

## Early Results for the All-New GMC Acadia Crossover

The GMC Acadia—GMC's first-ever crossover—was launched in Canada in January and thus far is doing well in the retail marketplace, though it is still early. During the five months it has been on the market, the Acadia has sat on dealer lots on average for only 14 days, less time than all its crossover competitors except the Hyundai Veracruz. The retail turn rate for new models is always low, so the natural ongoing rate for the Acadia, Veracruz and other



2007 GMC Acadia

new crossovers will only emerge in the coming months. The Acadia's actual transaction price is in the middle of the pack, substantially above the price for the Edge but far below the MDX and X5.

More than 4 of every 5 Acadia customers with a trade are coming

from other brands, a conquest rate above that of any of its direct competitors. This suggests the Acadia is not materially cannibalizing its own models and will most likely add share to the GMC brand.

Almost two-thirds of Acadia transactions have been leases, far above the lease rate for the Veracruz and CX-9 but below the lease penetration for the Edge and X5. Only about 1 of every 10 Acadia customers pays cash, a lower percentage than all its competitors except the Edge.

If the Acadia continues to resonate with retail customers, it will join the list of recently launched all-new or redesigned GM models, including the Silverado, Sierra, Solstice, Sky, Aura and others, that have helped the automaker stabilize its North American market share.

## Leasing Plays a Major Role in Retail Marketplace

In the first five months of 2007, more than 44% of all retail new-vehicle transactions in Canada were leases, and the average length was 46 months. The BMW Group (includes MINI) focuses on leasing more than the other OEMs—more than two-thirds of all BMW transactions are leases, a rate 10 percentage points higher than that of any other OEM. And BMW specializes in short-term leases: more than 9 of very 10 BMW leases were between 36 and 41 months. The other OEM with a high proportion of short-term leases is Ford Motor Company, for which more than half the leases were between 36 and 41 months.

Leases for seven other OEMs averaged between 48 and 53 months in length, and two of these companies—Volkswagen Corp. and Honda Corp.—used these term lengths for more than 80% of their leases.

For the two Korean brands, the most popular lease term has been 60-65 months, and Mitsubishi's most popular lease term has been 84-89 months. Mitsubishi's average lease term was 67 months, the longest among the OEMs. However, Mitsubishi does not focus on leasing. Less than 1 of every 10 Mitsubishi's has been leased, the lowest lease penetration among all OEMs. ■

	Lease Penetration (%)	Average Lease Term (mos.)	Lease Term Distribution (months)			
			36 to 41.9	48 to 53.9	60 to 65.9	84 to 89.9
Industry	44.3%	46	22.6%	57.8%	10.4%	0.4%
BMW/Mini	68.9%	37	93.5%	1.3%	0.9%	
Ford/Lincoln	42.2%	40	54.1%	31.7%	0.4%	
DaimlerChrysler	54.6%	45	17.4%	69.6%	2.1%	0.5%
General Motors	51.7%	44	27.8%	59.5%	2.5%	0.1%
Honda/Acura	31.9%	49	3.7%	82.4%	11.2%	0.1%
Nissan/Infiniti	35.4%	49	12.8%	53.6%	24.0%	
Toyota/Lexus	42.8%	51	5.5%	64.9%	28.5%	
Volkswagen/Audi	47.9%	47	10.4%	81.6%	1.5%	
Mazda	38.4%	46	13.3%	60.8%	4.4%	
Hyundai	38.4%	59	1.3%	13.0%	75.6%	3.1%
Kia	29.1%	64	1.1%	1.1%	78.2%	18.4%
Mitsubishi	7.7%	67*	8.1%	19.3%	16.9%	48.1%

Source: Power Information Network (PIN), January 1 - June 3, 2007

\*Caution: small sample

Note: Data is for leases only

Note: Lease terms without any penetration above 10% not included

Term with highest penetration for that OEM/brand

Vehicles	Customer (Buyer) Age	Female (Buyer) (%)	Trade In %	Trade In Same Nameplate (%)	Percent Negative Equity	Type of Sale			Vehicle Price Less Customer Cash	Retail Turn Rate (days)
						Cash (%)	Finance (%)	Lease (%) Rebate		
GMC Acadia	44	35.4%	27.7%	17.5%	4.51%	11.3%	23.9%	64.8%	\$44,355	14
Acura MDX	51	34.2%	39.6%	34.6%	5.91%	45.4%	20.8%	33.7%	\$58,699	31
BMW X5	46	34.7%	24.1%	42.7%	19.50%	24.8%	8.5%	66.7%	\$68,115	16
Ford Edge	48	34.5%	23.1%	47.1%	18.70%	9.1%	14.6%	76.3%	\$37,857	19
Honda Pilot	44	35.7%	32.3%	48.7%	13.68%	27.7%	34.9%	37.4%	\$43,238	34
Hyundai Veracruz*	45	33.0%	48.9%	51.4%	9.78%	24.5%	59.6%	15.9%	\$42,321	10
Mazda CX-9*	44	28.5%	35.8%	22.3%	10.07%	25.6%	41.3%	33.2%	\$47,406	16

Source: Power Information Network (PIN), January 1 - June 3, 2007

\*Caution: small sample

Note: All data filtered for 2007 model year and six-cylinder engine

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