

# STATE *of the* DEALER

REPORT

**Automotive  
Demand  
Rebounds  
After January's  
Seasonal Slide**

Used and Certified Vehicle  
Movement Growth Outpaces  
New as Price Gaps Widen



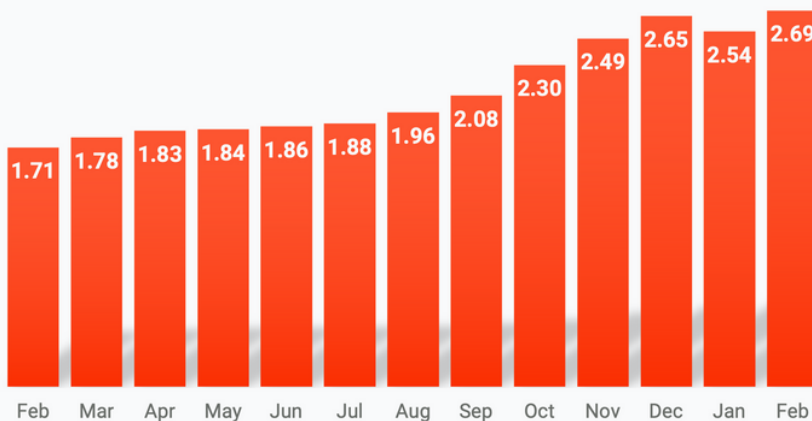
ZeroSum's February data highlights the expected rebound in new vehicle supply and overall movement after January's seasonal slide, which typically occurs after end-of-year deals and model-year changeovers run their course. But there is also an emerging dynamic in which used and certified movement is accelerating faster than new. Pricing declines in those sectors are outpacing a slower drop in new values, which may be pushing consumers to be open to a broader set of choices as that gap widens. Dealers should be conscious of the interrelated nature of new and used trends and trajectories to maximize their opportunities.



## NEW CARS

MARCH 2024

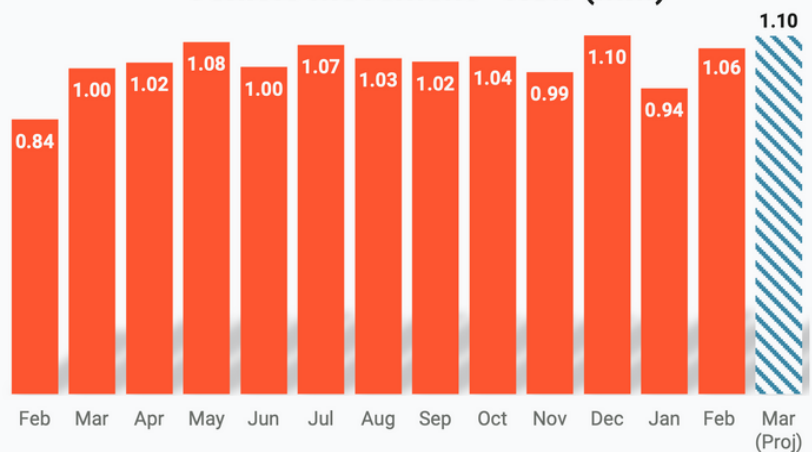
Average Inventory - New (MM)



After a seasonal beginning-of-the-year dip in new vehicle supply in January, inventories resumed their climb in February. The current month's level surpassed December's count, indicating that **the industry is back on the ongoing growth trajectory that played out in 2023.**

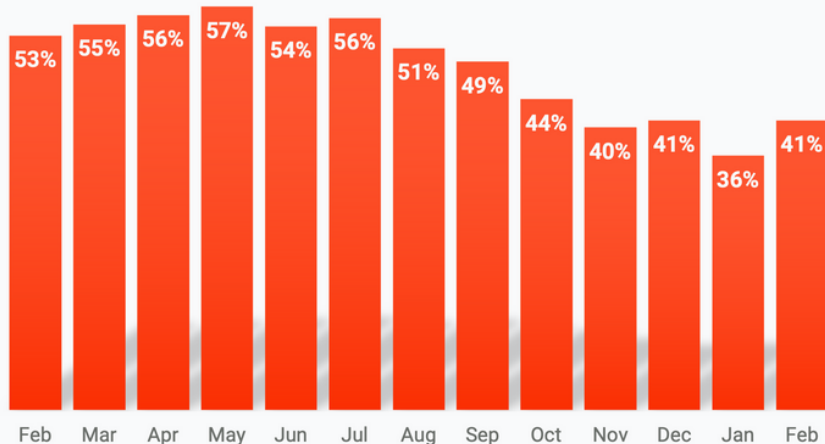
Vehicle movement also saw a jump in February after January's cyclical decline, rising 13% on a MoM basis. ZeroSum's 30-day forecast for **March points to additional growth, with an expected rise to 1.10M—equal to the highest level seen in the previous year.** ZeroSum notes that hitting that mark would still keep this metric in the past year's relatively narrow range, albeit at the higher end of it.

Vehicle Movement - New (MM)



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### Turn Rate (New)

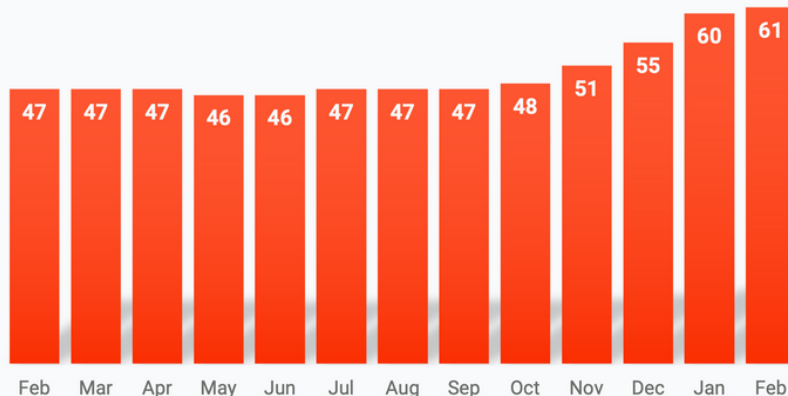


The upturn in February vehicle movement resulted in a five-point increase in turn rate after a drop of the same size last month. **It is noted that this metric remains in a lower range after being in the 50s for the first eight months of last year.**

Days-to-move trends reinforce this dynamic, staying elevated at 61 days after a run in the 40s for most of the prior year.

Lastly, average pricing continued to drop, falling below the \$50,000 barrier for the first time in more than a year.

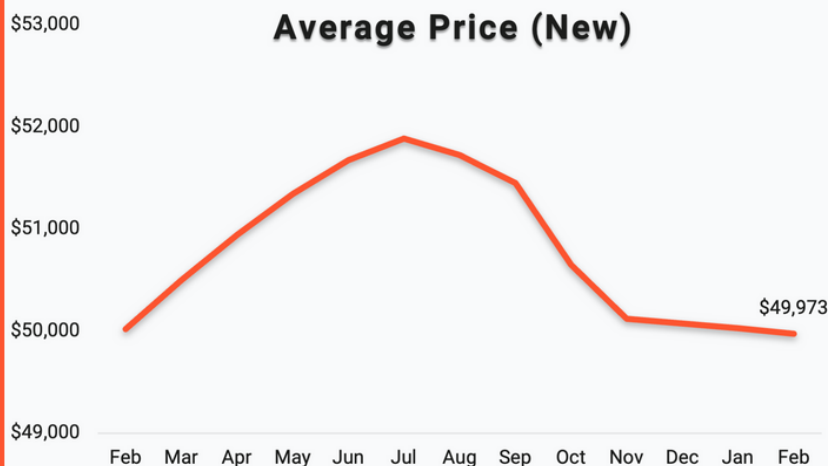
### Days-to-Move (New)



### OVERALL ASSESSMENT - NEW

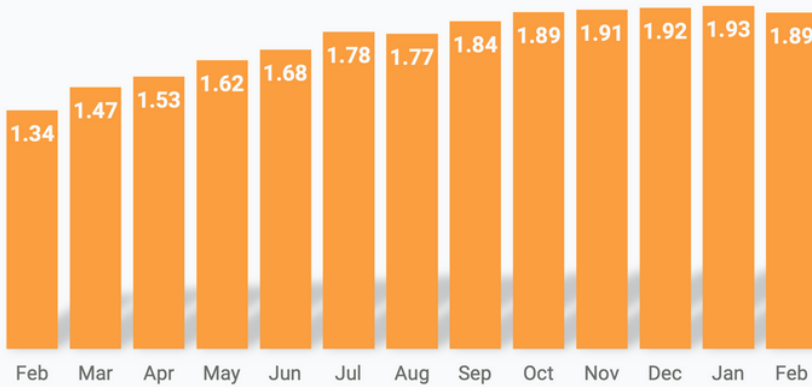
"After last month's beginning-of-the-year break, we expected that February would get us back on a growth track and that's exactly what happened", said Jeff Englishmen, Vice President of Dealer Success at ZeroSum. "But increasing inventories continue to point to cautionary signals in the form of turn rates and days-to-move, meaning that dealers are still facing a more challenging environment to sell those vehicles."

### Average Price (New)



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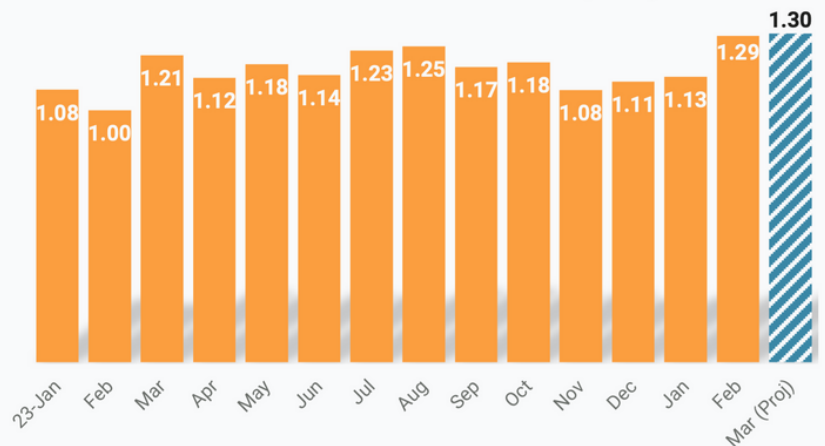
### Average Inventory - Used (MM)



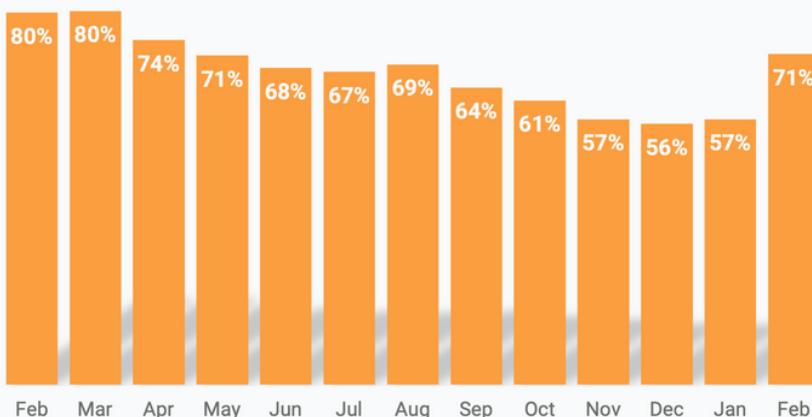
In the used car market, February inventories took a small dip as dealers moved 1.29M vehicles—the most since August 2021.

The sharp increase in movement is expected to tick up **slightly to 1.30M in March** based on ZeroSum's 30-day forecast.

### Vehicle Movement - Used (MM)



### Turn Rate (Used)

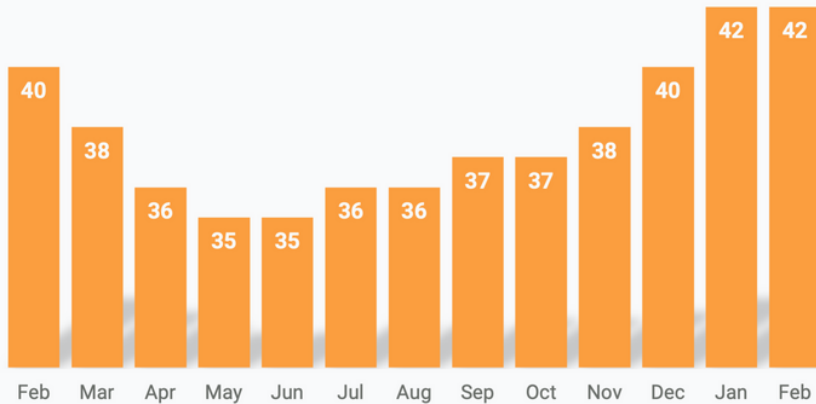


These supply and demand dynamics had a significant impact on turn rates, jumping from 57% in January to 71% in the current month.



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Days-to-Move (Used)



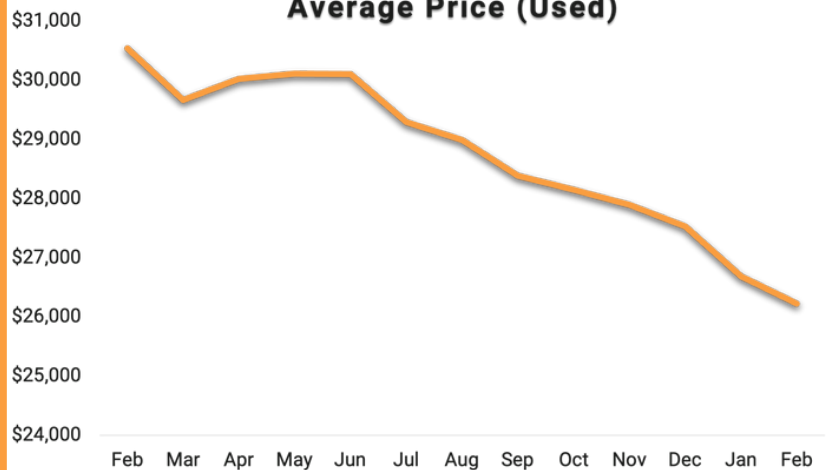
February Days-to-move stayed somewhat elevated at 42 days, same as the previous month.

A key factor appears to be used vehicle pricing, with that metric continuing its precipitous fall and down for the eight month. **After hitting an average of \$30,000 in the first half of 2023, marketed values have dropped by more than \$3,800.**

### Overall Assessment - Used

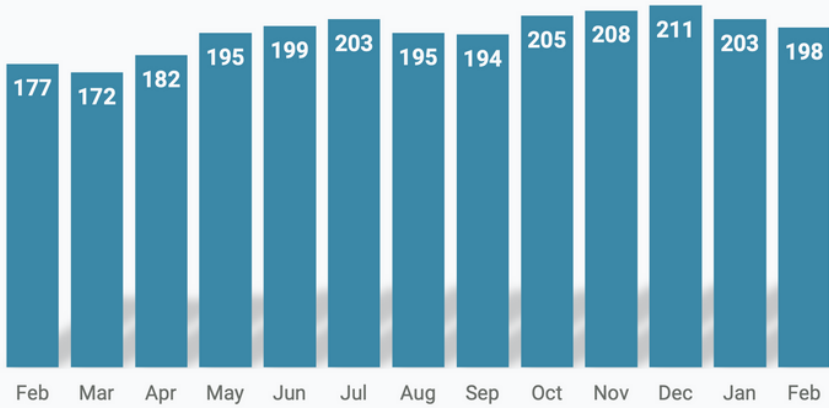
"The sustained pressure on pricing appears to be affecting movement of not only used vehicles but new vehicles as well," said Englishmen. "The slower decline in new vehicle pricing is widening the gap between the two, which can cause consumers to consider their options carefully."

Average Price (Used)



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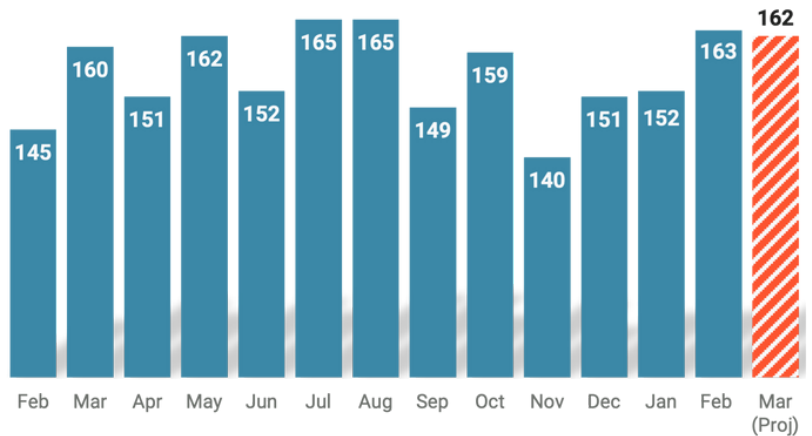
### Average Inventory - Certified (000s)



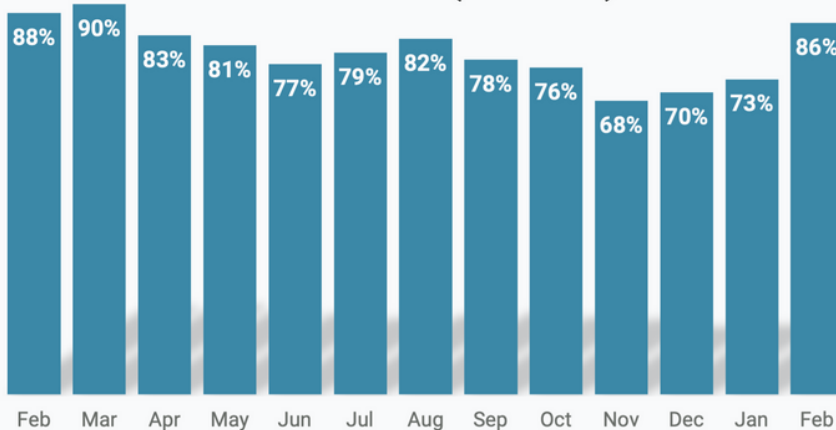
In the certified car segment, inventory dipped below 200K for the first time in five months.

The change in inventory was driven by a strong rebound in vehicle movement compared to the past quarter. **This higher level is expected to continue in March, according to ZeroSum's March forecast.**

### Vehicle Movement - Certified (000s)

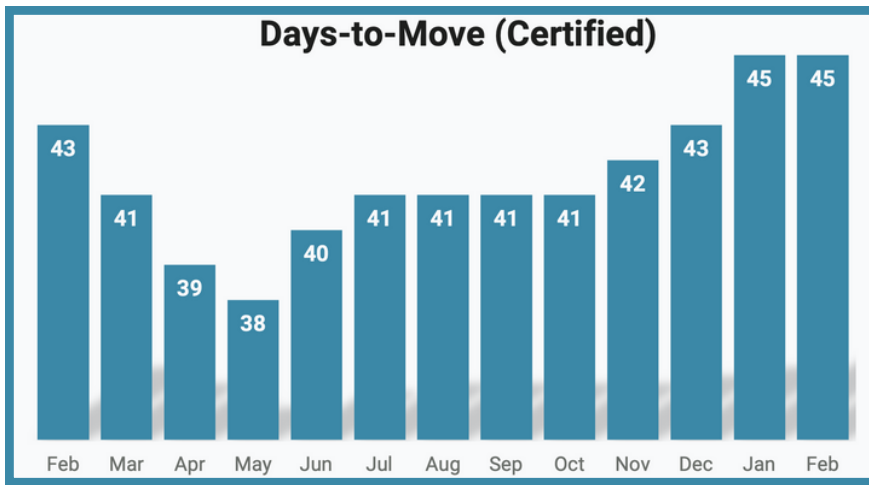


### Turn Rate (Certified)



Certified turn rates have jumped to their highest level since March 2023.

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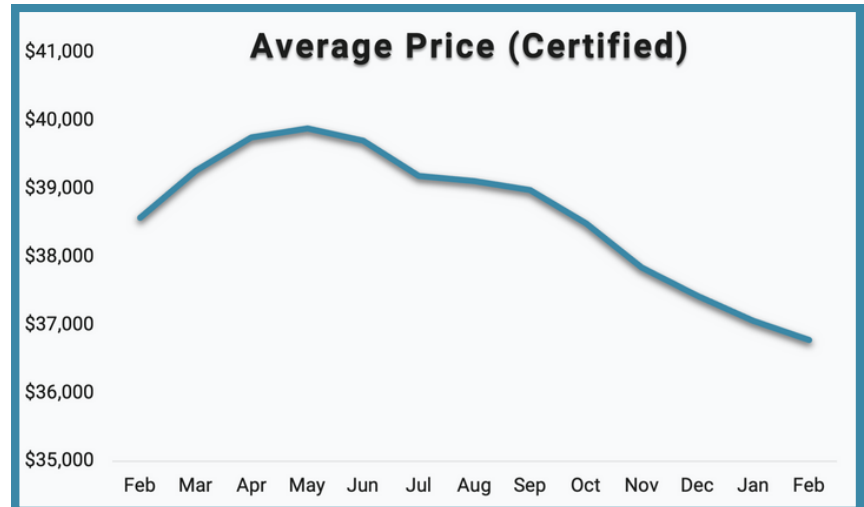


Certified days-to-move stayed high, relative to the past year

Like used vehicle pricing, certified marketed values continued to decline, **dropping more than \$3,000 since highs seen in May**

### OVERALL ASSESSMENT-CERTIFIED

As with the used car market, certified movement is accelerating faster than new, helped by the widening gap in pricing versus new 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.

ONLINE DEMO



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