

Tiny 'smart fortwo' makes its big U.S. debut

by Mark_Maynard

The cute, cool car of 2008 - the fuel-thrifty "smart fortwo" - is on a national introductory tour.

The coupe and convertible don't go on sale in the United States until early 2008, but 20,000 consumers already have placed \$99 refundable reservations through the company Web site for the two-seat, 8 1/2-foot-long car - sight unseen, mostly.

Now those buyers and many more will be able to get behind the wheel.

Part of DaimlerChrysler's Mercedes-Benz car group, smart USA vehicles will be distributed by Roger Penske's Michigan-based United Auto Group. The company is staging a 50-city "street smart" road show across the United States, which began May 19 in Los Angeles and will end in Miami in early November.

THRIFTY CAR - The cool car of 2008, the fuel-thrifty 'smart fortwo' by car maker smart USA is off on a national introductory tour. It's reported to get 40-plus miles per gallon. CNS Photo by Daryl Peveto. "The reception has far exceeded our expectations," said smart USA President Dave Schembri, who was in San Diego recently for morning TV appearances.

When it reaches the market, the fortwo will be the smallest car on sale in the United States. It's 2 feet shorter than a Mini Cooper.

It will be sold in two coupe models and a convertible. The rear-wheel-drive, two-seater is powered by a rear-mounted, 71 horsepower engine that uses premium fuel. The company said it gets 40-plus miles per gallon.

Pricing won't be finalized until close to the on-sale date, but the base "pure" model is expected to start just below \$12,000, not including the freight charge from Hambach, France. The "passion" model will have a starting price of just under \$14,000, which adds such features as air conditioning, radio, alloy wheels, sunroof, power windows and power mirrors.

The convertible model starts at \$17,000 and is equipped like the passion.

The target audience is Gen E - everyone, Schembri said. "But this specific Gen E buyer is more defined by attitude and lifestyle than age or income."

This is the so-called Creative Class, he said. "This person is the early adopter of products, electronics, a new restaurant or the latest movie, whether 80 or 18. And that's what we are seeing."

The road show stopped at Mercedes-Benz of San Diego recently, a United Auto Group dealership, for consumer test drives and safety demonstrations.

Dozens of potential smart owners stood in line at the dealership for an hour or more for most of the afternoon.

"I like that you can park it almost anywhere," said Carol Hamilton, 71, who was in line with her friend Elaine Ferguson, 67. "I just think it is so cute," said Ferguson, who drives a Toyota Echo but needs a back seat for when her family and grandchildren visit.

Each thought the price - \$14,000 with extras - was fair. "I've been looking at golf carts and they are \$15,000 to \$16,000," said Hamilton.

Richard Cook was there as a fan of the car. He's owned a European smart fortwo for almost two years. The car was purchased in Oregon and had been imported from an independent dealer. He paid \$33,000.

Cook, executive vice president of a real estate firm, has an advertising wrap on his car and said people will follow him for miles to stop and talk about the car.

The long-awaited launch has come after much hand-wringing by the previous leadership at DaimlerChrysler. The car has been on sale in Europe since 1998.

It is a familiar sight in Baja California and has been on sale in Canada for 1 1/2 years. But its micro dimensions were considered hazardous to one's health and safety on U.S. highways. The price of gasoline, however, has changed vehicle-purchase patterns and driving habits.

Schembri, previously an executive with Mercedes-Benz and Mitsubishi, said the launch was delayed to

wait for the next generation fortwo, which was designed and engineered to meet all U.S. standards for safety and emissions.

There were "forfour" and "roadster" models sold in Europe, but those are now canceled, and the company will concentrate on the fortwo.

"What you could expect to see are variants, such as fuel alternatives (there's a diesel model on sale in Europe) or sport package," Schembri said.

The company expects to launch sales with 50 to 60 dealers nationwide, each with exclusive territory.

It also is the policy of United Auto Group to not allow dealer premiums over the manufacturer's suggested retail price of the vehicle. But with just 300 cars allotted to each dealership in the next year, that could leave room for entrepreneurs to profit on the \$99 reservation.

In a country where consumers are accustomed to bigger equating better value, the fortwo may seem overpriced for a car that weighs a little more than 1,800 pounds.

A Kia Rio LX sedan, for example, has a starting price of \$13,275 - including the freight charge - gets 32 mpg around town and includes air conditioning, six air bags and a four-speaker audio system.

But the price has been the biggest wow, Schembri said - "That it is fantastic value."

"There are very few cars in the economy segment that you would buy for emotional and rational reasons," he said. "The Mini Cooper is one because it offers a lot in terms of the driving and recreation.

"Other cars in the nonluxury segment give rational reasons to buy, but they don't give you the same emotional gift you would get in a Mini.

"With a smart, you get the best of both, and because of that we will transcend segments and also generations."

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