

# Chow Hound Vehicle Recommendation Report

## Introduction

I am writing in response to your recent request to determine which vehicle to lease for Chow Hound's delivery fleet. This expansion represents an exciting period of growth for your business and I am honored to be a part of it.

Per our conversation on February 19, I limited the research to the base automatic models for the 2014 Ford S Focus and the 2014 Honda Civic LX. Since the importance of an eco-friendly image was emphasized, I took the liberty of including the 2014 Honda Civic Hybrid. Taking into consideration Ms. Stone's concern about the "sporty" image of the coupe, only the sedan body styles were used in the comparison.

Information on all three models was researched on various Internet sites, as noted in the applicable tables.

## Recommendation

It is my recommendation that Chow Hound leases the 2014 Honda Civic LX Sedan. If available, the 2014 Honda Civic Hybrid does a better job of meeting the environmental requirements, but the difference in initial cost may be prohibitive. This will need to be discussed with the leasing entity.

The criteria agreed upon during our meeting consist of:

1. The car must be ranked highly for safety with a minimum of an anti-lock brake system and driver-side airbags.
2. A minimum of 25 miles per gallon during city driving is required. Additionally, Chow Hound promotes an image of eco-friendliness, any additional features that promote this image should be considered.
3. Cost is not a primary criterion, but should be taken into consideration. Chow Hound is looking for good value for the money spent.
4. The interior of the vehicle must allow for the transportation of multiple food orders and be easy to clean.
5. The vehicle configuration must allow for mobile advertising ("wrapping").

As requested, vehicle performance was not addressed with the assumption that all vehicles will perform within acceptable parameters for city driving.

## Discussion

### Safety

**Criteria:** The selected car must provide an anti-lock braking system and driver-side airbags. Additional features are not required, but will be considered. The vehicles must meet or exceed industry safety standards.

Figure 1 shows the compared features of all three cars as reported by Motor Trend. All three models share basic safety features. The Ford Focus provides one additional airbag; however both the Honda Civic models feature rear camera parking distance sensors. In the course of use as a delivery service fleet vehicle, it is anticipated that the vehicles will be left unattended in a public-use lot outside delivery hours; the Honda models both offer a standard anti-theft protection device.

Figure 1 Safety Features

	2014 Ford Focus S Sedan	2014 Honda Civic LX Sedan	2014 Honda Civic Hybrid Sedan
Anti-lock Brake System (ABS)	Yes	Yes	Yes
Brake Assist System	Yes	Yes	Yes
Intelligent driver and passenger airbags	Yes	Yes	Yes
Driver knee airbag	Yes	No	No
Low tire pressure indicator	Yes	Yes	Yes
Anti-theft protection	No	Yes	Yes
Rear camera parking sensors	No	Yes	Yes

Source: [www.motortrend.com](http://www.motortrend.com)

February 24, 2014

Safety ratings were collected from both the Insurance Institute for Highway Safety (IIHS) and SaferCar.gov, an extension of the National Highway Traffic Safety Administration (NHTSA) (See Figure 2).

**Figure 2** Safety Ratings

	<b>2014 Ford Focus S Sedan</b>	<b>2014 Honda Civic LX Sedan</b>	<b>2014 Honda Civic Hybrid Sedan</b>
IIHS Pick	2014 Top Safety Pick	2014 Top Safety Pick+	2014 Top Safety Pick+
Small overlap front collision <sup>a</sup>	Acceptable	Good	Good
Moderate overlap front collision <sup>a</sup>	Good	Good	Good
Side collision <sup>a</sup>	Good	Good	Good
Head restraints and seats <sup>a</sup>	Good	Good	Good
NHTSA Overall rating <sup>b</sup>	5	5	5
Frontal crash <sup>b</sup>	4	4	4
Side crash <sup>b</sup>	5	5	5
Rollover <sup>b</sup>	4	4	4

<sup>a</sup> IIHS rating system: Good, Acceptable, Marginal, Poor.

<sup>b</sup> NHSTA rating system is out of five stars.

Sources: <http://www.iihs.org/> and <http://www.safercar.gov/>.

IIHS named the 2014 Ford Focus a Top Safety Pick. The 2014 Honda Civic Sedan received the higher Top Safety Pick+ rating for its Forward Collision Warning System. This system is standard on the Hybrid, but not available on the other models and so the difference in rating between the Ford Focus and the standard Honda Civic should be disregarded.

The only difference between the Ford and Honda models in the IIHS testing can be found in the small overlap front collision, designed to replicate a collision between the front corner of a vehicle and a stationary object such as a utility pole. The Ford Focus tested well in relation to injuries in this crash type, but the structure and safety cage rating was listed as marginal against the Honda Civic’s rating of good.

The NHSTA results gave all three models the same ratings.

**Conclusion:** All three models meet the minimum criteria of providing a braking system and driver-side airbags. The Honda models provide the greatest number of safety

February 24, 2014

features, including features that could potentially prevent costs associated with theft and damage from parking accidents. The safety ratings from the IIHS and NHSTA were similar, with no differences in relation to potential of occupant injury. Overall, the Honda Civic, particularly the Hybrid model, presents a slightly safer rating.

### Environmental Impact

**Criteria:** The selected car must get 25 or more miles per gallon (MPG) when used for city driving. Highway mileage is not as important, as most driving is expected to be in the downtown and surrounding urban areas. Additionally, a car with a lower carbon footprint is preferred.

As seen in Figure 3, all three models meet the required 25 MPG city driving requirement. All three vehicles use unleaded fuel; the Honda Civic Hybrid also utilizes an electric motor to supplement the gasoline engine (no plug-in required).

Figure 3 Fuel and Emissions

	2014 Ford Focus S Sedan	2014 Honda Civic LX Sedan	2014 Honda Civic Hybrid Sedan
City MPG	27	28	44
Highway MPG	37	39	47
CO <sub>2</sub> emissions, grams per mile	289	279	196

Source: <http://www.fueleconomy.gov/>

Both Honda models come standard with a trip computer – capable of calculating average speed, fuel economy, and range for remaining fuel. While not a pre-determined criterion for selection, the trip computer would undoubtedly be useful in a delivery vehicle.

**Conclusion:** The difference in mileage and emissions between the Ford Focus and the standard Honda Civic is negligible. If cost is not a barrier, the Honda Civic Hybrid is the clear winner.

February 24, 2014

## Cost

**Criteria:** The initial cost of the vehicle is not the primary concern, but together with related costs over the 36-month lease may prove to be a limiting factor.

The leasing company has not been chosen so I am unable to provide specific information on the leasing rates or mileage restrictions. Likewise, the insurance company selected may have an impact on the shown estimated rates. The data in Figure 4 can be used for relative comparison. With the exception of the MSRP, the values are estimates based on the anticipated 36-month lease period.

**Figure 4** Cost Estimates

	2014 Ford Focus S Sedan	2014 Honda Civic LX Sedan	2014 Honda Civic Hybrid Sedan
Manufacturer's Suggested Retail Price (MSRP)	\$16,810	\$19,190	\$24,635
Engine maintenance	945	622	856
Repairs	74	74	74
Insurance	4,353	4,227	4,161
Total MSRP plus estimated 3 month cost	\$22,182	\$24,113	\$29,726

Source: <http://www.motortrend.com/>

The increased cost of the standard Honda Civic compared to the Ford Focus can be offset by the slightly better gas mileage. The balance in cost can be reached after nearly 4,800 miles per year over the 36-month lease period (assuming an average price of \$3.785 per gallon). It would be virtually impossible for the difference in cost between the Ford Focus and the Honda Civic Hybrid to be equalized through improved gas mileage - requiring nearly 29,000 miles to be driven per year.

**Conclusion:** The Ford Focus is the most economical of the cars over the 36-month lease period, even with the estimated higher values for maintenance and insurance, without taking fuel efficiency into consideration. However, the standard Honda Civic would break even and be more economical to run if the vehicles see a minimum of 5,000 miles a year, a small figure for a delivery vehicle. Without additional leasing details, particularly regarding mileage limits, the standard Honda Civic is the most economical to obtain and operate for 36 months.

February 24, 2014

## Interior

**Criteria:** The interior of the selected vehicle needs to be large enough to carry multiple delivery orders and be easy to clean.

The Ford Focus and Honda Civic have a similar interior capacity (see Figure 5) and all have cloth upholstery.

Figure 5 Interior Space

	2014 Ford Focus S Sedan	2014 Honda Civic LX Sedan	2014 Honda Civic Hybrid Sedan
Interior space (cubic feet)	90.7	94.6	94.6

Source: [www.motortrend.com](http://www.motortrend.com)

**Conclusion:** No tangible difference between models for this criterion. After-market seat covers and cargo trays are readily available for sedan-style vehicles.

## Advertising

**Criteria:** The selected vehicle must be eligible to be “wrapped” (a vinyl coating applied to the vehicle displaying the Chow Hound logo and business information for purposes of mobile advertising and outdoor marketing).

The Ford Focus and Honda Civic have a similar body style as seen in Figure 6. Both can be wrapped with ample space for the Chow Hound logo to be prominently displayed and there is no anticipated difference in price for the wrap service between the models.

Figure 6 Body Comparison

2014 Ford Focus



2014 Honda Civic



Sources: <http://www.ford.com/> and <http://automobiles.honda.com/>

**Conclusion:** No difference between models for this criterion.