

2007 Ford Edge

The all-new 2007 Ford Edge, equipped with a 3.5 liter, 6-cylinder engine, is appealing to customers who are older than buyers of all competitive models except the Toyota Highlander. The average age* of the Edge buyer in Canada during the past 5 months was 49, which is 2 years older than the typical Edge buyer in the United States. In Canada, the average Edge customer is also more likely to be male than buyers of all its direct competitors.



2007 Ford Edge

Slightly more than 22% of Edge transactions included a trade, and of those trades, 46% were Ford-branded products. This suggests that the Edge is bringing in many new vehicle buyers or secondary vehicle

buyers, but its conquest rate is relatively low. Also, one of every five trades coming in on the Edge is in an “upside down” situation, i.e., the payoff amount on the outstanding loan is greater than the actual market value of the trade.

When compared to its competitors, the Edge has had an extraordinarily high number of lease transactions: 77% of all Edge transactions in the past five months have been leases, 13 percentage points higher than the next closest competitor and more than 25 percentage points higher than the segment average. This is mostly due to a low lease rate program that Ford has been offering on 36-month leases for the Edge.

The Edge has been selling at a transaction price** of almost \$38,000, lower than that for any direct competitor. Lastly, the Edge has been sitting on dealer lots for an average of just 17 days, a shorter time period than all its competitors except the new GMC Acadia. However, initial turn rates are always low for new models and this measure for both the Edge and Acadia is likely to rise over time.

*Age of the buyer

**Vehicle transaction price less customer cash rebate

2007 Ford Edge Profile

Vehicles	Customer (Buyer) Age	Female (Buyer) (%)	Trade In %	Trade In Same Nameplate (%)	% Negative Equity	Cash (%)	Type of Sale Finance (%)	Lease (%)	Vehicle Price Less Customer Cash Rebate	Retail Turn Rate (days)
Midsize SUV	47	34.8%	28.8%	41.1%	12.33%	23.6%	26.4%	50.0%	\$39,856	30
Ford Edge	49	33.0%	22.6%	46.3%	20.60%	10.1%	12.4%	77.5%	\$37,921	17
Toyota Highlander	53	41.2%	19.9%	41.4%	0.00%	37.9%	36.9%	25.2%	\$40,631	29
Honda Pilot	45	38.9%	33.5%	44.4%	15.56%	25.8%	33.5%	40.7%	\$43,210	31
Nissan Murano	46	40.1%	35.0%	40.4%	4.40%	24.1%	30.2%	45.7%	\$43,720	28
GMC Acadia	44	36.7%	29.7%	24.9%	3.08%	9.8%	25.9%	64.2%	\$45,213	14

Note: All data filtered for 2007MY vehicles, 6-cylinder engines only
Source: Power Information Network (PIN), November 1, 2006 - April 1, 2007

Used-Vehicle Transaction Parameters Remain Steady

The parameters of used-vehicle transactions in Canada have remained remarkably stable from the first quarter of 2006 to the same period this year. The typical used-vehicle customer in both time periods was 43 years old, and a little more than one-third of customers were female. The odometer reading and vehicle age both declined slightly from 2006. More than half of all used-vehicle transactions in both years were cash deals, while financing edged up to more than 4 of very 10 transactions. Leasing remained a small part of the business, accounting for less than 8% of used-vehicle transactions in both years.

Almost 90% of the retail price of finance transactions in the first quarter of 2006 and 2007 were financed, and the term length increased one month to 58 months in 2007. Even with the longer term, the typical finance or lease transaction had a higher down payment and monthly payment due to a higher vehicle transaction price.

The retail turn rate (the number of days a vehicle sits on the dealer lot before being sold) remained steady at 65 days, and the penetration rates for service contracts, life insurance and accident/health insurance all eased slightly. ■

PIN Metrics for Canadian Used-Vehicle Transactions

Vehicles	1Q 2006	1Q 2007
Customer (Buyer) Age	43	43
Female (Buyer) (%)	36.0%	36.6%
Odometer	65,961.6	64,719.6
Vehicle Age	3.7	3.6
Type of Sale Cash (%)	53.3%	50.6%
Type of Sale Finance (%)	39.2%	42.4%
Type of Sale Lease (%)	7.6%	7.1%
Percent Financed	89.33%	89.48%
Term	57	58
Total Down	\$2,683	\$2,732
Total Down (%)	10.5	10.33
Monthly Payment	\$415	\$438
Vehicle Price	\$17,277	\$17,900
Retail Turn Rate (days)	65	65
Service Contract Penetration (%)	15.7%	13.9%
Life Insurance Penetration (%)	10.1%	9.8%
AH Insurance Penetration (%)	9.1%	8.6%

Source: Power Information Network (PIN)

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