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ALG Forecasts Average New Vehicle Transaction Price Up 3.3% for July 2020

Automaker revenue increases for the first time since March 2020

SANTA MONICA, Calif., Aug. 03, 2020 (GLOBE NEWSWIRE) -- [ALG, Inc.](#), a subsidiary of [TrueCar, Inc.](#) and the industry benchmark for determining the future resale value of a vehicle, projects average transaction prices (ATP) to be up 3.3% or \$1,172 from a year ago but down 0.6% or \$229 from June 2020.

"While average transaction prices continue to tick up each month when compared to the same period last year, we're seeing a slow decline in transaction prices month-over-month since May, as manufacturers slowly pull back incentives and inventory levels shrink for certain models," said Eric Lyman, Chief Industry Analyst for ALG, a subsidiary of TrueCar. "Shoppers looking for specific models and trims might experience limited selection or higher price points on popular models in low inventory at dealerships. On the other hand, consumers willing to be more flexible with their consideration set can still find great deals on certain oversupplied models with incentives from manufacturers."

"For the first time since March, automaker revenue for new vehicle sales will be up month-over-month by six percent. This is due to strategic incentive spending by the manufacturers and the continued recovery in new vehicle sales," added Lyman.

[View ALG's sales forecast for new and used vehicles here.](#)

ALG projects that U.S. revenue from new vehicle sales will reach more than \$43 billion for July 2020, down 11.9% (based on a non-adjusted daily selling rate) from a year ago and up 6% from last month.

"We are seeing the effects that limited vehicle supply has on average transaction price for some brands. For example, Kia is seeing a year-over-year decline in their overall average transaction price which is mainly due to low inventory levels on their high demand Telluride, one of the most expensive vehicles in their lineup," said Nick Woolard, Director of OEM and Affinity Partner Analytics for TrueCar. "Brands with more plentiful inventory levels on popular models, such as Ford, are successfully increasing their transaction prices year-over-year. On the TrueCar platform, we are seeing a mix shift from Ford shoppers from the Escape to the Explorer, leading to higher transaction prices."

"On the Retail Health Index, which measures automaker brand health, American luxury brand, Lincoln, is showing positive momentum with an improvement in market share during the past couple of months. Their Aviator and Nautilus models continue to perform strongly against segment competitors and Lincoln's strategic and targeted incentive spending is also contributing to their improvement on the Retail Health Index," added Woolard.

July 2020 forecasts for the 12 largest manufacturers by volume. For additional data visit the [ALG Newsroom](#).

Average Transaction Price (ATP)

Manufacturer	Jul 2020 Forecast	Jul 2019 Actual	Jun 2020 Actual	YOY	MOM
BMW	\$ 58,079	\$ 56,622	\$ 58,684	2.6%	-1.0%
Daimler	\$ 61,003	\$ 57,054	\$ 59,750	6.9%	2.1%
FCA	\$ 41,326	\$ 39,796	\$ 41,507	3.8%	-0.4%
Ford	\$ 43,769	\$ 39,873	\$ 43,535	9.8%	0.5%
GM	\$ 40,824	\$ 40,126	\$ 39,789	1.7%	2.6%
Honda	\$ 30,150	\$ 29,304	\$ 30,242	2.9%	-0.3%
Hyundai	\$ 28,735	\$ 25,908	\$ 28,702	10.9%	0.1%
Kia	\$ 24,844	\$ 25,175	\$ 24,850	-1.3%	0.0%
Nissan	\$ 29,012	\$ 29,099	\$ 29,186	-0.3%	-0.6%
Subaru	\$ 30,357	\$ 29,612	\$ 30,249	2.5%	0.4%
Toyota	\$ 34,321	\$ 33,303	\$ 34,458	3.1%	-0.4%
Volkswagen Group	\$ 40,197	\$ 39,465	\$ 39,262	1.9%	2.4%
Industry	\$ 36,239	\$ 35,067	\$ 36,468	3.3%	-0.6%

Incentive Spending

Manufacturer	Jul 2020 Forecast	Jul 2019 Actual	Jun 2020 Actual	YOY	MOM
BMW	\$ 5,473	\$ 6,023	\$ 5,862	-9.1%	-6.6%
Daimler	\$ 6,243	\$ 5,383	\$ 5,675	16.0%	10.0%

FCA	\$	4,773	\$	4,840	\$	5,010	-1.4%	-4.7%
Ford	\$	4,196	\$	4,615	\$	4,312	-9.1%	-2.7%
GM	\$	5,249	\$	5,098	\$	5,682	3.0%	-7.6%
Honda	\$	2,491	\$	1,995	\$	2,639	24.9%	-5.6%
Hyundai	\$	2,447	\$	2,724	\$	2,509	-10.2%	-2.5%
Kia	\$	3,609	\$	3,541	\$	3,779	1.9%	-4.5%
Nissan	\$	4,517	\$	3,924	\$	4,842	15.1%	-6.7%
Subaru	\$	1,773	\$	1,454	\$	1,747	22.0%	1.5%
Toyota	\$	2,549	\$	2,434	\$	2,700	4.7%	-5.6%
Volkswagen Group	\$	3,813	\$	3,494	\$	4,340	9.1%	-12.1%
Industry	\$	3,813	\$	3,711	\$	4,076	2.8%	-6.5%

Incentives as a Percentage of Average Transaction Price (ATP)

Manufacturer	Jul 2020 Forecast	Jul 2019 Actual	Jun 2020 Actual	YOY	MOM
BMW	9.4%	10.6%	10.0%	-11.4%	-5.7%
Daimler	10.2%	9.4%	9.5%	8.5%	7.7%
FCA	11.5%	12.2%	12.1%	-5.0%	-4.3%
Ford	9.6%	11.6%	9.9%	-17.2%	-3.2%
GM	12.9%	12.7%	14.3%	1.2%	-10.0%
Honda	8.3%	6.8%	8.7%	21.4%	-5.3%
Hyundai	8.5%	10.5%	8.7%	-19.0%	-2.6%
Kia	14.5%	14.1%	15.2%	3.3%	-4.5%
Nissan	15.6%	13.5%	16.6%	15.5%	-6.2%
Subaru	5.8%	4.9%	5.8%	19.0%	1.1%
Toyota	7.4%	7.3%	7.8%	1.6%	-5.2%
Volkswagen Group	9.5%	8.9%	11.1%	7.2%	-14.2%
Industry	10.5%	10.6%	11.2%	-0.6%	-5.9%

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.

Jul 2020 Forecast	YOY Change	MOM Change
BMW	-0.6%	-2.4%
Daimler	-2.2%	-2.8%
FCA	0.6%	0.2%
Ford	1.1%	-0.6%
GM	-0.9%	1.1%
Honda	-1.4%	0.4%
Hyundai	2.6%	0.3%
Kia	0.4%	0.7%
Nissan	-2.6%	1.3%
Subaru	-0.8%	0.2%
Toyota	-0.6%	1.6%
Volkswagen	0.0%	2.1%

Mainstream

Jul 2020 Forecast	YOY Change	MOM Change
Buick	2.1%	5.0%
Chevrolet	-2.4%	0.4%
Chrysler	2.2%	-1.0%
Dodge	0.1%	-0.2%
Ford	1.1%	-0.8%
GMC	1.2%	1.9%
Honda	-1.3%	0.2%
Hyundai	2.6%	0.3%
Jeep	-1.2%	0.1%
Kia	0.4%	0.7%
Mazda	-0.2%	2.7%
Mitsubishi	2.5%	4.5%
Nissan	-2.6%	1.5%
Ram	3.7%	0.8%
Subaru	-0.8%	0.2%
Toyota	-0.5%	1.5%
Volkswagen	1.5%	2.8%

Luxury

Jul 2020 Forecast	YOY Change	MOM Change
Acura	-2.0%	2.2%
Audi	-2.9%	0.8%
BMW	-0.7%	-2.8%
Cadillac	4.7%	1.3%
INFINITI	-2.3%	-0.7%
Land Rover	-3.5%	0.1%
Lexus	-1.2%	2.1%
Lincoln	2.0%	1.4%
Mercedes-Benz	-2.2%	-2.8%
Porsche	-1.1%	-0.5%
Volvo	-0.6%	0.6%

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

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.

About TrueCar

TrueCar is a leading automotive digital marketplace that enables car buyers to connect to our nationwide network of 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 AARP, 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.

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