

# STATE *of the* DEALER

JULY

## New Car Inventory Ticks Up, Demand Remains Static

Marketed Pricing Discounts  
Increase by \$1,000 Year-  
Over-Year



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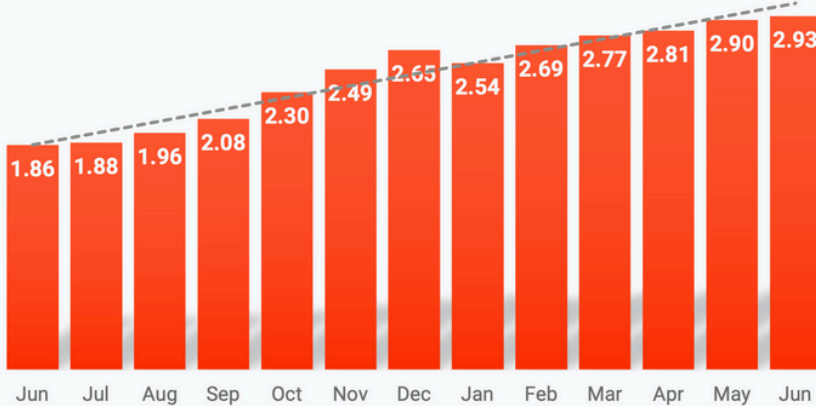
The automotive marketplace is settling into a steady-to-slow-growing supply picture alongside static demand and efficiency trends. While generally pointing to a stabilization of competitive dynamics, there are factors that are in play that dealers should take note of and act upon appropriately.

In particular, the new car situation is putting pressure on pricing. Even though average marketed pricing has rebounded as of late, this is more a result of model mix shifts and early model year changeovers rather than a signal that dealers can be more aggressive in this area. The \$1,000 increase in market adjustment levels (which reflect the difference between marketed discounts vs. MSRP) on a year-over-year basis is indicative of how the balance between supply and demand is affecting competitive actions. Ensuring that inventory is visible and accessible to consumers should also be a part of a dealer's plan given these marketplace dynamics.

The State of the Dealer report strives to address the question of whether it is going to get harder or easier for dealers to sell a vehicle in the next 30 days. The near-term answer is "about the same", but there needs to be a greater focus on vehicle pricing and inventory visibility as the supply-demand balance gradually shifts.

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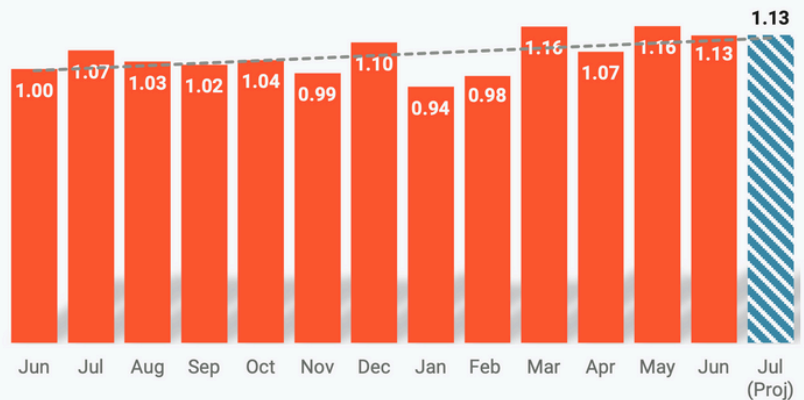
### Average Inventory - New (MM)



Inventory continues to rise slowly but steadily, and is now approaching **3.0 million**.

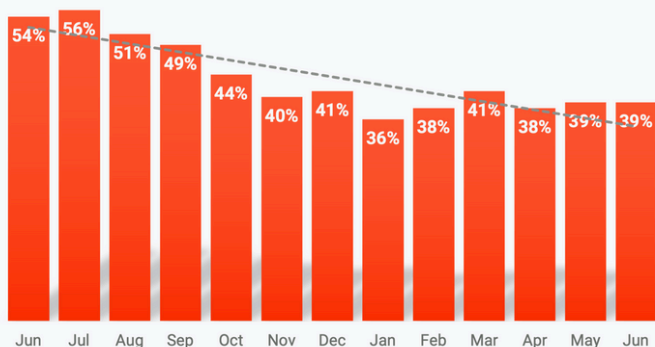
Vehicle movement is beginning to level off, with a third month of the last four falling between **1.13M** and **1.16M**. The July forecast is expected to remain in that same range.

### Vehicle Movement - New (MM)

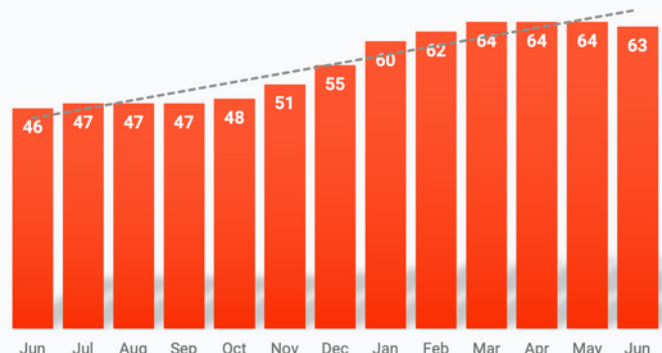


The underlying efficiency-oriented dynamics of the market have plateaued, with turn rates settling in the high 30s and days-to-move in the low 60s.

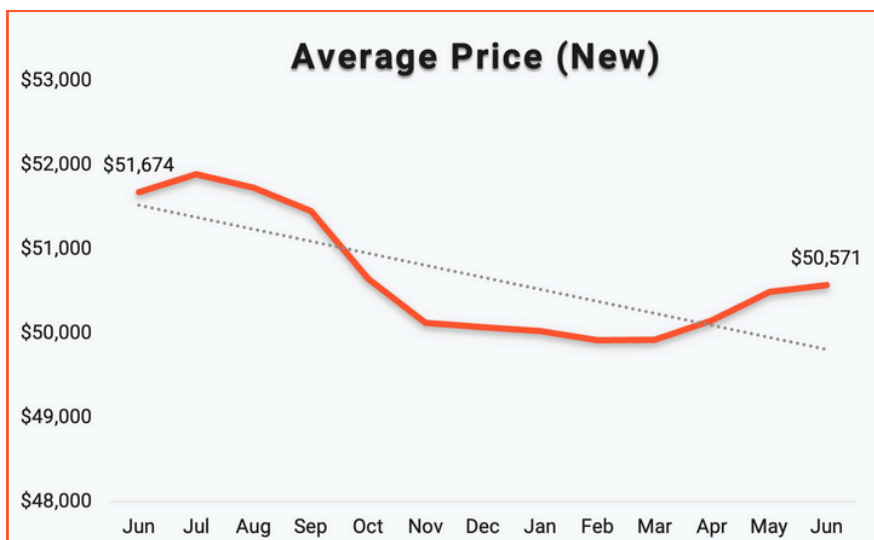
### Turn Rate (New)



### Days-to-Move (New)

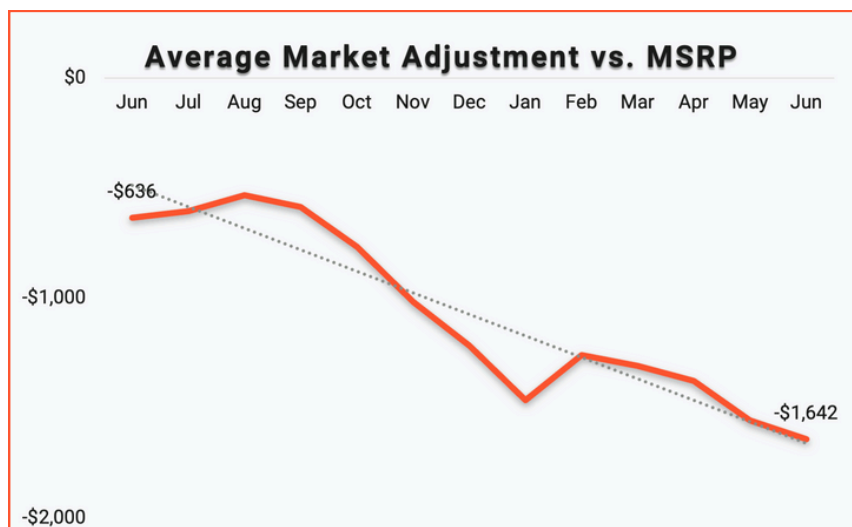


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Marketed prices continued to see a small rebound from their fall and winter declines, with a current level of \$50,571.

But market adjustment levels—which measure the marketed discount from MSRP—have increased by \$1,000 over the course of the past year.



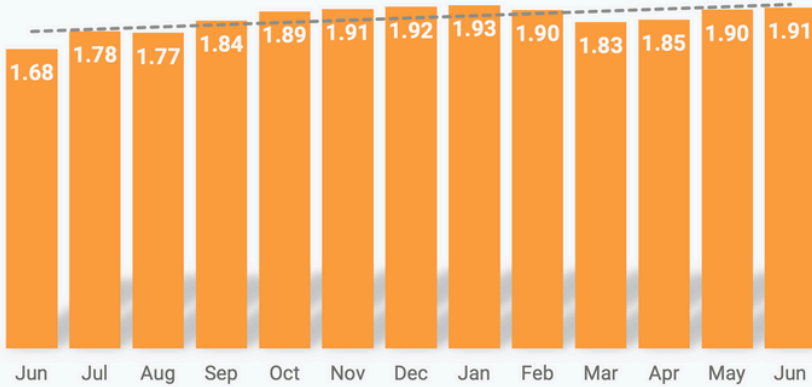
### OVERALL ASSESSMENT - NEW

“Even though inventory growth is slowing, it is still ticking up; couple that with the flat movement and turn rate picture and there will be a bit more pressure on dealers,” said Jeff Englishmen, Vice President of Dealer Success at ZeroSum. “The increasing market adjustment figures point to the need for a dealer’s pricing and inventory visibility to remain competitive in order to increase the likelihood of a sale.”



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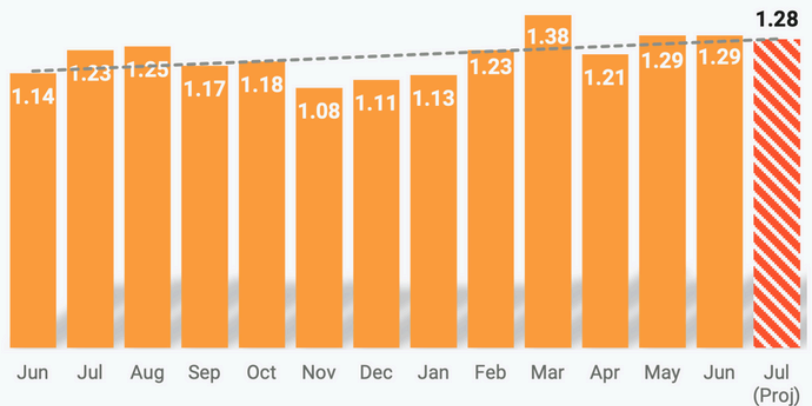
### Average Inventory - Used (MM)



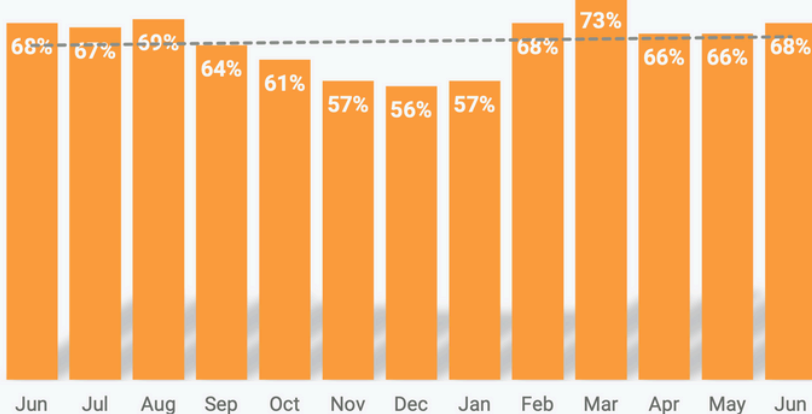
Used vehicle supply and demand remained relatively static...

...and the 30-day movement forecast points to a continuation of that trend.

### Vehicle Movement - Used (MM)



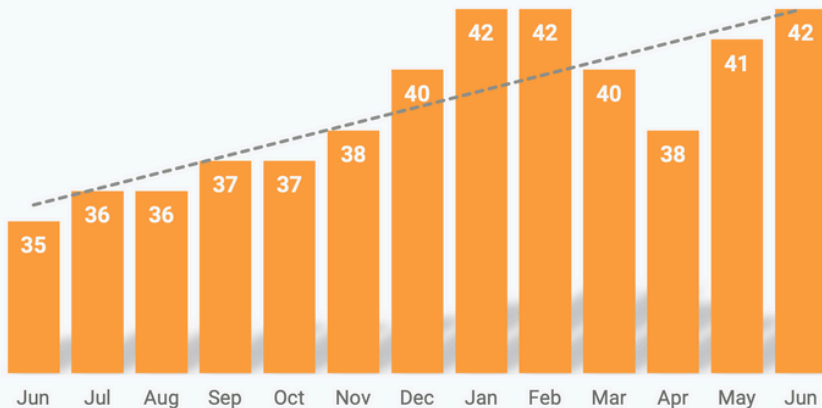
### Turn Rate (Used)



The underlying efficiency diagnostics also point to an ongoing plateau, with turn rates...

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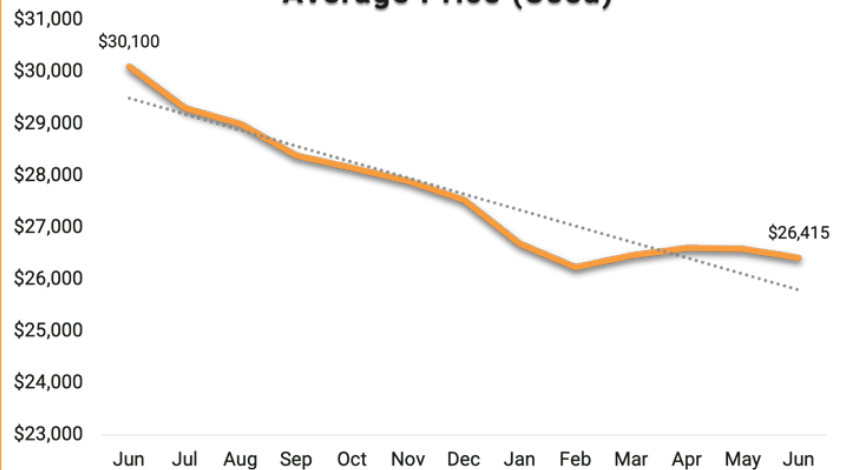
### Days-to-Move (Used)



...and days-to-move counts operating in a narrow range over the past several months.

Marketed prices, meanwhile, continue to be in the tight span that has been in place since the beginning of the year, though it is noted that those levels are well below the **\$30,000** mark that was seen a year ago.

### Average Price (Used)

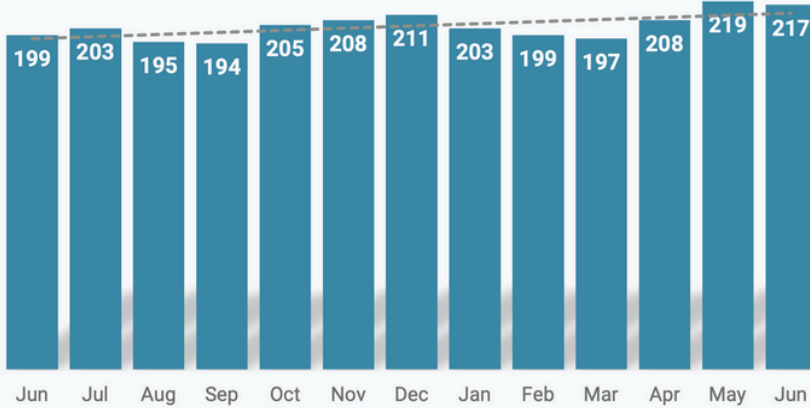


### Overall Assessment - Used

"The stable scenario in the used market helps dealers plan their sales strategies," said Englishmen. "Dynamics in this sector remain competitive, indicating that pricing and marketing should continue to be a prominent focus in order to attract consumers and close deals."

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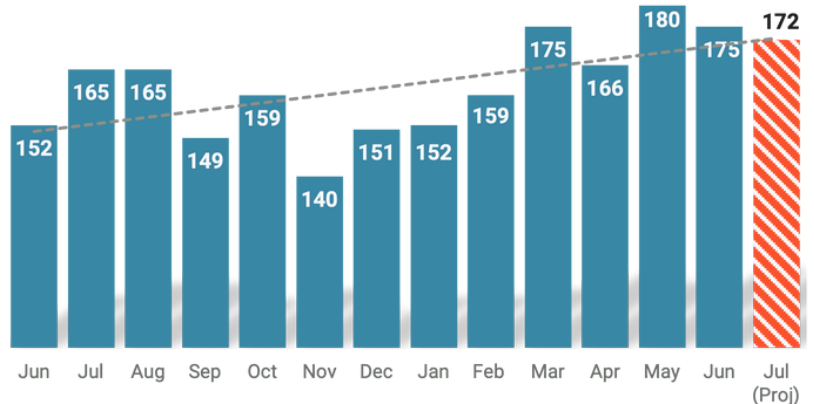
### Average Inventory - Certified (000s)



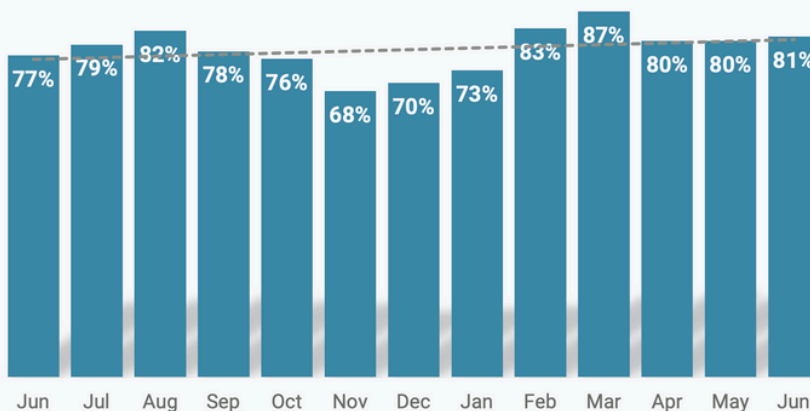
In the certified car segment, inventory levels in June were similar to those seen in the prior month.

Vehicle movement dropped off slightly from the recent May high but remained in a relatively narrow range. **The July forecast points to another small drop off**, but also stays close to the levels seen in the past four months.

### Vehicle Movement - Certified (000s)

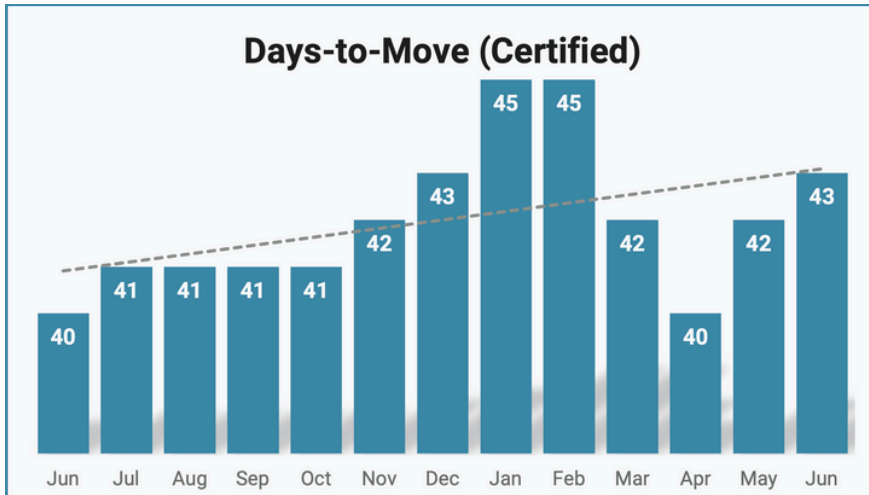


### Turn Rate (Certified)



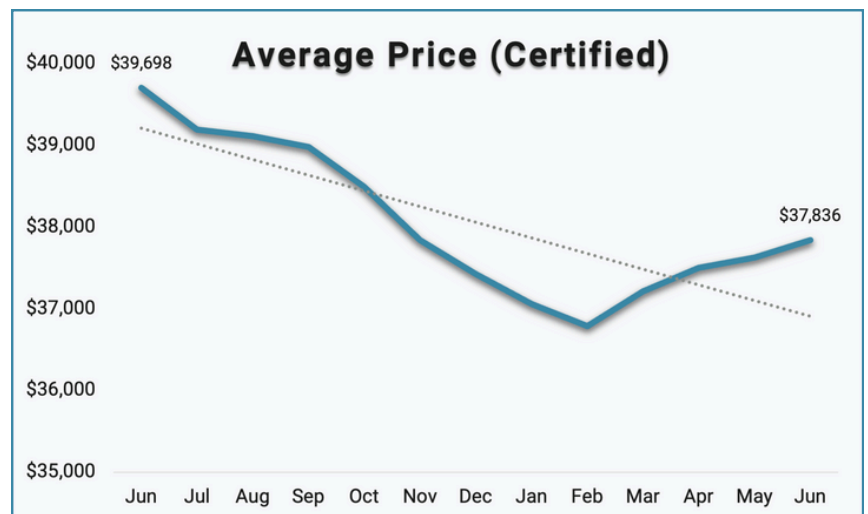
Certified turn rates remained above **80%** for the fifth consecutive month...

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...while days-to-move continued to be in the low **40s**.

Marketed pricing **rose for the fourth straight month**, coinciding with a recent rebound in new vehicle pricing.



### OVERALL ASSESSMENT-CERTIFIED

The certified space, like other sectors in the market, is operating in a relatively narrow range, providing predictability to dealers who are actively promoting these vehicles.



# 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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