



## TrueCar's ALG Forecasts Average New Car Transaction Price to Reach \$35,521, up 2.0% Year Over Year for January 2020

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### Automakers Expected to Reach More Than \$39B in Revenue

SANTA MONICA, Calif., Feb. 03, 2020 (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 2.0%, or \$688, from a year ago and down 1.6%, or \$564, from December 2019.

"In 2019, we saw sustained growth in average transaction price and despite a slight dip in sales for this month, we still expect an increase in January average transaction price year over year as consumers continue to opt for utilities and feature-rich vehicles," said Eric Lyman, Chief Industry Analyst at ALG, a subsidiary of TrueCar.

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

- Nissan and Volkswagen are expected to be down on ATP year-over-year, 1.6% and 8.3%, respectively. Meanwhile BMW is expected to be up 3.8%.
- Hyundai and Kia continue to be up on ATP, up 11.1% and 7.9%, respectively, as their broadened utilities portfolios continue to increase consumer demand.
- Incentive spend as a percentage of ATP for the industry is expected to be 10.3%, down 3.2% from a year ago and down 11.3% from December 2019.
- ALG projects that U.S. revenue from new vehicle sales will reach more than \$39 billion for January 2020, down 1.0% (based on an adjusted daily selling rate) from a year ago and down 29.4% from last month.
- In ALG's Retail Health Index (RHI), which measures automaker brand health, the majority of mainstream and luxury brands are expected to be down this month from a year ago, indicating that while manufacturers are being more disciplined, sales fell further than expected based on the decrease in incentive spend from a year ago.
- Jeep thrived this month as one of the few mainstream brands showing an increase in RHI. This is likely due to incentives being down and the iconic Jeep Wrangler continuing to resonate with consumers.

"Jeep is maintaining a strong Retail Health Index as we kick-off the new year," said Nick Woolard, Director of OEM and Affinity Partner Analytics at TrueCar. "FCA is strategically idling plants, while adjusting production to match demand. This should help them maintain a strong Retail Health Index in the future."

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

#### Average Transaction Price (ATP)

Manufacturer	Jan 2020 Forecast	Jan 2019 Actual	Dec 2019 Actual	YOY	MOM
BMW	\$ 57,770	\$ 55,629	\$ 56,484	3.8	% 2.3 %
Daimler	\$ 62,263	\$ 62,371	\$ 59,360	-0.2	% 4.9 %
FCA	\$ 37,113	\$ 36,164	\$ 37,642	2.6	% -1.4 %
Ford	\$ 41,155	\$ 39,099	\$ 41,084	5.3	% 0.2 %
GM	\$ 37,473	\$ 37,084	\$ 37,764	1.0	% -0.8 %
Honda	\$ 28,155	\$ 28,394	\$ 28,562	-0.8	% -1.4 %
Hyundai	\$ 26,213	\$ 23,590	\$ 25,625	11.1	% 2.3 %
Kia	\$ 24,476	\$ 22,686	\$ 24,505	7.9	% -0.1 %
Nissan	\$ 27,201	\$ 27,635	\$ 28,119	-1.6	% -3.3 %
Subaru	\$ 29,950	\$ 29,248	\$ 30,247	2.4	% -1.0 %
Toyota	\$ 32,788	\$ 32,344	\$ 33,661	1.4	% -2.6 %
Volkswagen Group	\$ 44,635	\$ 48,694	\$ 45,912	-8.3	% -2.8 %
<b>Industry</b>	<b>\$ 35,521</b>	<b>\$ 34,833</b>	<b>\$ 36,086</b>	<b>2.0</b>	<b>% -1.6 %</b>

#### Incentive Spending

Manufacturer	Jan 2020 Forecast	Jan 2019 Actual	Dec 2019 Actual	YOY	MOM
BMW	\$ 5,419	\$ 5,274	\$ 5,958	2.7	% -9.1 %
Daimler	\$ 5,408	\$ 6,253	\$ 6,699	-13.5	% -19.3 %
FCA	\$ 4,581	\$ 4,607	\$ 5,165	-0.6	% -11.3 %

Ford	\$ 4,542	\$ 4,456	\$ 5,005	1.9	%	-9.2	%
GM	\$ 4,957	\$ 5,075	\$ 5,202	-2.3	%	-4.7	%
Honda	\$ 2,113	\$ 2,146	\$ 2,613	-1.5	%	-19.1	%
Hyundai	\$ 2,745	\$ 2,878	\$ 2,993	-4.6	%	-8.3	%
Kia	\$ 3,543	\$ 3,389	\$ 3,755	4.5	%	-5.7	%
Nissan	\$ 4,058	\$ 4,216	\$ 4,690	-3.7	%	-13.5	%
Subaru	\$ 1,017	\$ 1,065	\$ 1,193	-4.5	%	-14.8	%
Toyota	\$ 2,472	\$ 2,338	\$ 2,826	5.7	%	-12.5	%
Volkswagen Group	\$ 4,004	\$ 3,885	\$ 5,322	3.1	%	-24.8	%
<b>Industry</b>	<b>\$ 3,674</b>	<b>\$ 3,721</b>	<b>\$ 4,207</b>	<b>-1.3</b>	<b>%</b>	<b>-12.7</b>	<b>%</b>

#### Incentives as a Percentage of Average Transaction Price (ATP)

Manufacturer	Jan 2020 Forecast		Jan 2019 Actual		Dec 2019 Actual		YOY	MOM		
BMW	9.4	%	9.5	%	10.5	%	-1.1	%	-11.1	%
Daimler	8.7	%	10.0	%	11.3	%	-13.4	%	-23.0	%
FCA	12.3	%	12.7	%	13.7	%	-3.1	%	-10.1	%
Ford	11.0	%	11.4	%	12.2	%	-3.2	%	-9.4	%
GM	13.2	%	13.7	%	13.8	%	-3.3	%	-4.0	%
Honda	7.5	%	7.6	%	9.1	%	-0.7	%	-18.0	%
Hyundai	10.5	%	12.2	%	11.7	%	-14.2	%	-10.4	%
Kia	14.5	%	14.9	%	15.3	%	-3.1	%	-5.5	%
Nissan	14.9	%	15.3	%	16.7	%	-2.2	%	-10.5	%
Subaru	3.4	%	3.6	%	3.9	%	-6.8	%	-13.9	%
Toyota	7.5	%	7.2	%	8.4	%	4.3	%	-10.2	%
Volkswagen Group	9.0	%	8.0	%	11.6	%	12.4	%	-22.6	%
<b>Industry</b>	<b>10.3</b>	<b>%</b>	<b>10.7</b>	<b>%</b>	<b>11.7</b>	<b>%</b>	<b>-3.2</b>	<b>%</b>	<b>-11.3</b>	<b>%</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

Jan 2020 Forecast	YOY Change		MOM Change	
Buick	-1.4	%	0.5	%
Chevrolet	-0.6	%	1.0	%
Chrysler	-0.3	%	0.9	%
Dodge	0.3	%	-0.6	%
Fiat	1.8	%	-3.4	%
Ford	0.6	%	1.0	%
GMC	-2.5	%	-0.7	%
Honda	-0.5	%	-0.1	%
Hyundai	-0.3	%	-0.7	%
Jeep	3.1	%	-0.1	%
Kia	1.7	%	-0.4	%
Mazda	-0.5	%	0.0	%
MINI	1.1	%	0.1	%
Mitsubishi	4.0	%	0.2	%
Nissan	-0.3	%	0.4	%
Ram	-1.5	%	0.8	%
Subaru	0.6	%	0.7	%
Toyota	1.2	%	-1.0	%
Volkswagen	2.6	%	-0.3	%

#### Luxury

Jan 2020 Forecast	YOY Change		MOM Change	
Acura	-4.2	%	-0.3	%
Alfa Romeo	0.5	%	-1.1	%

Audi	-4.6	%	-0.6	%
BMW	2.6	%	-0.9	%
Cadillac	-0.8	%	0.7	%
Genesis	-3.4	%	0.1	%
INFINITI	-3.5	%	-0.6	%
Jaguar	-1.9	%	0.4	%
Land Rover	-2.8	%	0.0	%
Lexus	-2.2	%	0.7	%
Lincoln	2.0	%	0.9	%
Maserati	-3.2	%	-0.6	%
Mercedes-Benz	1.6	%	0.4	%
Porsche	0.0	%	-0.5	%
Volvo	-1.5	%	0.6	%

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

#### **About TrueCar**

TrueCar is a leading automotive digital marketplace that enables car buyers to connect to our network of 16,500 Certified Dealers. We are building the industry's most personalized and efficient car buying experience as we seek to bring more of the purchasing process online. Consumers who visit our marketplace will find a suite of vehicle discovery tools, price ratings and market context on new and used cars -- all with a clear view of what's a great deal. When they are ready, TrueCar will enable them to connect with a local Certified Dealer who shares in our belief that truth, transparency and fairness are the foundation of a great car buying experience. As part of our marketplace, TrueCar powers car-buying programs for over 250 leading brands, including USAA, Sam's Club, and American Express. Nearly half of all new-car buyers engage with TrueCar powered sites, where they buy smarter and drive happier. TrueCar is headquartered in Santa Monica, California, with offices in Austin, Texas and Boston, Massachusetts.

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: [pr@truecar.com](mailto:pr@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 55 years and in Canada since 1981.

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