

Nissan offers Leaf discounts to spur sales

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Nissan is offering cheap leases and big discounts on the Leaf because of slow U.S. sales of the all-electric car.

Nissan Motor Co. sold only 4,228 Leafs this year through August, almost a third fewer than a year ago.

It also has a big inventory of the cars nationwide. At the end of August it had enough 2012 models in stock to supply dealers for 114 days, according to Ward's AutoInfoBank. Automakers consider a 60-day supply to be optimal.

Earlier this month, Nissan started offering Leafs for \$219 per month with \$2,999 down for 32 months. That's down from \$249 per month earlier in the year.

Also, the TrueCar.com auto pricing site says Nissan raised discounts to \$3,250 per Leaf in August from \$850 in January.

The Leaf, which can go up to 100 miles (160 kilometers) on battery power from a single charge, starts at \$36,050, including shipping.

Nissan joins General Motors Co., the maker of the Chevrolet Volt in offering cheap leases and big discounts on electric cars. The Volt is the Leaf's main competitor and Chevrolet is discounting the \$40,000 car by up to \$10,000, including a \$249 per month lease deal.

The slow sales are a clear sign that Americans won't buy the expensive electric cars en masse unless the prices are cut, making them competitive with conventional vehicles. With the discounts, Volt sales have quadrupled this year to more than 13,000.

Both cars are eligible for a \$7,500 federal tax credit for electric vehicles. The credit is not included in the discounts.

Leaf sales were hurt in part because the company

sent vehicles to all 50 states this year, cutting supplies to California, the No. 1 Leaf market last year, said David Reuter, a Nissan spokesman. The company sold almost 10,000 Leafs last year and had hoped to double that this year, he said.

"The sales overall have not met our expectations, but we're working hard to keep pushing," Reuter said.

Globally, Nissan has sold 38,000 Leafs so far this year and is on target to reach expectations of 40,000, he said.

About 70 percent of Leaf sales in the U.S. are purchases, with the rest leases, he said.

The discounts are on 2012 models. The 2013 models won't be at dealers until early next year, when Nissan begins producing them at a factory in Tennessee, Reuter said.

He also said Nissan has bought back two Leafs from customers in Arizona, where the company has received complaints that the batteries aren't holding as much electricity as they did when they were purchases. If the batteries don't hold as much electricity, the cars can't go as far on a charge.

But Reuter said all lithium-ion batteries, including those that power other electric cars and consumer electronics, lose capacity over time. The cars that were replaced had thousands of miles (kilometers) on them and the battery storage capacity loss was normal, he said.

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