


ZeroSum Market First Report

# Automotive Inventory Data and Sales Forecasts

March 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

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By the end of March, new vehicle inventory is expected to rise about 6.9% while used vehicle inventory will fall another 1.1%. At the same time, new vehicle prices are now up over \$10,000 from this time last year while used vehicle prices are at their lowest level since August 2021.

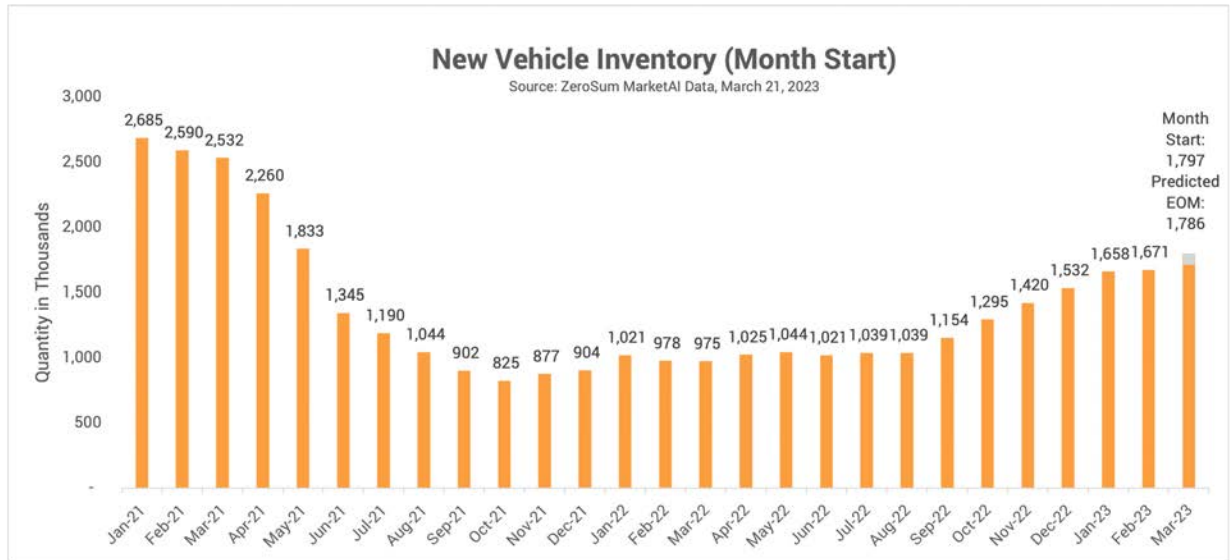
As new vehicle prices rise, interest rates are also increasing. According to [Experian](#), by the end of 2022, outstanding loan balances were up over 8.5% compared to 2021. Although high prices and interest rates make it more difficult for consumers to buy new cars, demand has remained high, especially in the EV market.

## Here are your key takeaways:

Inventory is increasing in both the new and used car markets as new car prices reach new highs and used car prices decline. **Right now, dealers must work to maximize profit on both sides.**

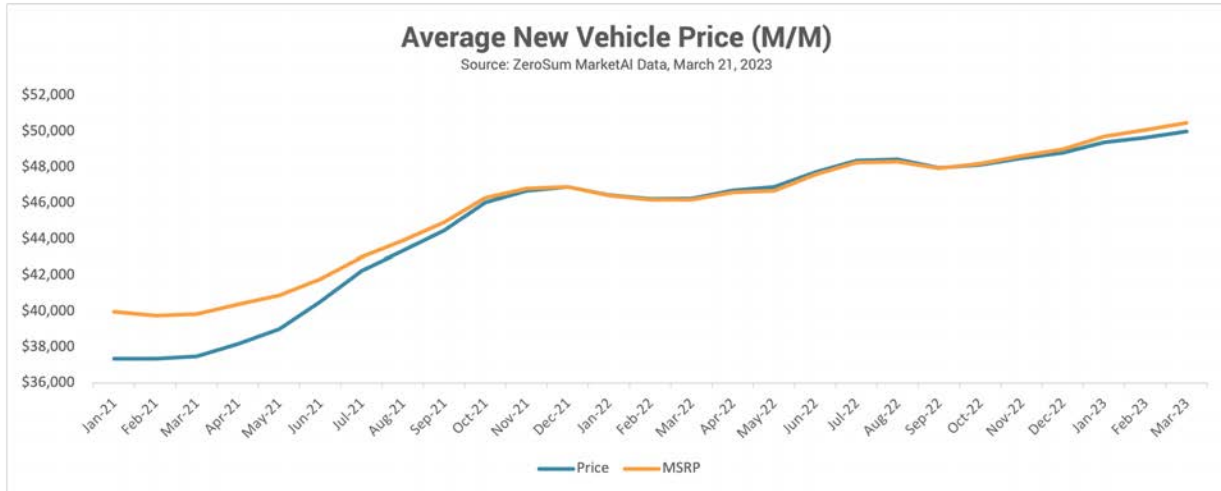
1. **Capitalize on momentum in the new vehicle market.** Use the influx of inventory to turn your new car sales into a profit center.
2. **Turn used cars quickly.** Avoid losing profit by selling your used inventory as quickly as possible while used car prices decline.
3. **Keep your eyes on the EV prize.** As both supply and demand increase, add to your bottom line by selling more electric cars.

# NEW VEHICLES RETAIL OUTLOOK



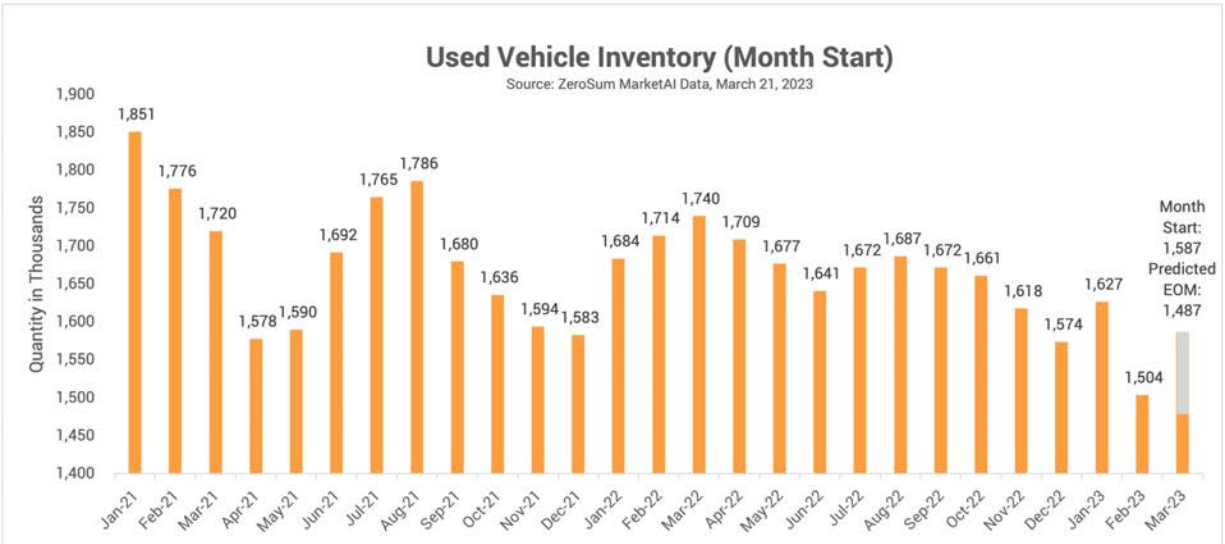
After increasing just under 1% last month, in March, new vehicle inventory rose 7.53% to nearly 1.8 million vehicles. This is an 84% increase from this time last year and the seventh consecutive month that inventory has increased. By the end of the month, ZeroSum expects new car inventory to sit at 1,785,855 vehicles. **For dealers, the opportunity to shift their profit center towards new cars still exists.**

# NEW VEHICLES RETAIL OUTLOOK



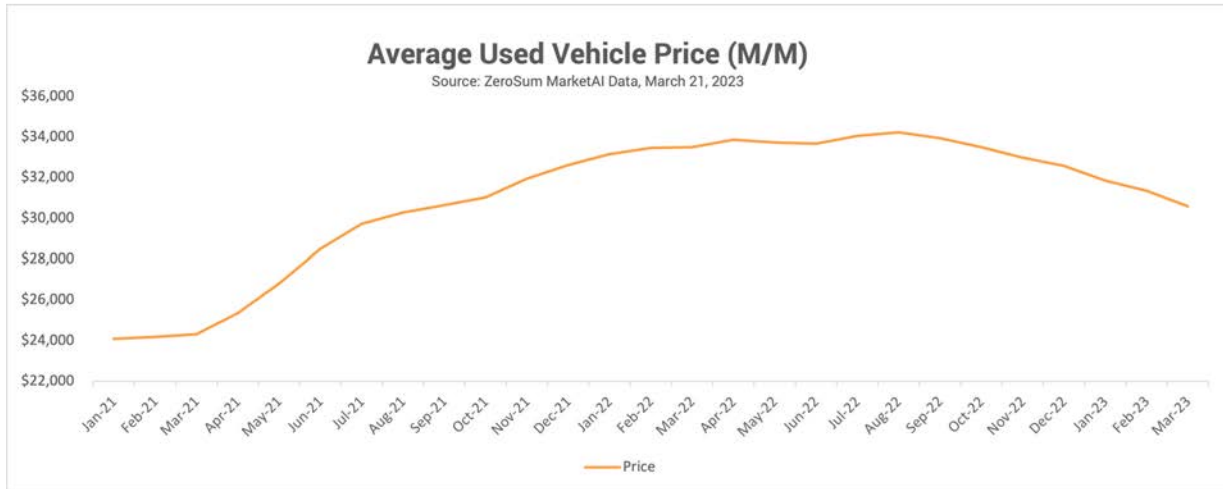
For the sixth straight month, the average new vehicle price has increased, up 0.69% in March to \$49,998. This is over ten thousand dollars more expensive than in March of 2022. MSRP has been increasing more rapidly than average prices with average price now \$473 below MSRP. **This pricing gap indicates that dealers may have some more wiggle room in negotiations with car buyers.**

# USED VEHICLES RETAIL OUTLOOK



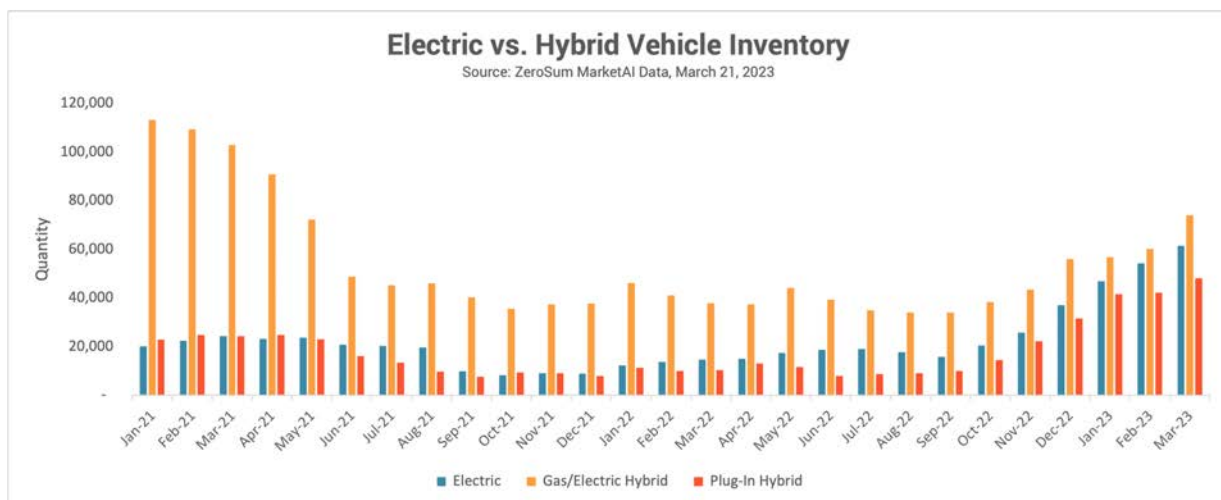
For the last four months, used vehicle inventory has been alternating between increasing and decreasing. After falling dramatically in February, this month, used vehicle inventory is up 5.52%. However, by the end of March, ZeroSum predicts it will fall some to about 1,486,652 vehicles. **The influx of used inventory presents an opportunity for dealers to acquire and sell more used cars as it suits their business needs.**

# USED VEHICLES RETAIL OUTLOOK



March is the seventh month in a row that the average used vehicle price has fallen, now down to \$30,591. Prices have not been this low since August of 2021. **For this reason, it remains crucial that used car dealers turn their inventory very quickly to avoid lost profits.**

# EV RETAIL OUTLOOK



According to Benchmark Minerals, the price of essential car battery component Lithium has fallen about 18% since January. This has made it possible for electric automakers to lower prices. After experiencing a demand boost from price cuts earlier in the year, Tesla cut prices again in March, lowering them by another 4-9%. Over time, other automakers will have to decrease their prices to remain competitive which will spur even more demand in the EV market.

In March, overall electric and hybrid vehicle inventory increased the most it has all year, rising 17.13%. Most of this growth came from gas/electric hybrid inventory (22.89%), followed by plug-in hybrid (13.74%) and pure electric (13.38%). Electric/hybrid vehicle inventory is now up nearly 50% since December 2022.

# 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.

Want to learn more? Book your demo now.

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## Contact

hello@zerosum.ai  
888-580-9010

ZeroSum  
99 Monroe Ave. NW, Suite 200  
Grand Rapids, MI 49503