

## Flex Attracts Slightly Older Customers and More Males

The 2009 Ford Flex, the Ford Division's third midsize crossover, which was launched in Canada in late June, is attracting older buyers and more males than the typical midsize crossover customer. Less than 1 of every 5 Flex transactions includes a trade, a much lower proportion than for the segment, and about 1 of every 6 of these trades is "upside-down." Cash transactions (which include loans obtained privately) are running well below segment average, with slightly more than 1 of every 10 customers paying cash, while finance transactions are similar to the 2009 MY norm and the lease mix is well above average. The transaction price for the Flex has been running slightly higher than the 2008 segment average and far higher than the 2009 average. The 2009 Journey and 2008 Edge have been selling at prices below that of the Flex, but all other key competitors have been selling at a higher price. The Flex's appealing price is one reason why it has turned over more quickly than all its competitors in the past 4 1/2 months. However, another reason is that all new models initially have a low turn rate. Only in the fifth month and thereafter does a new product's natural turn rate begin to emerge.



2009 Ford Flex

Models	Model Year	Customer (Buyer) Age	Female (Buyer) (%)	Trade In (%)	Percent Negative Equity	Trade-In Same Nameplate (%)	Cash (%)	Type of Sale Finance (%)	Lease (%)	Vehicle Price Less Customer Cash Rebate	Retail Turn Rate
Midsize CUV	2008	47	35.7%	25.9%	15.3%	32.9%	19.3%	48.2%	32.5%	\$37,363	63
Midsize CUV	2009	47	34.8%	28.4%	17.5%	36.4%	24.2%	40.4%	35.4%	\$30,888	22
Midsize CUV	All Model Years	47	35.1%	27.0%	16.4%	34.4%	21.5%	45.2%	33.4%	\$34,779	49
Ford Flex	2009	49	32.2%	19.5%	16.8%	43.6%	11.6%	40.7%	47.7%	\$39,154	19
Buick Enclave	2008	48	36.7%	27.8%	17.5%	8.8%	38.3%	43.2%	18.5%	\$45,680	46
Dodge Journey	2009	47	35.2%	30.9%	18.7%	36.1%	27.3%	44.3%	28.4%	\$26,337	22
Ford Edge	2008	48	40.1%	21.3%	19.7%	56.2%	4.7%	56.0%	39.3%	\$36,134	66
GMC Acadia	2008	45	33.7%	22.8%	10.6%	12.9%	26.3%	54.7%	19.0%	\$41,202	60
Hyundai Veracruz*	2008	45	31.4%	38.2%	15.2%	21.9%	11.2%	38.7%	50.1%	\$40,011	107
Nissan Murano	2009	47	33.9%	24.0%	18.4%	43.3%	9.4%	23.1%	67.6%	\$42,302	29
Toyota Highlander	2008	46	32.3%	25.6%	12.1%	44.1%	12.4%	43.7%	44.0%	\$39,255	58

Source: Power Information Network (PIN), June 1–October 12, 2008

\*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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## PIN Metric Trends Reflect Softening of Used LD Fullsize Pickup Subsegment

The trends of several PIN metrics during the first 9 months of 2008 reflect the softening of the light-duty full-size pickup subsegment. This softening has occurred both during the course of this year, as well as when comparing this year to 2007. The average age of used LD fullsize pickups (when sold) was steady in 2007, but it has been rising through 2008. The subsegment retail turn rate never exceeded 55 in the first 9 months of 2007, but this year it has never been below 60, and in September it reached a 2-year high of 76 days. The average transaction price rose during

2007, but this year it has been declining. By September, the typical used LD fullsize pickup was selling at a price about \$3,600 below the price a year ago, but back in January, these vehicles were selling for about \$1,700 more than a year ago. Last year, the typical monthly payment in the subsegment rose about 5% from January to September, but this year it has dropped by about 9%. Lastly, the loan-to-cost ratio a year ago remained in the 121%-127% range throughout the first 9 months, but this year it has been in the 125%-132% range. ■

Trended PIN Metrics—Used LD Fullsize Pickup Subsegment										
	Metrics	January	February	March	April	May	June	July	August	September
2007	Vehicle Age	4.1	3.9	3.8	3.9	4.0	4.1	4.0	4.0	3.8
<b>2008</b>	<b>Vehicle Age</b>	<b>3.6</b>	<b>3.7</b>	<b>3.7</b>	<b>3.9</b>	<b>3.7</b>	<b>3.9</b>	<b>4.0</b>	<b>3.9</b>	<b>4.1</b>
2007	Odometer	79,574	77,515	75,452	76,560	76,441	77,368	75,612	75,142	73,783
<b>2008</b>	<b>Odometer</b>	<b>73,260</b>	<b>73,496</b>	<b>74,952</b>	<b>75,197</b>	<b>74,636</b>	<b>77,003</b>	<b>75,089</b>	<b>70,867</b>	<b>74,284</b>
2007	Days to Turn	53	55	51	45	47	43	48	51	54
<b>2008</b>	<b>Days to Turn</b>	<b>62</b>	<b>61</b>	<b>62</b>	<b>61</b>	<b>62</b>	<b>60</b>	<b>61</b>	<b>67</b>	<b>76</b>
2007	Vehicle Price	\$21,249	\$22,943	\$23,304	\$22,657	\$23,156	\$22,849	\$22,857	\$23,265	\$23,547
<b>2008</b>	<b>Vehicle Price</b>	<b>\$23,025</b>	<b>\$22,464</b>	<b>\$22,565</b>	<b>\$22,094</b>	<b>\$22,294</b>	<b>\$21,092</b>	<b>\$20,287</b>	<b>\$20,678</b>	<b>\$19,881</b>
2007	Captive (%)	30.9%	32.4%	38.6%	40.9%	33.8%	37.8%	31.3%	30.1%	32.8%
<b>2008</b>	<b>Captive (%)</b>	<b>25.7%</b>	<b>26.8%</b>	<b>28.8%</b>	<b>31.2%</b>	<b>30.5%</b>	<b>28.4%</b>	<b>26.4%</b>	<b>26.3%</b>	<b>20.7%</b>
<b>Finance Only</b>										
2007	Monthly Payment	\$523	\$557	\$537	\$542	\$551	\$550	\$539	\$546	\$550
<b>2008</b>	<b>Monthly Payment</b>	<b>\$556</b>	<b>\$537</b>	<b>\$528</b>	<b>\$538</b>	<b>\$522</b>	<b>\$505</b>	<b>\$516</b>	<b>\$512</b>	<b>\$505</b>
2007	Term	59	61	61	61	60	60	61	60	61
<b>2008</b>	<b>Term</b>	<b>62</b>	<b>61</b>	<b>60</b>	<b>61</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>62</b>	<b>61</b>
2007	Loan to Cost (%)	124.5%	126.4%	125.1%	122.6%	123.6%	121.8%	124.4%	124.6%	123.4%
<b>2008</b>	<b>Loan to Cost (%)</b>	<b>129.2%</b>	<b>128.4%</b>	<b>126.9%</b>	<b>125.7%</b>	<b>125.7%</b>	<b>127.9%</b>	<b>129.7%</b>	<b>131.0%</b>	<b>131.6%</b>

Source: Power Information Network (PIN)

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