

SEPTEMBER 2024

CLOUD  THEORY™

# ON THE HORIZON

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**Automotive Industry Inventory Report**

**New Vehicle  
Inventory  
Settling in at Just  
Under 3 Million**

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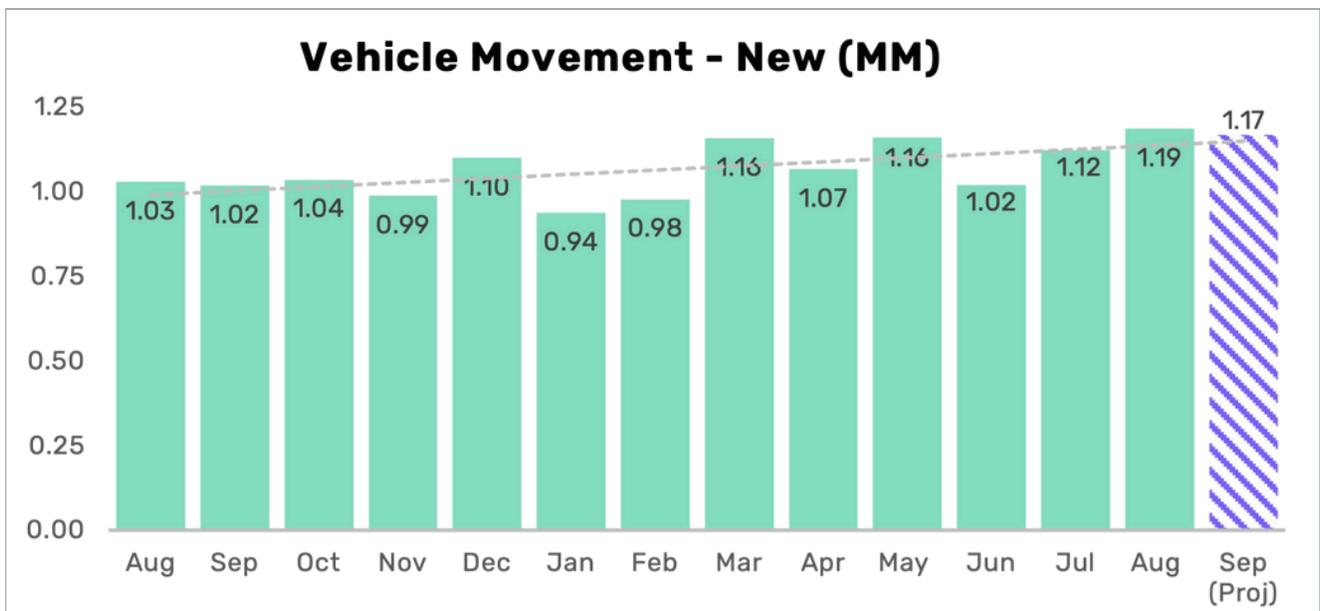
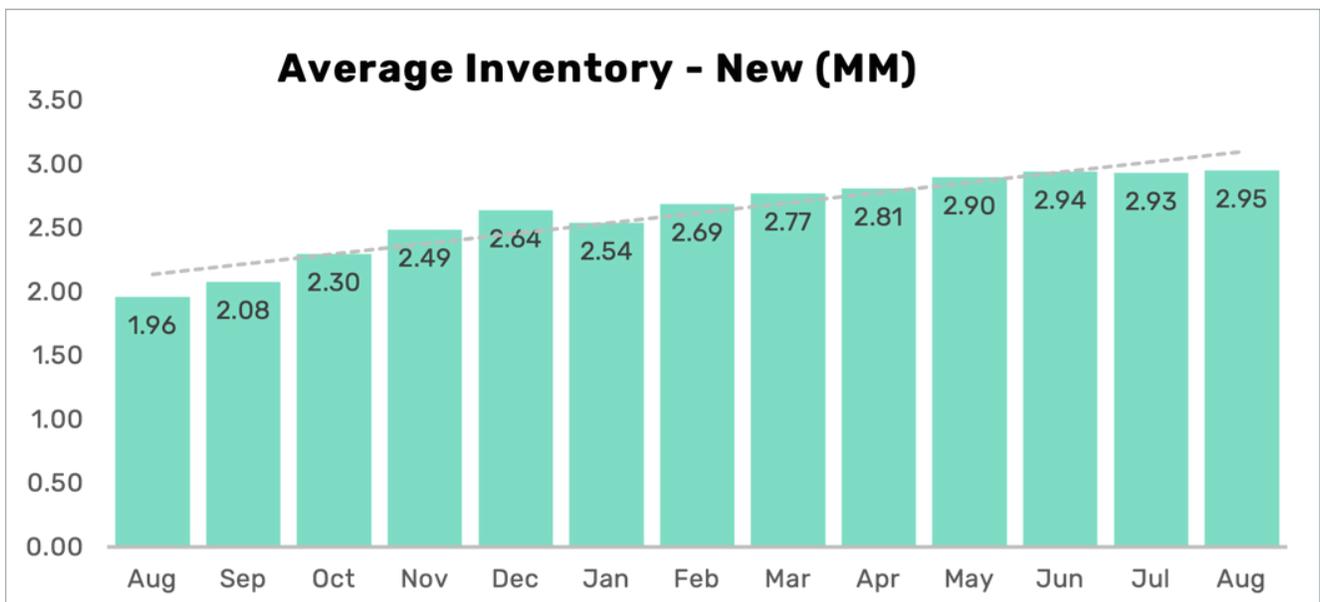
**Lexus Takes Over  
Top Spot on  
Inventory Efficiency**

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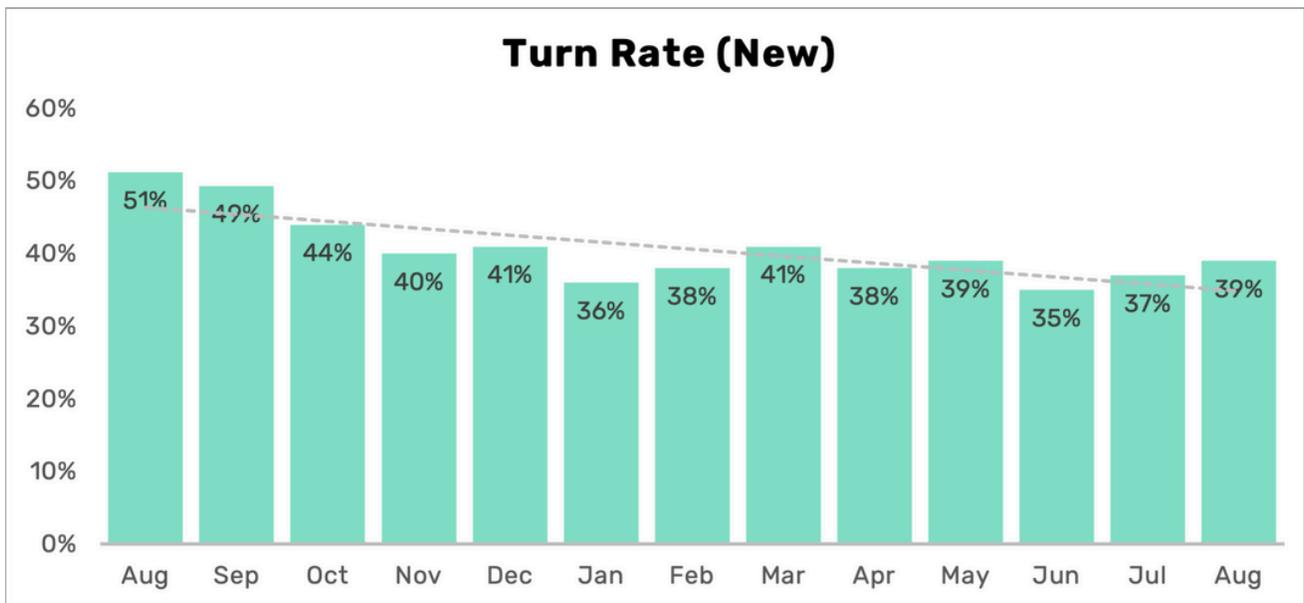
# Inventory and Movement

Based on data collected and analyzed from its innovative Horizon platform solution, Cloud Theory reports that new vehicle inventory appears to have reached a plateau at just under 3MM units. For the third month in a row, this metric has been pegged very near to the current 2.95MM figure that is seen in August.

Vehicle movement, meanwhile, hit its highest point in the past year at 1.19MM, though this is just slightly higher than levels reached in March and May. Additionally, Cloud Theory’s 30 day forecast points to a slight pullback to those previous figures.



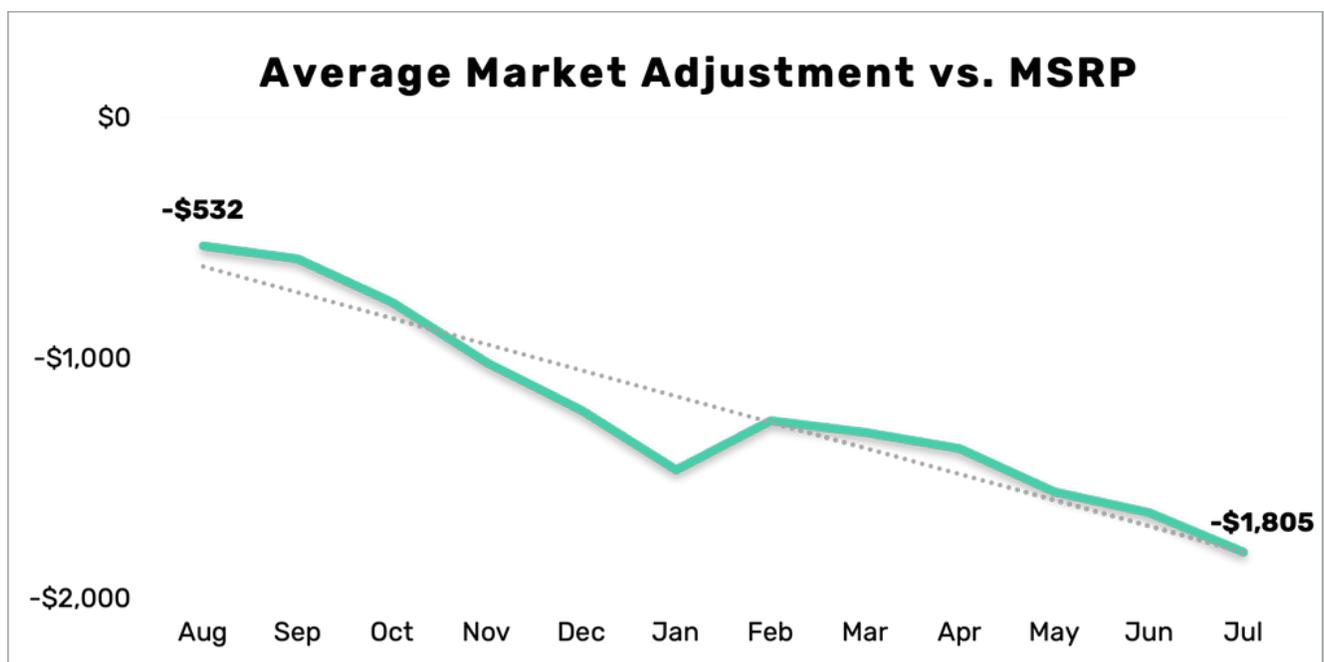
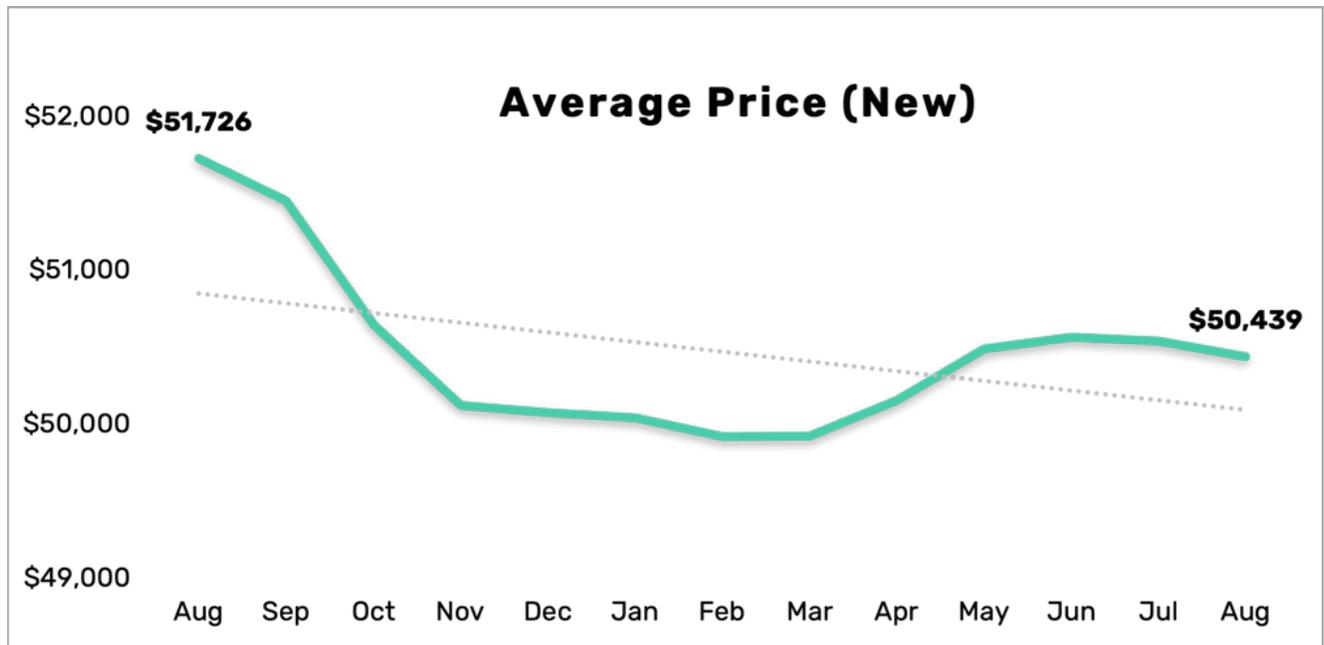
This flat supply and marginally higher movement picture results in a small uptick in turn rate in the current month, though this metric remains range-bound in the high 30s over a longer timeframe.



“For several months, our data has been pointing to a plateau in supply and demand, and it looks like we are arriving at our destination. We are coming in for a landing at just under 3 million units and just below 40% turn rates, and it is likely that we will be here for awhile.”

—  
**RICK WAINSCHEL**  
VP OF DATA SCIENCE & ANALYTICS,  
CLOUD THEORY

Marketed pricing has been in a narrow range for the past several months, though there is a small tick downward in the current period. Market Adjustment, which measures the discounts and incentives that are visible to consumers on dealer websites, continues to get more aggressive over time.



# Inventory Efficiency Index

*“Meet the new boss. Same as the old boss.”* –The Who, “Won’t Get Fooled Again”

There is a new leader on Cloud Theory’s Inventory Efficiency Index ranking, though it is certainly related to the previous one. Lexus jumps 63 points by virtue of a double-digit inventory decline coupled with a 21% movement gain.

This enables Toyota Motor Corporation’s luxury brand—which has been rising on this metric in recent months—to overtake its non-luxury sister. The most recent numbers are largely driven by the beginning stages of Lexus’ model year changeover, which is leading to accelerated 2024 sell-downs as 2025 vehicles begin to arrive on dealer lots.

Inventory Efficiency Index Scores – Total US – August 2024							
Rank		August 2024 Score	July 2024 Score	Score Change	Rank Change	MoM Inventory Change	MoM Movement Change
1		246.2	183.3	+62.9	+1	-12.3%	+21.3%
2		220.8	235.7	-14.9	-1	+1.3%	-2.4%
3		160.9	165.7	-4.8	--	+2.0%	+4.3%
4		129.8	129.0	+0.8	+1	+8.1%	+13.1%
5		123.8	134.3	-10.5	-1	+8.8%	+3.9%
6		120.0	124.4	-4.4	--	-5.5%	-1.9%
7		105.2	115.1	-9.9	--	+12.1%	+7.8%
8		101.1	94.8	+6.3	+4	-0.3%	+11.9%
9		98.6	101.7	-3.1	--	+20.8%	+22.8%
10		96.7	103.0	-6.3	-2	+4.7%	+3.3%

“While Lexus’ most recent performance on Inventory Efficiency may be boosted by its MYCO, that brand and its parent company have a long history of selling inventory efficiently. Whether it is Lexus-Toyota or Toyota-Lexus, there is no denying that TMC knows how to move metal in a highly proficient manner.”

**RON BOE • CHIEF REVENUE OFFICER, CLOUD THEORY**

## About Cloud Theory's Inventory Efficiency Index

Cloud Theory's patent-pending Inventory Efficiency Index provides a previously unavailable real-time view of market-relevant supply and demand for all makes and models and across all geographies. Key decision makers can use the IEI to confidently allocate valuable marketing and incentive dollars to locations requiring a boost in demand or reallocate vehicles to areas that are moving inventory more efficiently.

Cloud Theory's Inventory Efficiency Index determines scores for vehicle makes or models based on relative inventory and movement data compared to competitors.

- A score of 100 means that an OEM's demand is in balance with its relative supply in the marketplace.
- A score above 100 indicates that a make or model is selling its inventory more efficiently than average.
- A score below 100 means that there are opportunities to bring demand into better alignment with supply (or vice versa).

# ABOUT CLOUD THEORY

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Cloud Theory is more than a concept. It is the eye of the storm, where cutting-edge data, software, and artificial intelligence meet deep industry knowledge and experience. Built for automotive manufacturers, agencies, and affiliates, Cloud Theory enables our customers to understand – in real time – the complex competitive world in which they do business and to make bold decisions that drive them forward. The combination of billions of data points, interactive tools, and expert consulting gives our clients the ability to weather any storm and find their way to clear blue skies. Learn more at [cloudtheory.ai](https://cloudtheory.ai).

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