



## TrueCar's ALG Forecasts New Car Average Transaction Price to Increase 2.6% Year over Year for October 2019

November 1, 2019

### Automakers Expected to Reach \$47B in Revenue, Up 1.5% Year Over Year

SANTA MONICA, Calif., Nov. 01, 2019 (GLOBE NEWSWIRE) -- [ALG](#), a subsidiary of [TrueCar](#), and the industry benchmark for determining the future resale value of a vehicle, projects average transaction prices (ATP) to be up 2.6% from a year ago and 0.2% from September 2019 to reach \$35,239.



ALG, a subsidiary of TrueCar

"With the economy remaining resilient, consumers have not been afraid to opt into premium trims and luxury models leading to higher average transaction prices," said Oliver Strauss, Chief Economist at ALG, a subsidiary of TrueCar. "With incentives up year-over-year, consumers are getting some help to offset the higher transaction prices."

#### Additional Insights: (Forecast by ALG)

- Honda and Nissan are the only automakers expected to be down on ATP year over year, 2.9% and 1.1%, respectively. Meanwhile BMW is expected to be up 7.1%.
- ALG projects that U.S. revenue from new vehicle sales will reach \$47 billion for the month of October 2019, up 1.5% or \$717 million from a year ago and 5.5% from last month.
- The ratio of incentive spend to ATP is expected to be 10.7%, up 2% from a year ago but down 5.4% from September 2019.
- In ALG's Retail Health Index (RHI), which measures automaker brand health, Hyundai and Kia stood out for mainstream brands and BMW and Mercedes stood out for luxury brands due to a mix of strong retail sales and lower incentive spend utilized to drive retail volume.

"The broader shift in consumer preference from cars to SUVs is leading to a notable spike in BMW's average transaction price, fueled by exciting new or redesigned SUV products in the X5 and X7," said Eric Lyman, Chief Industry Analyst at ALG, a subsidiary of TrueCar. "BMW's strong Retail Health Index performance shows the brand is holding steady with consumers and that they've been able to drive volume at higher price points, all while lowering incentives."

Added Lyman, "We expect Honda's drop in average transaction price to be due to an increase in retail share for the Civic, which overtook the Accord as Honda's best-selling sedan over the last few years and continues to capture share made available by competitors in the segment overall."

October 2019 forecast for the 12 largest manufacturers by volume: For additional data visit the [ALG Newsroom](#).

#### Average Transaction Price (ATP)

Manufacturer	Oct 2019	Oct 2018	Sept 2019	YOY	MOM
BMW	\$55,617	\$51,927	\$54,121	7.1%	2.8%
Daimler	\$58,545	\$58,050	\$57,651	0.9%	1.6%
FCA	\$36,778	\$35,270	\$36,612	4.3%	0.5%
Ford	\$39,690	\$38,231	\$39,193	3.8%	1.3%
GM	\$38,828	\$37,288	\$38,643	4.1%	0.5%
Honda	\$28,348	\$29,197	\$28,468	-2.9%	-0.4%
Hyundai	\$24,547	\$22,472	\$24,687	9.2%	-0.6%
Kia	\$24,518	\$22,693	\$24,373	8.0%	0.6%
Nissan	\$27,235	\$27,530	\$27,149	-1.1%	0.3%
Subaru	\$29,998	\$29,609	\$29,519	1.3%	1.6%
Toyota	\$32,768	\$32,583	\$32,544	0.6%	0.7%
Volkswagen Group	\$41,993	\$40,602	\$42,318	3.4%	-0.8%
<b>Industry</b>	<b>\$35,239</b>	<b>\$34,333</b>	<b>\$35,160</b>	<b>2.6%</b>	<b>0.2%</b>

#### Incentive Spending as a Percentage of ATP

Manufacturer	Oct 2019	Oct 2018	Sept 2019	YOY	MOM
BMW	10.2%	10.7%	9.2%	-4.4%	10.5%
Daimler	9.9%	10.0%	10.6%	-0.8%	-6.8%
FCA	13.1%	12.4%	13.6%	6.4%	-3.5%
Ford	11.5%	11.5%	11.8%	0.2%	-2.4%
GM	12.1%	11.3%	13.3%	6.3%	-9.3%
Honda	7.6%	6.7%	8.1%	13.6%	-5.6%
Hyundai	10.4%	11.9%	10.8%	-12.0%	-3.3%
Kia	14.4%	16.5%	14.0%	-13.0%	2.3%
Nissan	15.4%	15.7%	17.5%	-2.0%	-11.9%
Subaru	4.1%	3.9%	4.8%	5.2%	-13.0%
Toyota	7.5%	7.7%	8.1%	-2.1%	-7.1%
Volkswagen Group	9.1%	9.3%	8.9%	-1.7%	2.5%
<b>Industry</b>	<b>10.7%</b>	<b>10.5%</b>	<b>11.3%</b>	<b>2.0%</b>	<b>-5.4%</b>

#### Retail Health Index

RHI measures the changes in retail market share relative to changes in incentive spending and transaction price to gauge whether OEMs are "buying" retail share through increased incentives, or whether share increases are largely demand-driven. An OEM with a positive RHI score is demonstrating a healthy balance of incentive spend relative to market share, either by holding incentive spending flat and increasing share or by increasing incentives with a higher positive increase in retail share.

#### Mainstream

Oct 2019	YOY Change	MOM Change
Buick	-3.5%	-0.1%
Chevrolet	0.9%	0.4%
Chrysler	-0.2%	0.0%
Dodge	2.5%	0.3%
Fiat	4.0%	0.6%
Ford	-0.7%	0.2%
GMC	-1.6%	1.2%
Honda	-0.2%	0.0%
Hyundai	3.2%	0.1%
Jeep	0.5%	-0.2%
Kia	3.4%	0.2%
Mazda	1.0%	-0.2%
MINI	0.7%	0.3%
Mitsubishi	1.5%	0.3%
Nissan	-1.1%	0.1%
Ram	-2.8%	1.2%
Subaru	0.1%	0.3%
Toyota	0.6%	0.1%
Volkswagen	2.6%	-0.8%

## Luxury

Oct 2019	YOY Change	MOM Change
Acura	-3.1%	-0.2%
Alfa Romeo	0.5%	-0.6%
Audi	-2.8%	-0.5%
BMW	1.0%	0.6%
Cadillac	-1.1%	1.1%
Genesis	-5.4%	0.8%
INFINITI	-3.2%	0.6%
Jaguar	0.1%	0.5%
Land Rover	-2.3%	1.0%
Lexus	-0.2%	-0.2%
Lincoln	-0.1%	0.1%
Maserati	-0.9%	0.1%
Mercedes-Benz	2.2%	0.7%
Porsche	0.5%	-0.1%
Volvo	-2.3%	-0.4%

*(Note: This forecast is based solely on ALG's analysis of industry sales trends and conditions and is not a projection of the company's operations.)*

### About TrueCar

TrueCar, Inc. (NASDAQ: TRUE) is a digital automotive marketplace that provides comprehensive pricing transparency about what other people paid for their cars and enables consumers to engage with TrueCar Certified Dealers who are committed to providing a superior purchase experience. TrueCar operates its own branded site and its nationwide network of more than 16,500 Certified Dealers, and also powers car-buying programs for some of the largest U.S. membership and service organizations, including USAA, AARP, American Express, AAA and Sam's Club. Nearly half of all new car buyers engage with the TrueCar network during their purchasing process. TrueCar is headquartered in Santa Monica, California, with an office in Austin, Texas.

For more information, please visit [www.truecar.com](http://www.truecar.com), and follow us on [Facebook](#) or [Twitter](#). TrueCar media line: +1-844-469-8442 (US toll-free) | Email: [pressinquiries@truecar.com](mailto:pressinquiries@truecar.com)

### About ALG

Founded in 1964 and headquartered in Santa Monica, California, ALG is an industry authority on automotive residual value projections in both the United States and Canada. By analyzing nearly 2,500 vehicle trims each year to assess residual value, ALG provides auto industry and financial services clients with market industry insights, residual value forecasts, consulting and vehicle portfolio management and risk services. ALG is a wholly-owned subsidiary of TrueCar, Inc., a digital automotive marketplace that provides comprehensive pricing transparency about what other people paid for their cars. ALG has been publishing residual values for all cars, trucks and SUVs in the U.S. for over 50 years and in Canada since 1981.

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