





Lexus

Lexus



Type Division

Founded 1989

Founder(s) Eiji Toyoda

Headquarters Toyota, Aichi, Japan

Area served Worldwide

Yasuhiko Ichihashi (CO)

Vince Socco (VP, Asia Pacific)
Key people

Andy Pfeiffenberger (VP, EU)

Mark Templin (VP, USA)

Industry Automotive industry

Products Automobiles

Parent Toyota Motor Corporation

Divisions F marque

Lexus.com

Website Lexus.eu

Lexus.jp

Lexus ($\lor 2 + \nearrow$ Rekusasu) is the luxury vehicle division of Japanese automaker Toyota Motor Corporation. First introduced in 1989 in the United States, where Lexus has ranked as the highest-selling maker of luxury cars, as of 2006 Lexus vehicles are sold in 68 countries and territories worldwide. In 2005, the division launched in Japan, becoming the first Japanese luxury car marque to be introduced in its home market. The Lexus marque has since debuted in additional export markets as part of the division's ongoing global expansion.

Lexus originated from a clandestine flagship sedan project that began in 1983. This effort developed into the original Lexus LS, which was the first vehicle to wear the Lexus marque upon its launch in 1989. In following years, Lexus added sedan, coupe, convertible, and SUV models. In 2005, a hybrid version of the RX crossover debuted, and additional hybrid models were subsequently introduced to the Lexus lineup. In 2007, Lexus launched its F marque performance division with the arrival of the IS F sport sedan.

From the start of production, Lexus vehicles have been consistently produced in Japan, with manufacturing centered in the Chūbu and Kyūshū regions, and in particular at Toyota's Tahara, Aichi, Chūbu and Miyata, Fukuoka, Kyūshū plants. Assembly of the first Lexus built outside the country, the Ontario, Canada-produced RX 330, began in 2003. Following a corporate reorganization from 2001 to 2005, Lexus operates its own design, engineering, and manufacturing centers, solely responsible for the division's vehicles.

Since 1989, Lexus has developed a reputation for vehicle reliability and customer service, as measured by independent surveys. Consumer ratings firm J.D.

Power and Associates has named Lexus the most reliable brand in the U.S. fourteen times, most recently in 2008, based on its Vehicle Dependability Survey of over 53,000 vehicle owners and problems experienced in the first three years of ownership. Through 2008, *Consumer Reports* has also named Lexus among the top five most reliable brands in its Annual Car Reliability Surveys of over one million vehicles across the U.S.

The Lexus slogan is "The Pursuit of Perfection."

History

The F1 project

In 1983, Toyota chairman Eiji Toyoda summoned a secret meeting of company executives, to whom he posed the question, "Can we create a luxury vehicle to challenge the world's best?" This question prompted Toyota to embark on a top-secret project, code-named F1 ("Flagship" + "No. 1 vehicle"). The F1 project, whose finished product was ultimately the Lexus LS 400, aimed to develop a luxury car that would expand Toyota's product line, giving it a foothold in the premium segment and offering both longtime and new customers an upmarket product. The F1 project followed the success of the Toyota Supra sports car and the luxury Toyota Cressida models. Both the



Supra and Cressida were rear-wheel drive cars with a powerful 7M-GE/7M-GTE engine. The U.S. launch of the Acura marque by Honda three years prior also influenced Toyota in its plans for a luxury division. Around this same time, Nissan would unveil plans to create its own luxury division, Infiniti, while Mazda also considered developing a luxury division, to be called Amati.

Toyota researchers visited the U.S. in May 1985 to conduct focus groups and market research on luxury consumers. That summer, several F1 designers rented a home in Laguna Beach, California to observe the lifestyles and tastes of American upper-class consumers. Toyota's market research concluded that a separate brand and sales channel were needed to present its new luxury flagship, and plans were made to develop a new network of dealerships in the U.S. market.

Brand development

In 1986, Toyota's longtime advertising agency Saatchi & Saatchi formed a specialized unit, Team One, to handle marketing for the new luxury brand. Image consulting firm Lippincott & Margulies was hired to develop a list of 219 prospective names; Vectre, Verone, Chaparel, Calibre, and Alexis were chosen as top candidates. While Alexis quickly became the front runner (also associated with the Alexis Carrington character on the popular 1980s primetime drama *Dynasty*) and later morphed to Lexus, the name has been attributed to the combination of the words "luxury" and "elegance," and another theory claims it is an acronym for "luxury exports to the U.S." According to Team One interviews, the name has no specific meaning and simply denotes a luxurious and technological image.

Just prior to the release of the first vehicles, database service LexisNexis obtained a temporary injunction forbidding the name Lexus from being used as they stated it might cause confusion. The injunction threatened to delay the division's launch and marketing efforts. Upon reflection, a U.S. appeals court lifted the injunction, deciding that there was little likelihood of confusion between the two products.

The original Lexus slogan, developed after Team One representatives visited Lexus designers in Japan and noted their obsessive attention to detail, became "The Relentless Pursuit of Perfection." The Lexus logo was developed by Molly Designs and Hunter Communications. The final design for the Lexus logo featured a stylized "L" within an oval, and according to Toyota, was rendered using a precise mathematical formula. The first teaser ads featuring the Lexus name and logo, designed by Team One, appeared at the Chicago, Los Angeles, and New York auto shows in 1988.

Launch



In 1989, Lexus showcased the smoothness of its V8 engines by placing champagne glasses on the hood of a revving LS 400.

In 1989, after an extended development process involving 60 designers, 24 engineering teams, 1,400 engineers, 2,300 technicians, 220 support workers, around 450 prototypes, and over US\$1-billion in costs, the F1 project was completed. The resulting flagship, the Lexus LS 400, had a unique design that shared no major elements with previous Toyota vehicles, with a new 4.0 L V8 gasoline engine and rear-wheel drive. Testing locations for the LS 400 included the German autobahn.

The LS 400 debuted in January 1989 at the North American International Auto Show in Detroit. The following September, Lexus vehicles officially went on sale at a network of 81 new Lexus dealerships across the U.S. The LS 400 was sold along with a smaller sibling, the Toyota Camry-based ES 250. The launch of

Lexus was heralded by a multimillion dollar advertising campaign in both television and print media. Lexus subsequently began exports to the United Kingdom, Switzerland, Canada, and Australia, starting in 1990.

The LS 400 was widely praised for its quietness, well-appointed and ergonomic interior, engine performance, build quality, aerodynamics, fuel economy, and value, although it was criticized by some automobile columnists for derivative styling and a suspension regarded as too compromising of handling for ride comfort. The LS 400 debuted at US\$38,000 in the U.S. (in some markets, it was priced against midsize six-cylinder Mercedes-Benz and BMW models) and was rated by *Car and Driver* magazine as better than both the US\$63,000 Mercedes-Benz 420 SEL and the US\$55,000 BMW 735i in terms of ride, handling, and performance. The LS 400 also won major motoring awards from publications including *Automobile Magazine* and *Wheels Magazine*. Lexus' debut was generally regarded as a major shock to the European marques; BMW's and Mercedes-Benz's U.S. sales figures dropped 29% and 19%, respectively, with BMW executives accusing Lexus of dumping in that market.

In December 1989, Lexus initiated a voluntary recall of all 8,000 LS 400s sold to date, based upon two customer complaints over defective wiring and an overheated brake light. In a sweeping operation which replaced the affected parts on all vehicles over a period of 20 days, Lexus sent technicians to pick up, repair, and return cars to customers free of charge, and also flew in personnel and rented garage space for owners in remote locations. This response was lauded in media publications and helped establish the marque's early reputation for customer service. In 1990, during its first full year of sales, Lexus sold 63,594 LS 400 and ES 250 sedans in the U.S., the vast majority being the LS model. By 1991, sales had increased to 71,206 cars in the U.S. market, making Lexus the country's top-selling luxury import. That same year, Lexus received first place in J.D. Power's studies on initial vehicle quality, customer satisfaction, and sales satisfaction.

Growth and expansion

Lexus introduced two new models in June and September 1991, the SC 400 coupe and ES 300 sedan. The SC 400 shared the LS 400's V8 engine and rear-wheel drive design, while the ES 300 replaced the ES 250 and became Lexus' best-selling sedan. In 1993, the GS series came to America, based on the Toyota Aristo, which had sold for two years prior in Japan. That same year, Lexus also became one of the first marques to debut a certified pre-owned program, with the aim of improving trade-in model values. In 1994, the marque introduced the second generation LS 400, a complete redesign of its flagship model. In May 1995, sales were threatened by the U.S. government's proposal of 100 percent tariffs on Japanese luxury cars in response to the widening U.S.-Japan trade deficit. Normal sales operations resumed a month later when the Japanese auto manufacturers collectively agreed to greater American investments, and the tariffs were not enacted.

In 1996, Lexus added its first luxury sport utility vehicle, the LX 450. Two years later, Lexus debuted the first luxury crossover SUV, the RX 300; the second generation of the GS 300 and GS 400 sedans; and a new entry-level sedan, the IS 300. The RX quickly became the marque's best-selling model, displacing the ES, its previous best-seller. In 1999, Lexus recorded its one-millionth vehicle sold in the U.S. market, and was ranked the top-selling luxury automobile make in the U.S. overall. In 2001, Lexus introduced its first convertible, the SC 430, and the third generation LS 430. The second generation RX 330 debuted in 2003.

In 2005, Lexus debuted the first production hybrid luxury SUV, the RX 400h. The vehicle used a Lexus Hybrid Drive system which combined gasoline and electric motors for increased power, fuel efficiency, and lower emissions relative to gasoline-only equivalents. In 2006, Lexus unveiled the GS 450h, a V6 hybrid performance sedan. That same year, the marque premiered the fourth generation flagship LS series, comprising both standard- and long-wheelbase V8 (LS 460 and LS 460 L) and hybrid (LS 600h and LS 600h L) versions. The LS 600h L subsequently went on sale as the most expensive luxury vehicle ever produced in Japan, with a sticker price of approximately US\$125,000. In 2006, Lexus sales reached 475,000 vehicles worldwide.

In 2007, Lexus announced a new F marque performance division, which would produce racing-inspired versions of its performance models. The first of this line, the IS F, made its debut at the 2007 North American International Auto Show, accompanied by a supercar concept, the LF-A. By the end of 2007, Lexus' annual

U.S. sales had risen to 329,177 vehicles, and total worldwide sales reached 500,000 vehicles. In 2008, amidst the late-2000s recession, sales dropped 21% in the U.S. with an annual total of 260,087, and global sales fell 14% to 430,000. In terms of volume, Lexus was the number-one-selling luxury car marque in the largest automotive market for the past eight years consecutively and the fourth-largest luxury car brand in the world by volume.

Design and technology

Lexus design has traditionally placed an emphasis on targeting specific luxury vehicle standards. Since the marque's inception, design targets have ranged from aerodynamics and ride quality to interior ergonomics. The acronym "IDEAL" ("Impressive, Dynamic, Elegant, Advanced, and Lasting") is used in the development process. Each vehicle is designed according to approximately 500 specific product standards, known as "Lexus Musts," on criteria such as leather seat stitching. Design elements from the marque's concept vehicle line, the LF series (including the 2003 LF-S and 2004 LF-C), have been incorporated in production models.



Vehicle cabins have incorporated touchscreen navigation system interfaces (through the 2009 model year), a smart key entry and startup system, SmartAccess, and electroluminescent Optitron gauges. In 1989, Lexus became among the first luxury marques to equip models with premium audio systems, in partnership with stereo firm Nakamichi. Since 2001, optional surround sound systems are offered via high-end audio purveyor Mark Levinson. For reduced cabin noise, the first LS 400 introduced sandwich steel plating, and later models added acoustic glass. In 2006, the LS 460 debuted the first ceiling air diffusers and infrared body temperature sensors in a car. For the 2010 RX and HS models, the Remote Touch system, featuring a computer mouse-like controller with haptic feedback, was introduced.

In 2006, Lexus incorporated the first production eight-speed automatic transmission in an automobile with the LS 460, and the gearbox was later adapted for the GS 460 and IS F models. Continuously variable transmissions, regenerative braking, and electric motors have been used on all Lexus hybrid models. In 2007, Lexus executives signaled intentions to equip further models with hybrid powertrains, catering to demands for a decrease in both carbon pollution and oil reliance. Hybrid models have been differentiated by separate badging and lighting technology; in 2008, the LS 600h L became the first production vehicle to use LED headlamps.

Safety features on Lexus models range from stability systems (Vehicle Stability Control and Vehicle Dynamics Integrated Management) to backup cameras, swivel headlights, and sonar warning systems. The Lexus Pre-Collision System (PCS) integrates multiple safety systems. In 2007, Lexus introduced the first car safety systems with infrared and pedestrian detection capabilities, lane keep assist, a Driver Monitoring System with facial recognition monitoring of driver attentiveness, and rear pre-collision whiplash protection, as part of the LS 460 PCS. As a safety precaution, Lexus GPS navigation systems feature a motion lockout when the vehicle reaches a set speed; to prevent distraction, navigation inputs are limited, while voice input and certain buttons are still accessible. This safety feature has attracted criticism because passengers cannot use certain functions when the vehicle is in motion. Pre-2007 models came with a hidden manufacturer override option.

New Lexus vehicles in development include convertibles, crossovers, and dedicated hybrids. Lexus officials have indicated the marque's intentions to produce future production models using further dedicated platforms, as is the case for the LS flagship. The entry-level Lexus ES, in particular, had been chided for being too similar to the Toyota Camry, its shared platform cousin, in both styling and powertrain design. Lexus prototypes have been spotted testing at the Nürburgring test track in Germany.

F marque



In December 2006, Lexus announced its new F marque division. The name refers to the Fuji Speedway in Japan, whose first corner, 27R, inspired the shape of the "F" emblem. The first F badged vehicle, the Lexus IS F, subsequently premiered at the North American International Auto Show in January 2007. Media reports suggested that the IS F sedan would be followed by a GS F sedanand IS F coupe. An earlier in-house tuning effort, the TRD-based L-Tuned, had offered performance packages on the IS and GS sedans in the early 2000s. In 2007, Lexus entered the IS F in the 2007 Specialty Equipment Market Association show, offering a factory-sanctioned F-Sport performance accessory line in conjunction with the debut of its F marque division.

The IS F is targeted at rivals from Mercedes-Benz's AMG and BMW's M divisions. Historically, past versions of the SC and GS models have received favorable reactions from sport luxury buyers, while other Lexus models have been characterized as favoring comfort at the expense of sporty performance. Automotive reviewers have also given some of Lexus' European rivals higher marks for road feel and handling, especially during racetrack testing. The F marque line has been seen as an effort to further bolster Lexus' performance credentials.





































