



SPECIALTY EQUIPMENT MARKET ASSOCIATION



Programs & Services ▶

Shows & Events ▶

Market Research ▶

Legislation & Regulations ▶

OEM ▶

Companies/Products ▶

Leaders ▶

Consumers ▶

Join SEMA ▶

SEMA eNews, Vol. 9, No. 40 - October 4, 2006

CHANGES IN THE HEAVY-DUTY PICKUP MARKET

Automotive News recently learned that Toyota has postponed its plans to build a heavy-duty pickup truck to compete with the Ford F-350 and Chevrolet Silverado 2500. Nissan, who has also been planning to enter that market, now does not expect to have a heavy-duty pickup in showrooms until 2009 at the earliest.

Using a vehicle developed by its Hino Motors Ltd. affiliate, Toyota has planned to launch a new pickup as early as 2009, but the project has been "halted indefinitely." A spokesperson for Toyota Motor Engineering and Manufacturing North America Inc. declined to discuss any details for future product possibilities. It is unclear whether current gas prices have affected Toyota's decision.

However, although plans have been delayed, Nissan says that it still plans to release both a three-quarter ton and one-ton version of the Titan in 2009 or 2010. It has been determined that the current Titan platform is not adequate enough for three-quarter or one-ton models.

These setbacks "illustrate the challenge of fully competing in all of Detroit's traditional businesses," which is good news for U.S. automakers. The focus of the Asian automakers has been on small, fuel-efficient vehicles. Even the Honda Ridgeline is built on a car chassis, and is available only with a V6 engine. Erich Merkle, director of forecasting for IRN Inc. in Grand Rapids, MI, has been monitoring the truck segment. He estimates that "the larger pickups deliver about \$2,000 more in profit per unit than Detroit's light-duty pickups".

Heavy-duty pickups typically require "beefier wheels, suspensions, and chassis for heavy payloads," and although pickup sales in general softened in 2005, the sales of heavier-duty trucks remain steady, probably due to booming home construction. IRN forecasts that the heavy-duty segment will slow over the next two to three years as home construction slows, but will grow again at the end of the decade.

| January-June | | |
|---|---------|---------|
| LARGE PICKUP | 2006 | 2005 |
| Cadillac Escalade EXT | 2,209 | 4,416 |
| Chevrolet Avalanche | 18,739 | 34,283 |
| Chevrolet Silverado Pickup | 317,169 | 384,228 |
| Dodge Ram Pickup | 183,174 | 195,919 |
| Ford F-Series Pickup | 376,200 | 384,648 |
| GMC Sierra Pickup | 101,618 | 126,181 |
| Lincoln Mark LT | 6,550 | 2,759 |
| Nissan Titan | 38,837 | 44,048 |
| Toyota Tundra | 57,458 | 64,429 |
| *Data does not distinguish the light-duty and heavy-duty models | | |
| Source: Ward's Auto | | |






Source: Lindsay Chappell, "Toyota, Nissan delay plans to launch heavy-duty pickups," *Automotive News*

Relevance

- As light-duty pickup sales soften, members might want to look at medium-duty and heavy-duty pickups.
- Detroit still has a market niche that will be unchallenged for a while longer.

The "Relevance" section in the article above contains insight written by SEMA Market Research staff.
E-mail feedback to tym@sema.org.

 **PRINT THIS PAGE**

Please rate this article :  1  2  3  4  5
1=Not Helpful - 5=Very Helpful

Your comment (optional):

 **Send Comment & Rating** 

Contact SEMA

Privacy

About SEMA

Home


Copyright 2006 Specialty Equipment Market Association (SEMA)