

Chrysler to drop Dodge minivan in wider revamp

May 6 2014, by Dee-Ann Durbin



Chrysler Group LLC Chairman and CEO Sergio Marchionne speaks to investors at the automaker's world headquarters in Auburn Hills, Mich., Tuesday, May 6, 2014. Fiat Chrysler Automobiles NV unveiled its business strategy for the next five years as it prepares for life as a newly merged company. (AP Photo/Carlos Osorio)

Chrysler Group wants to expand its sales with new vehicles—including a plug-in hybrid minivan and a new small Jeep SUV—and a more aggressive effort to differentiate its brands.

Chrysler is dropping the Dodge Grand Caravan minivan and Dodge Avenger sedan, which it says compete too closely with the Chrysler Town and Country minivan and Chrysler 200 sedan.

From now on, the company said, Chrysler will be the mainstream brand that competes with Toyota, Chevrolet and Ford, while Dodge will be a sporty, performance-oriented brand designed to appeal to younger buyers. Chrysler's SRT performance brand—which includes the Viper sports car—will be consolidated with Dodge and considered the "halo" of the Dodge brand.

"Dodge is the American performance brand," Dodge chief Tim Kuniskis said. "This is not a new strategy. This is a purification of the brand."

The company revealed its future product plans Tuesday at an all-day event at Chrysler's Auburn Hills, Michigan, headquarters. Chrysler is in the process of combining with Italian automaker Fiat SpA. Outside, a new sign was unveiled, reading "Fiat Chrysler Automobiles."

Fiat completed its purchase of Chrysler in January. Shares of the combined company are expected to begin trading jointly on the New York Stock Exchange and in Milan, Italy, by Oct. 1.



Chrysler Group LLC Chairman and CEO Sergio Marchionne prepares to speak to investors at the automaker's world headquarters in Auburn Hills, Mich., Tuesday, May 6, 2014. Fiat Chrysler Automobiles NV unveiled its business strategy for the next five years as it prepares for life as a newly merged company. (AP Photo/Carlos Osorio)

Chrysler brand chief Al Gardner said Chrysler and Dodge had long suffered from an internal rivalry, with their minivans and sedans competing for the same customers. The company hopes to change that.

Chrysler will keep the Town and Country minivan, and will update it and add a plug-in hybrid version in 2016. Chrysler will also get a new compact car, the 100, which will compete with the Toyota Corolla, in 2016, and a full-size crossover to take on the Ford Edge and Nissan Murano in 2017. The crossover will also come in a [plug-in hybrid](#) version.



The Fiat Chrysler sign is unveiled at Chrysler World Headquarters in Auburn Hills, Mich., Tuesday, May 6, 2014. Fiat Chrysler Automobiles NV is unveiling its business strategy for the next five years as it prepares for life as a newly-merged company. (AP Photo/Carlos Osorio)

Dodge, which is releasing the sporty new Charger and Challenger sedans this year, will revamp the Dart small car and Journey crossover in 2016 to make them sportier. It's also planning a subcompact hatchback.

Dodge's U.S. sales will drop without the minivan. The company sold more than 124,000 Dodge Caravans last year. But it expects to make that up with its [new vehicles](#). Chrysler's global sales are projected to more than double to 800,000 by 2018. That would bring the brand back to sales levels it enjoyed a decade ago, before the recession hit and it suffered from a dearth of new vehicles.



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Chrysler Group says Jeep sales, which are expected to top 1 million this year, can grow to 1.9 million by 2018 with aggressive global expansion, particularly in Latin America and Asia. Jeep will also introduce new vehicles, including a compact SUV in 2016—which will replace the Compass and Patriot—and the seven-passenger Grand Wagoneer in 2017.



A LaFerrari, center, is displayed alongside Fiat and Chrysler vehicles at Chrysler Group LLC world headquarters in Auburn Hills, Mich., Tuesday, May 6, 2014. Fiat Chrysler Automobiles NV unveiled its business strategy for the next five years to investors as it prepares for life as a newly merged company. (AP Photo/Carlos Osorio)

Jeep currently makes vehicles at three plants in the U.S. By 2018, it expects nearly half of its total Jeep production will come from plants in Latin America, Europe and China.

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