANGE: +10.1

Honda Civic

NUMBER SOLD: 18,964

CHANGE: -12.1

Dodge Caravan

NUMBER SOLD: 17,532

CHANGE: +47.5

LIGHT TRUCK SALES

Leading U.S. sellers, ranked according to 2003 sales.

Ford+

NUMBER SOLD: 154,232  
CHANGE: -4.8%  
MARKET SHARE: 24.6%  
G.M.  
NUMBER SOLD: 172,992  
CHANGE: +13.5  
MARKET SHARE: 27.6  
Daimler-Chrysler\$\$  
NUMBER SOLD: 121,187  
CHANGE: +20.5  
MARKET SHARE: 19.3  
Toyota  
NUMBER SOLD: 70,724  
CHANGE: +27.4  
MARKET SHARE: 11.3  
Honda  
NUMBER SOLD: 36,314  
CHANGE: -0.1  
MARKET SHARE: 5.8  
Nissan  
NUMBER SOLD: 29,063  
CHANGE: +65.0  
MARKET SHARE: 4.6

\*Based on average daily sales, including fleet sales, adjusted for any differences in the number of selling days in a month.

+Includes Volvo and Land Rover sales. \$Includes MercedesBenz sales.

(Source by Ward's AutoInfoBank)

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