

# STATE *of the* DEALER

REPORT

**Automotive  
Supply and  
Demand Shifting  
from Recovery  
Mode to Stability**

Inventory Picture  
Plateauing, Movement  
Dynamics Pointing to a  
New and Healthy  
Normal



ZeroSum's April highlights point to a stabilizing supply and demand picture, representing what is shaping up to be a new and healthy normal. These two sides of the equation appear to be moving towards a relatively stable and foundational equilibrium that dealers can plan against.

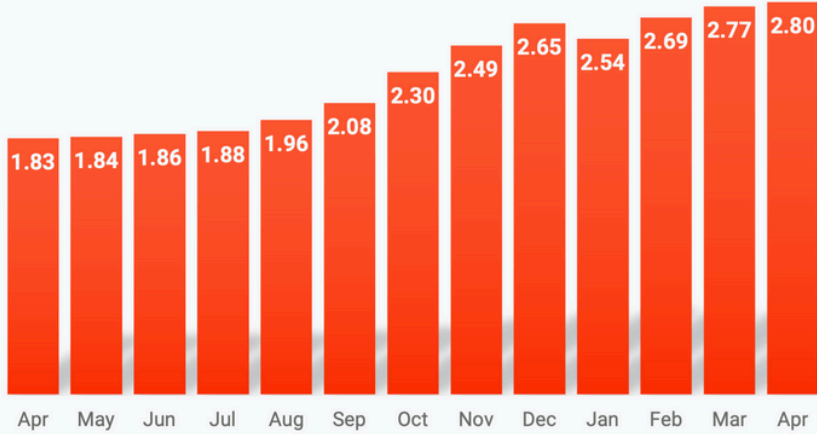
On the new vehicle side, it is true that turn rates are down and days-to-move are up compared to a year ago. But overall, those shifts were inevitable given the increase in inventory. More recent trends pointing to a near-full supply recovery and a stabilizing demand picture can be favorably compared to what was normal prior to the pandemic (~30% turn rates and 90 days-to-move).

In the used and certified segments, recent trends are pointing to stable supply and increasing demand, leading to healthier turn rate and days-to-move dynamics.

Overall, it does appear that the automotive industry is shifting from recovery mode to that new normal. And in doing so, it is landing in a spot that represents a more stable, predictable, and workable place for dealers to compete.

The State of the Dealer report strives to answer the question of whether it is going to get harder or easier for dealers to sell a vehicle in the next 30 days. At least in the short term, the answer appears to be "about the same" as last month.

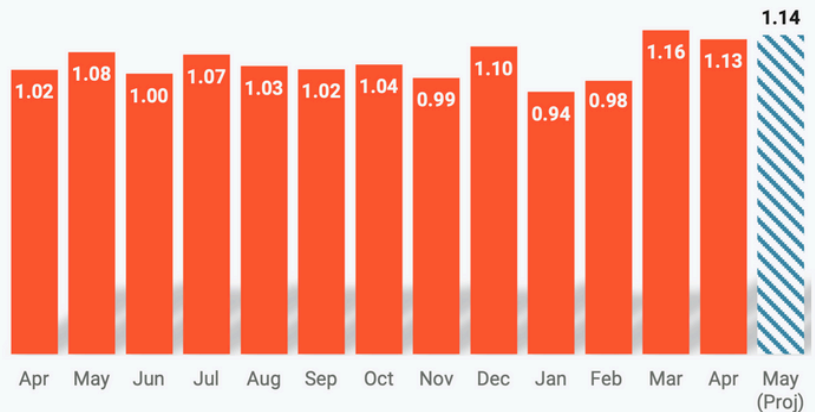
### Average Inventory - New (MM)



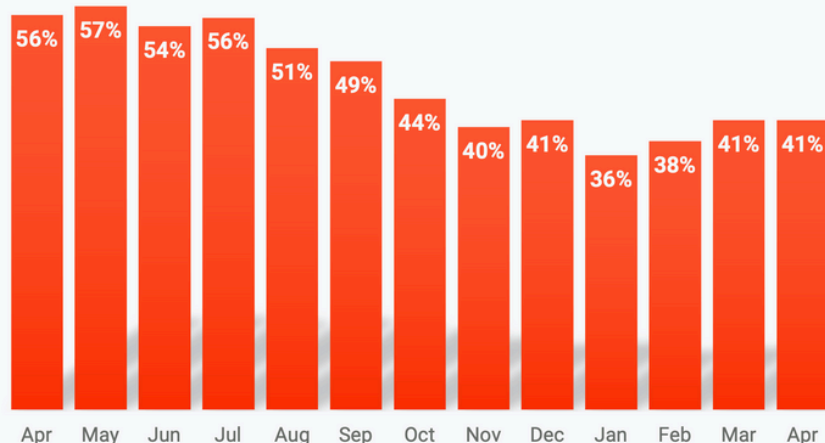
The pace of inventory growth is slowing, with a **1% MoM** increase in April. It has long been expected that new vehicle supply would recover but not reach pre-pandemic levels (~3.3M), and it appears that this recent plateau is approaching somewhere near full market recovery.

Vehicle movement, meanwhile, largely kept its gains from the previous month and is expected to maintain that level in May. Higher incentives, which have generally accompanied the increase in supply, are providing a boost to shoppers. Tax refunds, which historically spur vehicle sales in March and April, are helping as well.

### Vehicle Movement - New (MM)



### Turn Rate (New)

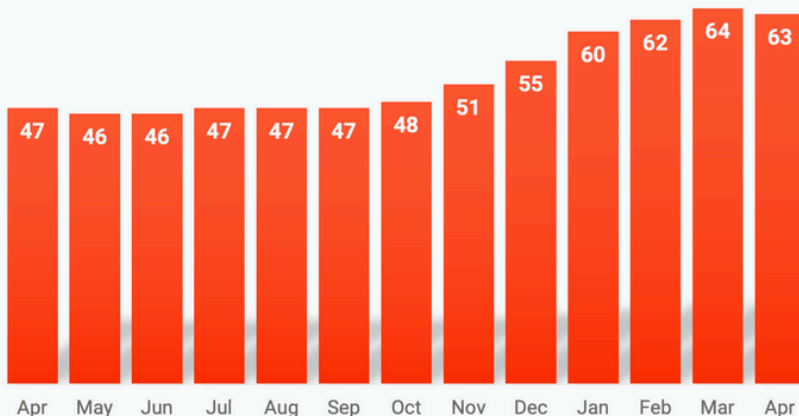


These supply and demand dynamics are also contributing to a leveling of turn rate and days-to-move metrics, with the former flat MoM at **41%** and the latter in the low 60s for the fourth straight month.

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Marketed prices have also been within a relatively narrow range since November.

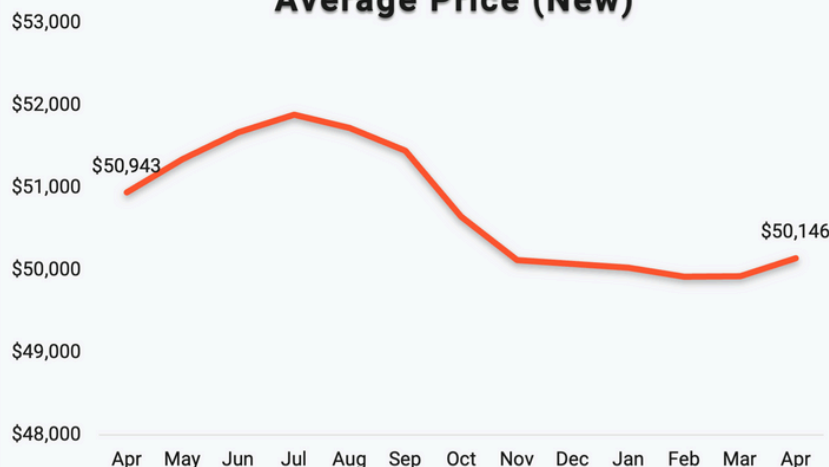
### Days-to-Move (New)



### OVERALL ASSESSMENT - NEW

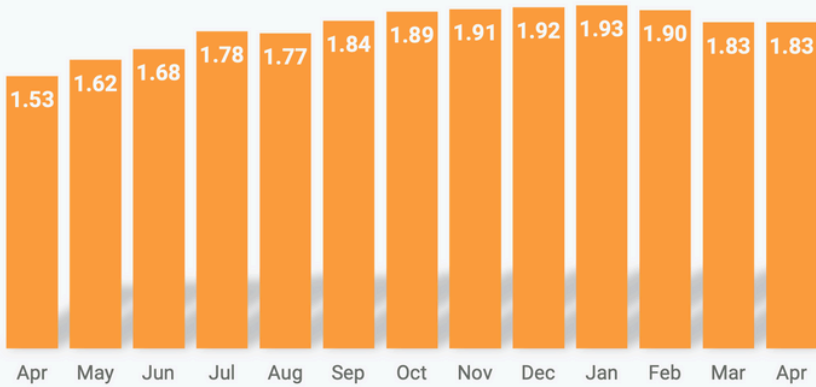
"It certainly looks like we are arriving at a new and healthy normal, with supply and demand in a viable equilibrium situation going forward," said Jeff Englishmen, Vice President of Dealer Success at ZeroSum. "If this continues, it provides a foundational set of dynamics for dealers to plan against and deal with."

### Average Price (New)



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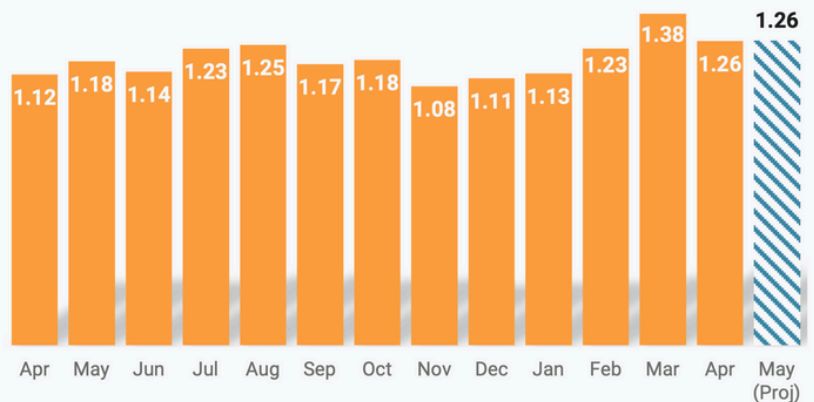
### Average Inventory - Used (MM)



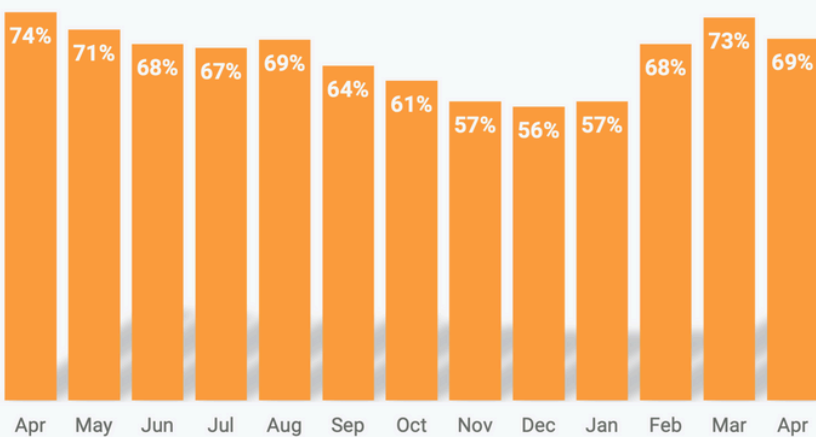
Used vehicle inventories remained flat in the current month.

Vehicle movement retreated from a strong March but held onto gains compared to the end of 2023. The May movement forecast points to a similar outcome.

### Vehicle Movement - Used (MM)



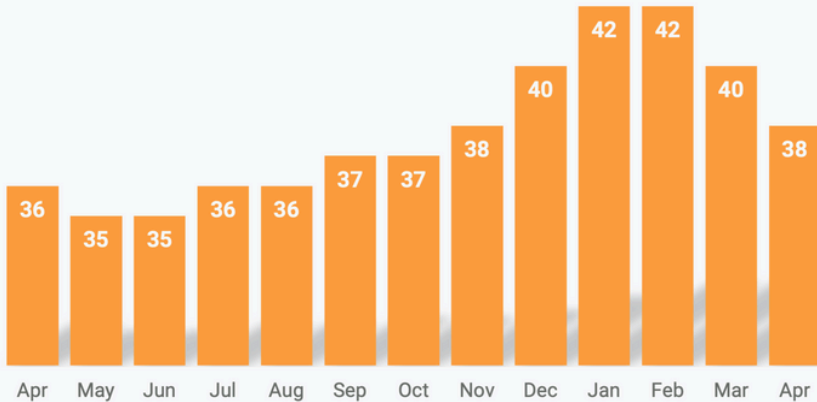
### Turn Rate (Used)



Underlying diagnostic metrics point to a positive trend, with **elevated turn rates** ...

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### Days-to-Move (Used)



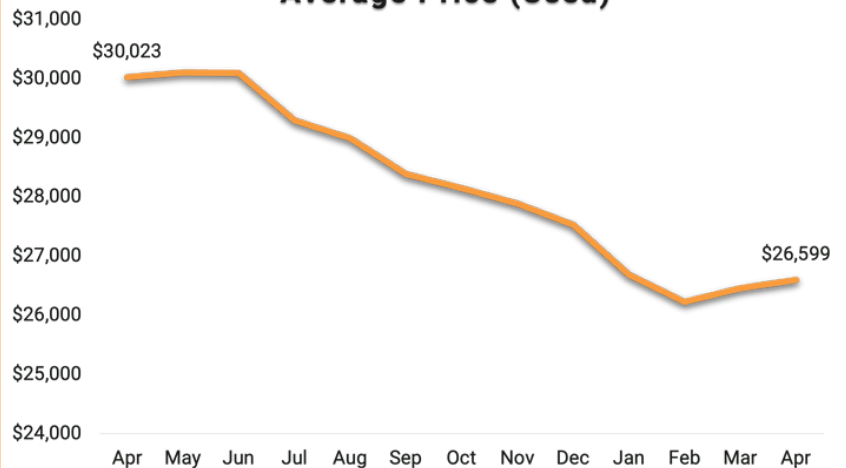
...and a **shortened days-to-move** picture

Pricing has ticked up slightly since February but remains in a relatively narrow range.

### Overall Assessment - Used

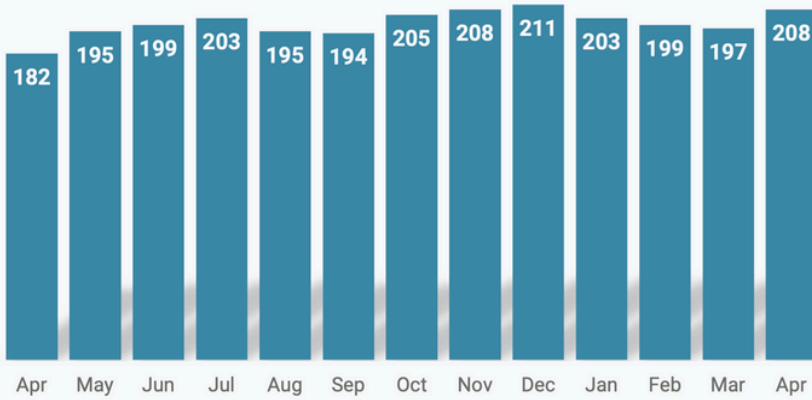
"The monthly movement decline from March to April is to be expected, with used sales more directly affected by tax refunds than new ones," said Englishmen. "But generally speaking, the used vehicle trajectory is starting to stabilize in a pretty healthy way."

### Average Price (Used)



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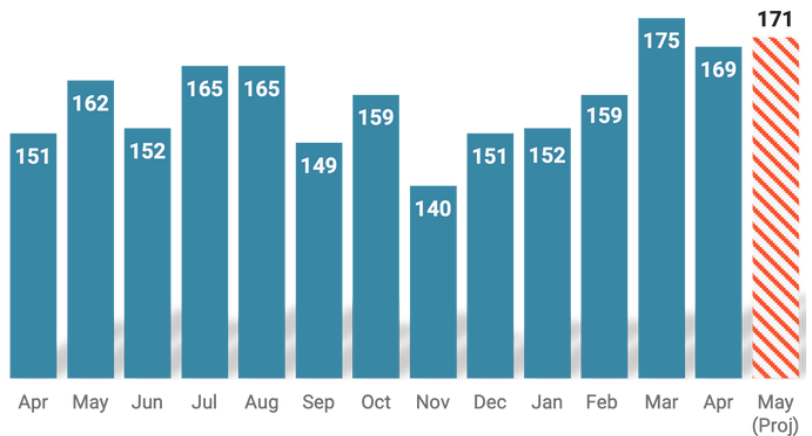
### Average Inventory - Certified (000s)



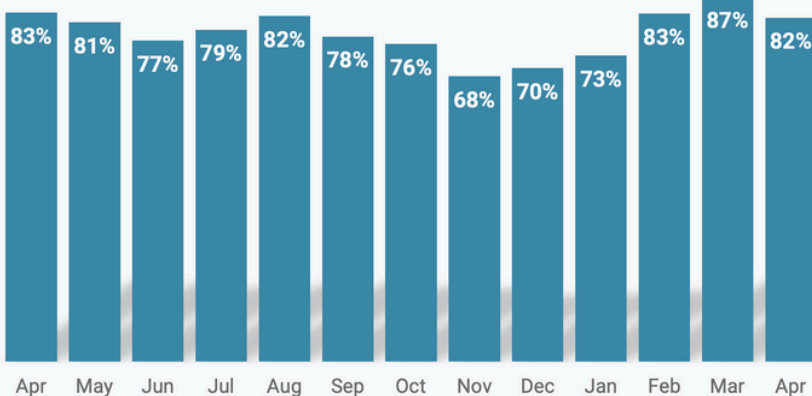
In the certified car segment, **inventory increased** after two months of decline but remained relatively range bound compared to the past year.

Vehicle movement kept most of its March gains in the current month and is expected to do the same in May.

### Vehicle Movement - Certified (000s)

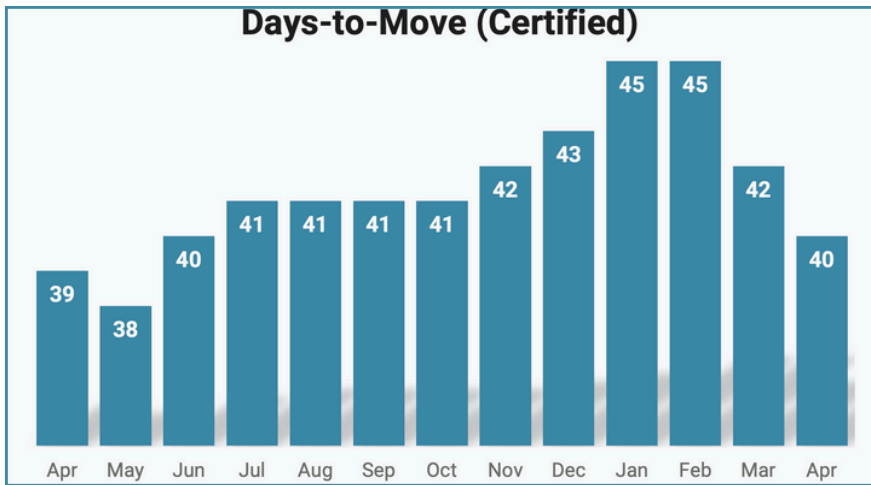


### Turn Rate (Certified)



Like used cars, turn rate points in a positive direction, above **80%** for the third consecutive month...

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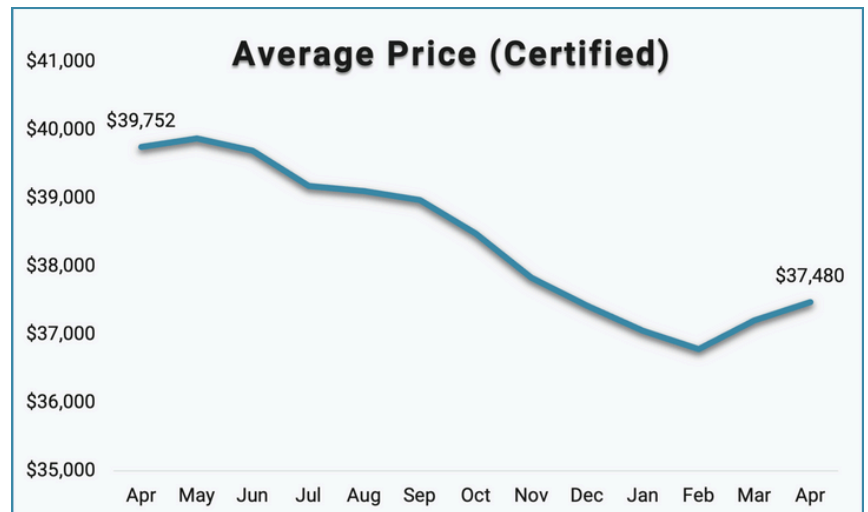


...and days-to-move dropped to its lowest level since June 2023.

Pricing also ticked up for the second straight month, though it remains **below the levels** seen throughout most of the past year.

### OVERALL ASSESSMENT-CERTIFIED

Certified vehicles are following the same pattern as the used car market, with strong movement growth, a surge in turn rates, and declining days-to-move.



# ABOUT ZEROSUM'S STATE OF THE DEALER REPORT

The ZeroSum State of the Dealer Report is the first and premier data source for the new, used, and certified pre-owned automotive market. ZeroSum serves as a crucial resource for automotive dealers, offering indispensable data on supply and demand trends and delivering unprecedented insights on inventory and 30-day forecasts on vehicle movement. State of the Dealer answers the question that all automotive dealers are wondering: "Is it going to be harder or easier to sell a car next month?"

## About ZeroSum

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](http://www.zerosum.ai).

Want to learn more? Book your demo now.

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