


ZeroSum Market First Report

Automotive Inventory Data and Sales Forecasts

July 2023



The ZeroSum Market First Report is the automotive industry's first source to predict month-end vehicle movement, providing vital supply and demand trend data to automotive marketers and dealers. ZeroSum uses predictive modeling to accurately estimate new vehicle inventory, pricing trends, and market share.



ZEROSUM'S TAKE: WHAT YOU NEED TO KNOW

ZeroSum is predicting July end-of-month (EOM) new car inventory to reach 1,856,821. This is a decrease from June's EOM but not as low as January 2023, which was the month of lowest new vehicle inventory (1,650,227) this year.

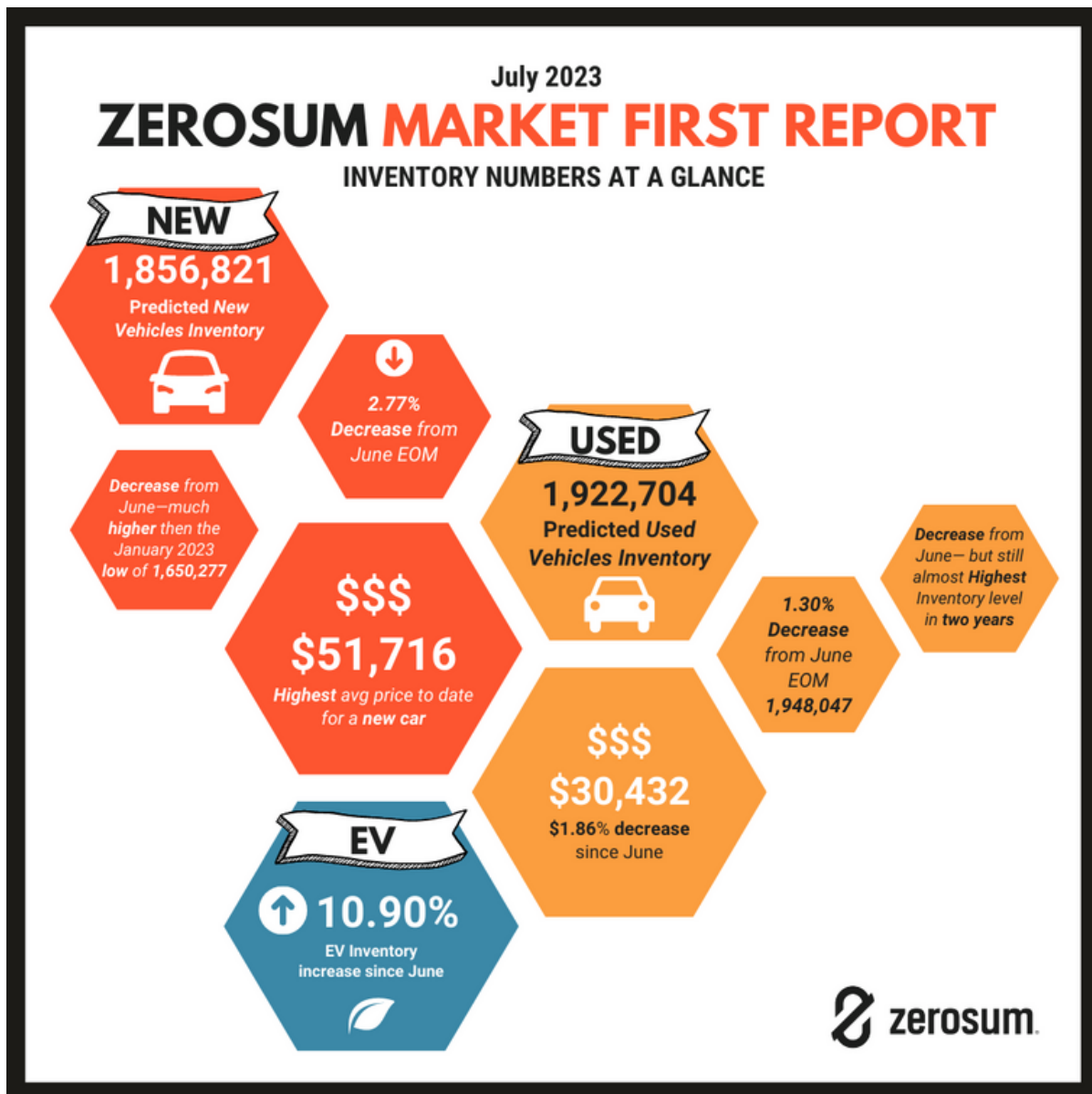
ZeroSum is forecasting July used car inventory to be at 1,922,704 by EOM. This number slightly dipped from June's EOM number, but July's inventory is still well above the January 2023 low, which was 1,510,076.

Total inventory share for EVs in the U.S. is 247,333, up from June's number of 232,039 and a total change of 10.90%

With used car pricing decreasing month-over-month, combined with a larger gap between MSRP and new vehicle prices, it is getting increasingly harder to sell and make money on a car. In addition, less inventory on new and used vehicles makes it harder to rely on volume to drive sales. "What we're seeing is dealers having to wager their success on a larger lead funnel to position their inventory ahead of their competition," says Jeff Englishmen, VP of Dealer Operations at ZeroSum.

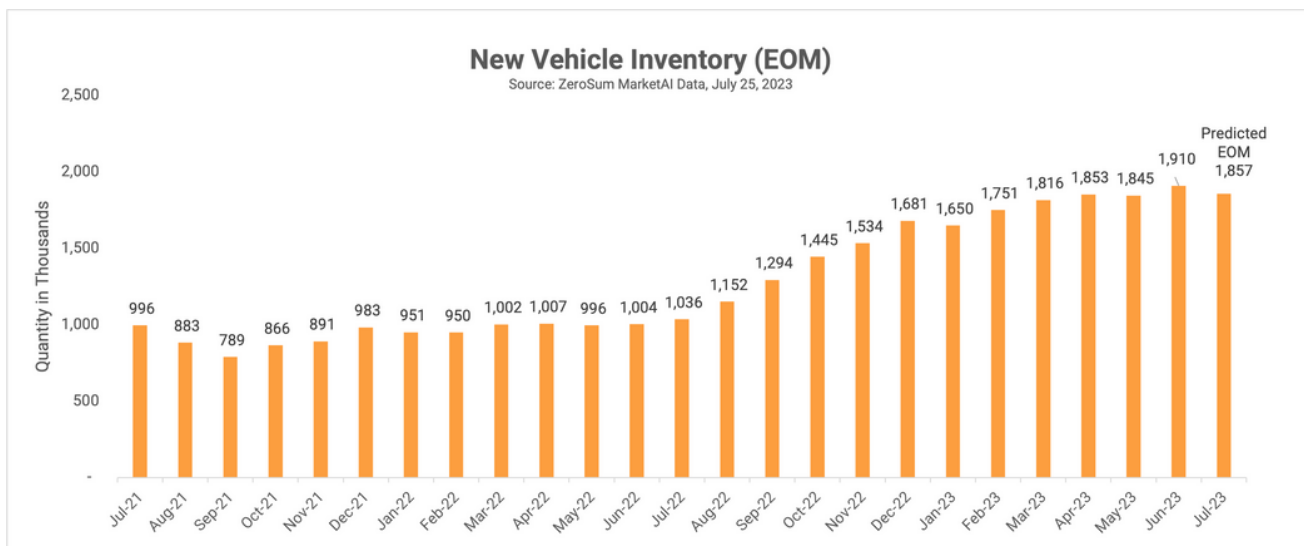
ZEROSUM'S TAKE: WHAT YOU NEED TO KNOW

Here are your key takeaways:



NEW VEHICLES RETAIL OUTLOOK

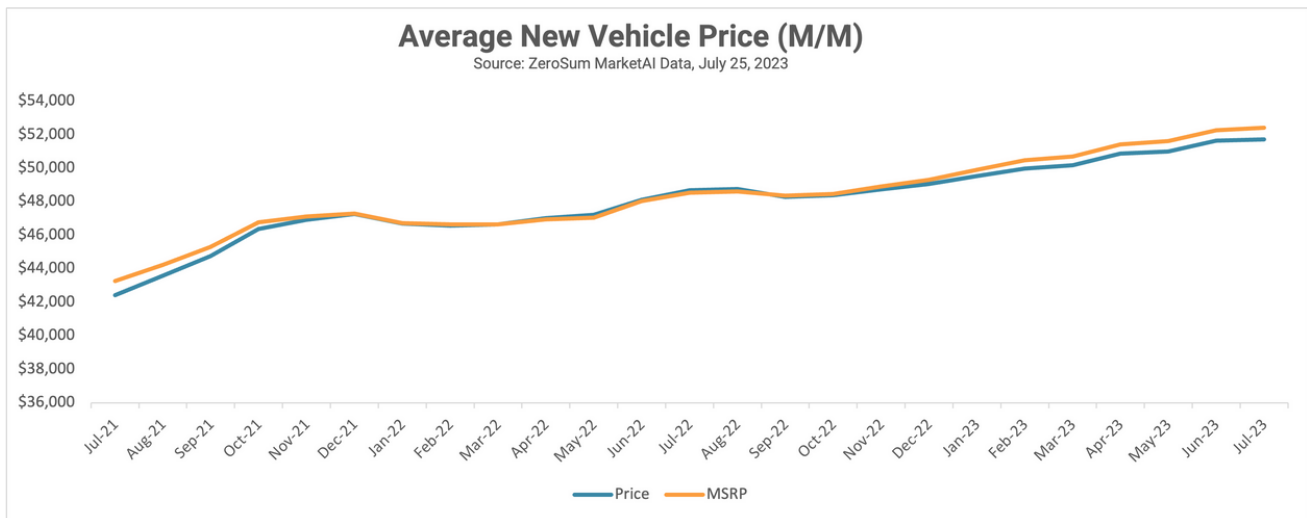
ZeroSum is predicting July EOM new car inventory to reach 1,856,821. This is a decrease from June’s EOM (1,900,788) but not as low as January 2023 (1,650,227) which was the month of lowest new vehicle inventory this year. New car inventory has seen some ups and downs in 2023, but overall inventory has been increasing for much of the year. New inventory is still far above what the industry saw during the historic lows of post-COVID 2021-2022.



NEW VEHICLES RETAIL OUTLOOK

The July 2023 average price of new car is \$51,716 and MSRP is \$52,400—a gap of \$684 dollars. This is the most significant gap the industry’s seen since July of 2021. (When new car prices were \$42,427 and the MSRP was at \$43,256). There is still no reprieve from new car prices as July 2023 has set another record high.

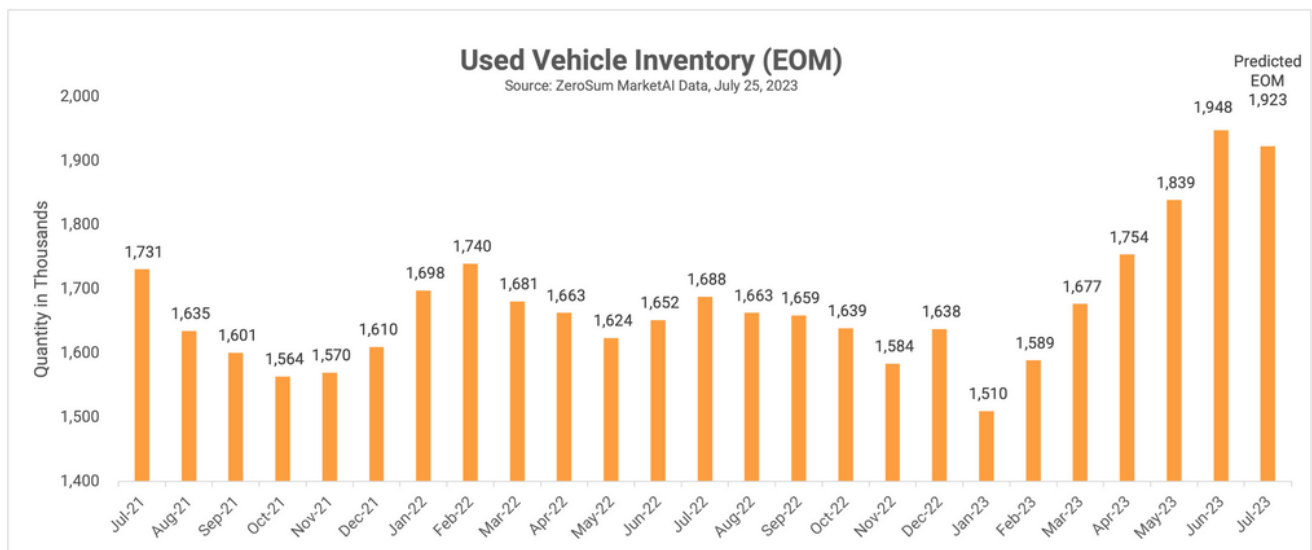
Despite persistent high prices, a recent [article](#) on Yahoo News citing UBS analysts predicts that a global scale price decrease may be on the horizon. ZeroSum has closely monitored the balance between supply and demand—and its effects on market prices—over the course of the COVID-19 pandemic and its aftermath. After two years of imbalance, when demand exceeded supply and pushed prices increasingly higher, the market has been moving closer to an equilibrium since the beginning of the year. With manufacturers continuing to move towards more aggressive production as supply chain issues ease, it is increasingly likely that prices will begin to fall as 2023 finishes and 2024 begins.



USED VEHICLES RETAIL OUTLOOK

ZeroSum is forecasting July used car inventory to be at 1,922,704 by EOM.

This is a slight dip from June’s EOM number of 1,948,047—which was the highest inventory level we had seen for used cars in two years. But July’s number is still far above the January 2023 low (1,510,076).



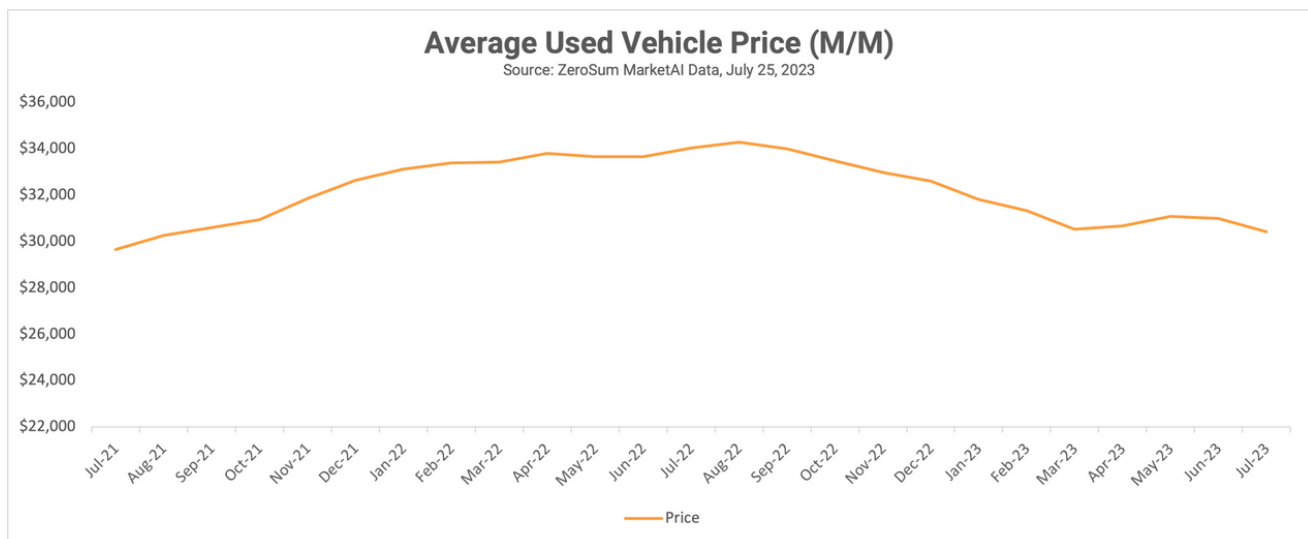
USED VEHICLES RETAIL OUTLOOK



After taking a bump in higher prices for May (\$31,091) and June (\$31,008), used car prices are down to an average price of \$30,432, down 1.86% from June’s average.

The post-COVID peak for used car prices was in August 2022, which had an average price of \$34,285—so in just about a year, the industry has seen used car prices lowered by about \$3,800.

With the record-high new car prices mentioned above, along with the above mentioned slowly dropping used car prices, it’s possible that a higher number of customers may start looking toward the preowned market again. However, it’s still too early to determine a trend, and we may need to see how supply, demand, and price play out in the market over the remaining six months of 2023.



EV RETAIL OUTLOOK

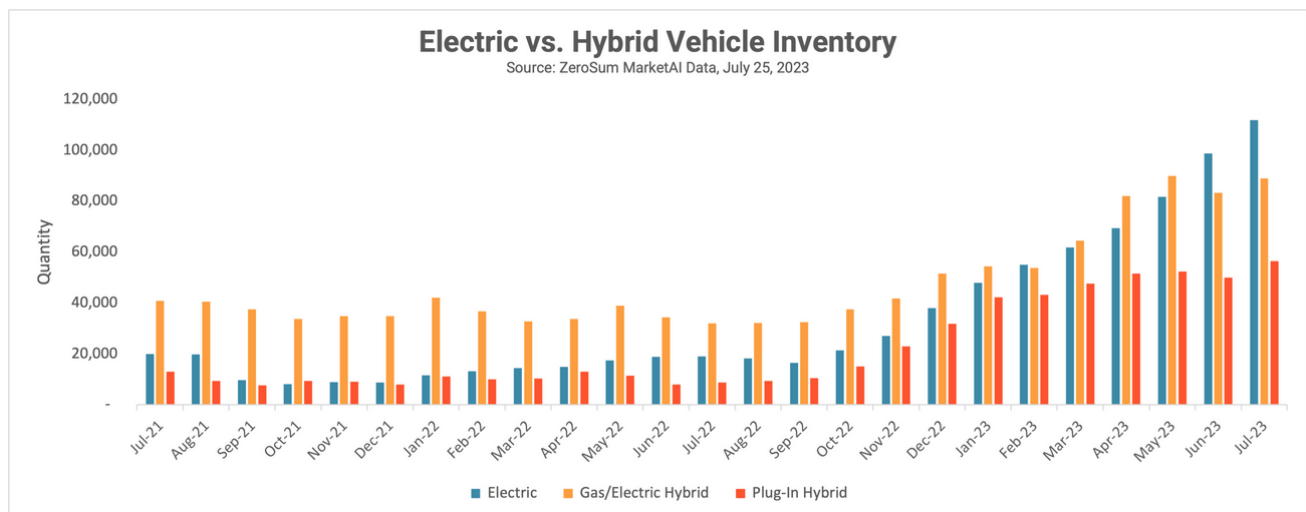
In June 2023 ZeroSum reported that EV inventory in general was rising, but the EV market share of gas/electric and plug-in hybrids had fallen.

For July 2023, inventory for all three types of EVs are up. Pure electric showed the most MOM change, with their inventory level at 111,860, a MOM change of 13.34%.

Close behind pure electric are gas/electric hybrid vehicles with 88,984 in available inventory, a MOM change of 6.76%. Plug-in hybrids improved as well to an EOM inventory at 56,489 or a MOM increase of 12.97%.

Total inventory for EVs in the U.S. is now 257,333, up from June’s number of 232,039, a total increase of 10.90%.

In the most recent Tesla shareholder [report](#), the EV-maker has reported that their total U.S auto market share is now at 4% (or 60% of the EV market), meaning one out of every 25 vehicles in the U.S is a Tesla. Some brands that released their EV vehicles in the past year have slowed down in registrations, according to [Automotive News](#). As 2023 progresses it’ll be interesting to see if Tesla gains more market share or if any other emerging brands will regain some footing.



ABOUT ZEROSUM'S MARKET FIRST REPORT

ZeroSum is an industry leader in software, marketing, and data. Powered by its SaaS platform, MarketAI, ZeroSum is simplifying and modernizing automotive marketing by leveraging artificial intelligence, data, and scaling ability to acquire new customers. ZeroSum is the first and only company that matches consumer demand with automotive data in real-time for elite dealer marketing efficiency. For more information, visit www.zerosum.ai.

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Want to learn more? Book your demo now.

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