

ZeroSum Market First Report

Automotive Inventory Data and Sales Forecasts

March 2022



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

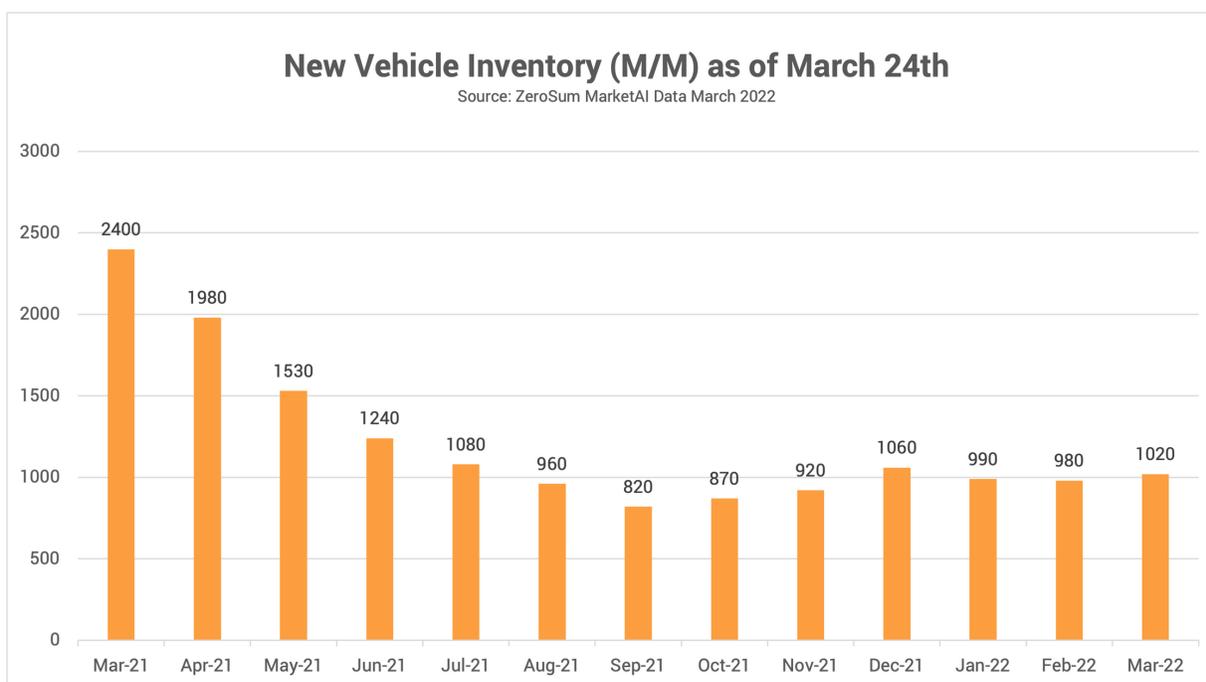
Supply chain constraints continue to contribute to inventory shortages, and as noted below, many brands found ways to increase inventory levels in March 2022. Current events in Ukraine may further constrain the supply chains of European automakers, possibly adding further constraints to those brands abilities to resupply the American market. Within the United States, a combination of high inflation, increasing fuel prices, and the prospect of rising interest rates are likely to influence consumer behavior, with shoppers likely to consider more fuel efficient or electric vehicles. Here are your key takeaways:

- Dealers with increased levels of new inventory should take advantage of their position to maximize unit sales volume and gain market share.
- Dealers with increased inventory should also look to price vehicles competitively, as consumers find more options in the market.
- Used car prices continue to climb. For dealers, this means the ability to stock and move in-demand used inventory remains a critical strategy to attract consumers and maintain overall gross.
- Additionally, with an increase in inventory-based marketing through tools like Google Vehicle Ads, dealers are now able to dynamically market their new and used inventory to in-market consumers much more efficiently, in real time.

To learn more about our insights and services, visit: <https://www.zerosum.ai/>.

NEW VEHICLES RETAIL OUTLOOK

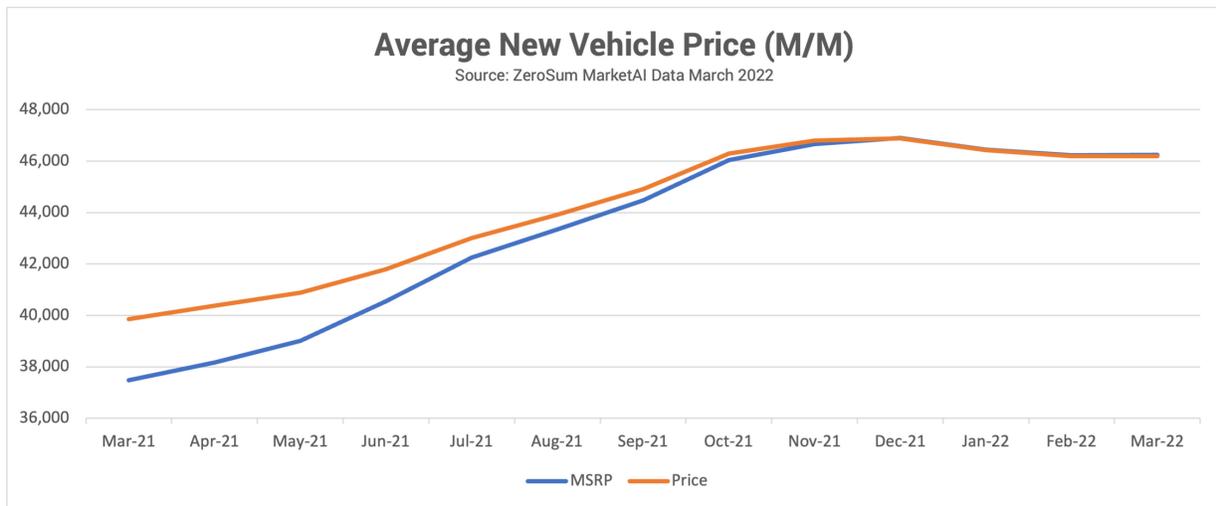
March is on track to finish with 4% more new car inventory on the ground than at start of month, marking the first time inventory levels have increased in-month in 2022. Jeep, Ford, and Buick showed the largest in month inventory increases, while Ram, Mazda, and Subaru saw the largest decreases. This increase will positively impact new vehicle retail sales in March, with overall new vehicle movement projected to increase by over 6% compared to February. Brands with increased inventory levels are also poised to leverage their strong inventory position to make market share gains in April.



Dealers with increased levels of new inventory should take advantage of their position to maximize unit sales volume and gain market share, either from competitors in-brand with weaker inventory positions, or out-of-brand competitors starting the month with fewer available units. Dealers with increased inventory should also look to price vehicles competitively, as consumers find more options in the market.

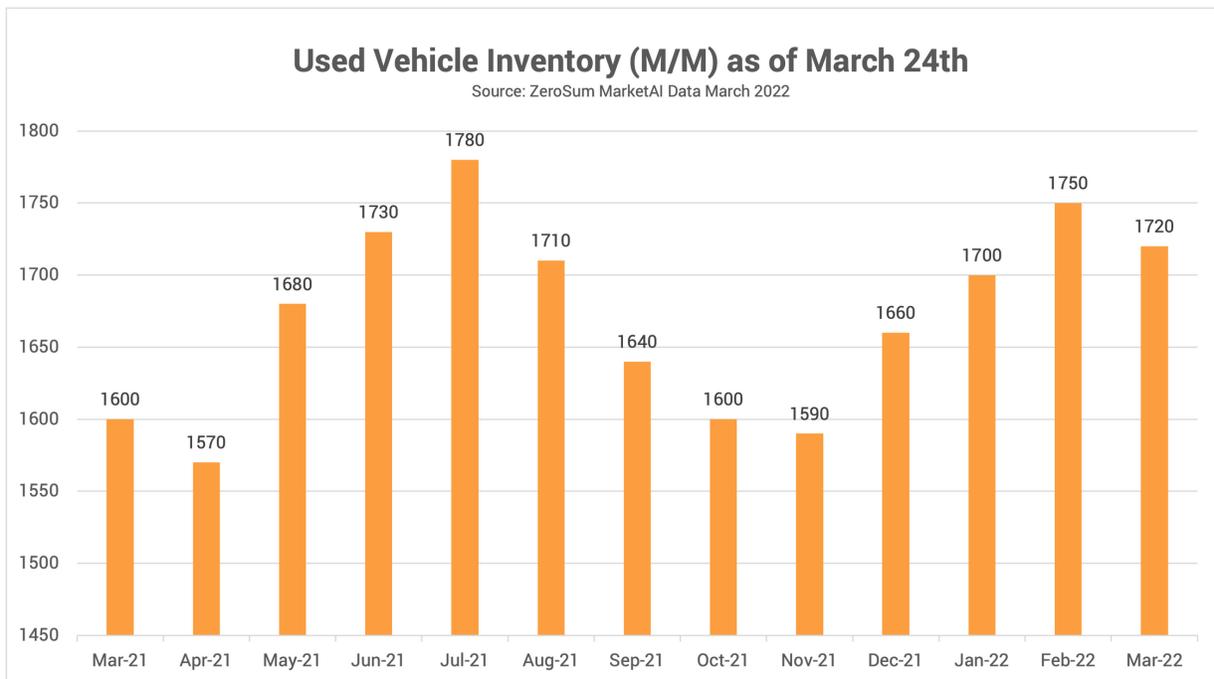
NEW VEHICLES RETAIL OUTLOOK

New vehicle prices are likely to fall slightly heading into April as a result of increased inventory levels, with prices down just over 1% since the start of the year. The gap between MSRP and Retail price remains close to zero, suggesting that dealers can continue to balance volume against gross by pricing competitively on vehicles with the strongest inventory position.



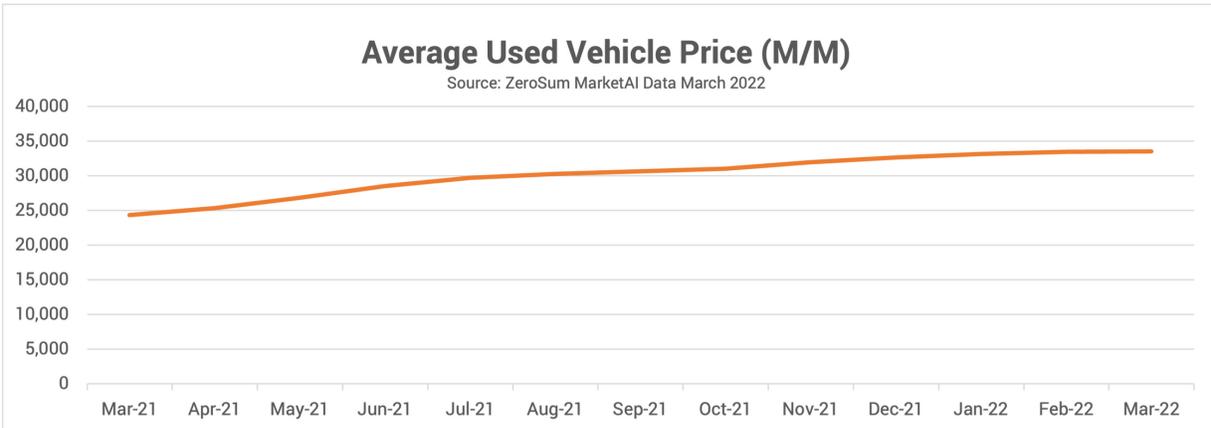
USED VEHICLES RETAIL OUTLOOK

Used inventory levels remained roughly flat throughout March, however it is remarkable to note that there are now approximately two used cars available for sale for every one new vehicle on the market. Toyota, Honda, and Nissan saw the largest in-month decreases in used inventory in March, suggesting that a shortage of new inventory for these brands is pushing consumers into used or CPO alternatives.



Used car prices continue to climb, with the average price of a used vehicles up nearly 38% year over year, following 12 consecutive months of price increases as new inventory levels have fallen. The average price of a used vehicle in March 2022 is now roughly equivalent to what the average price of a new vehicle was in March 2021.

USED VEHICLES RETAIL OUTLOOK



For dealers, this means the ability to stock and move in-demand used inventory remains a critical strategy to attract consumers and maintain overall gross. Additionally, with an increase in inventory-based marketing through tools like Google Vehicle Ads, dealers are now able to dynamically market their used (and new) inventory to in-market consumers much more efficiently, enabling dealers to re-evaluate their reliance on third party listing sites and decrease their overall marketing cost per car sold. Inventory-based marketing pulls a specific vehicle's information into an advertisement, automatically. Additionally, ads drive buyers directly to the a dealer's vehicle display page.

ABOUT ZEROSUM'S MARKET FIRST REPORT

ZeroSum's Market First Report is based on ZeroSum's retail vehicle movement and pricing indices, powered by real-time data gathered using ZeroSum's data-driven marketing platform MarketAI. The platform brings together vast amount of data, including all available light vehicle inventory in the U.S., to help improve marketing performance. MarketAI allows dealers to analyze their market in real-time, using sales conversion rates, market turn rates, days' supply, and competitive inventory.

About ZeroSum

ZeroSum is a 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 more information, visit zerosum.ai.



Contact

hello@zerosum.ai

888-580-9010

ZeroSum

99 Monroe Ave. NW, Suite 200

Grand Rapids, MI 49503