

## Retail Turn Rate Reaches Five-Month Peak in October

The retail turn rate (days on lot) in Canada reached 64 in October—a 5-month high, and 2 days higher than October 2007. However, in each of the months from June through September of this year the retail turn rate was lower than a year ago; these data suggest the Canadian new vehicle market has not been facing, at least until recently, the major headwinds experienced south of the border. Of the nine subsegments with turn rates lower than the industry in October, all except one (large van, which is a specialized niche subsegment) are compact or midsize vehicle categories. Further, all the compact or midsize vehicle subseg-

ments that are out-performing the industry in October are car-based vehicle subsegments.

The compact basic subsegment (Yaris, Fit, Aveo, etc.) has had a turn rate below 40 in each of the past four months, including an industry-leading 35 days in October. At the other end of the spectrum, the turn rates for all 3 non-luxury utility subsegments were higher than the industry results in October. The compact utility's metric was the second highest among all subsegments, and almost double the June rate. Both pickup categories also had turn rates higher than industry average in October.

Segments	Retail Turn Rate				
	June 2008	July 2008	August 2008	September 2008	October 2008
Compact Basic	42	34	29	31	35
Compact Conventional	37	34	39	41	45
Large Van**	84	94	84	83	45
Midsize Premium Conventional**	47	49	64	65	47
Midsize Premium CUV	47	58	60	72	50
Midsize CUV	42	44	51	55	59
Compact Premium Conventional	47	66	69	76	61
Midsize Conventional	48	50	59	63	61
Compact Sporty	63	56	68	61	64
<b>Total Industry (Year-over-Year Comparison)</b>	<b>47/51</b>	<b>48/57</b>	<b>56/61</b>	<b>59/65</b>	<b>64/62</b>
Large Utility**	33	66	95	80	67
Compact CUV	45	51	63	65	68
Midsize Sporty**	101	77	70	67	80
Compact Premium CUV**	76	63	81	91	81
Large Pickup	61	56	66	74	83
Midsize Utility	74	91	85	104	85
Large Conventional	64	85	94	78	91
Midsize Pickup	67	61	73	70	95
Midsize Van	54	61	82	84	100
Compact Utility	57	80	95	90	101
Midsize Premium Sporty**	48	49	n/a	66	n/a

Source: Power Information Network (PIN) June-October 2008

\*\*Caution: small sample in a majority of months

Note: Compact Premium Sporty, Large Premium Conventional, Large Premium Pickup, Large Premium Sporty, Large Premium Utility, and Midsize Premium Utility not included due to insufficient sample

*continued >>>*

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## 2009 Pilot Buyers Much Younger than Edge, Grand Cherokee, Murano and Highlander Customers

Buyers of the re-designed 2009 Honda Pilot are younger than the buyers of any of its direct competitors. Moreover, Pilot buyers are eight years younger—a large gap in this industry—than Edge, Grand Cherokee, Murano and Highlander customers. The Pilot is also attracting a higher percentage of female buyers—46%—than the competition.

Looking at trading patterns, more than 4 of every 10 Pilot transactions include a trade, a higher mix than its competitors. Of those trades, fewer than 1 in 10 is upside down, a lower proportion than that of any model in the competitive set, except the Nissan Murano.

More than 4 of every 10 Pilots are purchased with cash—which includes those transactions for which the buyer obtained a loan privately—a greater proportion than any competitor except the 2009 Highlander. Only about 2 of every 10 Pilot transactions includes a loan taken out at the dealership. The 2009 Pilot's selling price is not only above its 2008 competitors, but above the 2009 Murano and Highlander as well, and the Pilot is turning more quickly than all others, except the 2009 Highlander.

Overall, the data suggest the Pilot, Murano and Highlander are experiencing similar market dynamics. Yet since the 2009 Pilot and Highlander were both launched recently—June and October, respectively—the data addressed above may not yet have reached their long-term natural levels. ■



2009 Honda Pilot Touring

Models	Model Year	Customer (Buyer) Age	Female (Buyer) (%)	Trade In (%)	Percent Negative Equity	Trade-In Same Nameplate (%)	Type of Sale			Vehicle Price Less Customer Cash Rebate	Retail Turn Rate
							Cash (%)	Finance (%)	Lease (%)		
Honda Pilot	2009	40	45.6%	40.8%	7.9%	44.1%	41.6%	22.1%	36.3%	\$44,263	28
Ford Edge	2008	48	37.5%	21.7%	18.1%	51.1%	5.5%	47.9%	46.6%	\$36,869	56
Hyundai Santa Fe (3.3L)	2008	47	35.0%	36.8%	13.5%	30.7%	23.3%	41.8%	34.9%	\$32,028	62
Jeep Grand Cherokee (6 Cyl)	2008	48	31.7%	26.3%	19.6%	32.1%	25.8%	41.2%	33.0%	\$41,238	48
Mazda CX-7	2008	43	39.9%	29.7%	23.6%	29.4%	8.7%	61.6%	29.7%	\$35,312	62
Nissan Murano	2009	48	39.2%	25.8%	7.1%	51.4%	17.9%	24.4%	57.7%	\$42,856	29
Saturn Outlook	2008	44	29.8%	28.3%	21.4%	15.5%	10.8%	48.0%	41.3%	\$38,569	106
Toyota Highlander	2008	45	28.9%	26.7%	13.7%	41.9%	11.5%	42.4%	46.0%	\$40,274	52
Toyota Highlander*	2009	48	26.3%	18.6%	17.9%	55.0%	50.1%	28.8%	21.1%	\$41,500	7

Source: Power Information Network (PIN), January–October, 2008  
 Note: 2009 Edge and CX-7 not included due to insufficient sample sizes  
 \*Caution: small sample  
 Note: If a unit is dealer-traded, the retail turn rate returns to zero at the time of the trade

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