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While January can be the cruelest month for auto sales, TrueCar projects uptick this year

Weather, holiday spending hangover, lower incentive offers typically cool demand in the year's slowest sales month

SANTA MONICA, Calif., Jan. 30, 2015 /PRNewswire/ -- [TrueCar](#), Inc. (NASDAQ: TRUE), the negotiation-free car buying and selling mobile marketplace, confirms that January ranks as the lowest-volume month for U.S. auto sales based on 15 years of data. This year, however, TrueCar expects new light vehicle sales to jump 13.2 percent compared with last January.



In a month defined by post-holiday spending fatigue, harsh winter weather conditions in much of the country and even concerns about potential tax bills, automakers' incentive offers are typically less generous, adding a drag on January's selling rate. While weather is accounted for in TrueCar's sales forecast, blizzards and extreme weather can further dampen sales for the month. Last year's string of [Polar Vortex](#) storms that struck the U.S. East Coast, for example, cut January 2014's share of annual sales to just 6.1 percent, the lowest in 15 years.

"Traditional weakness in consumer demand in January means automakers rely on delivering a higher portion of fleet sales in the month to offset slower retail activity," said John Krafcik, TrueCar's president. "This January the industry may have caught a break as we've avoided the kind of substantial storms that are a drag on sales, particularly when they hit on a weekend."

Monthly light vehicle sales and contiguous U.S. average temperature are related, with a 0.5 correlation. Observing average temperatures and January sales over the past 15 years shows weather is inversely correlated to sales when there are significant low or high temperature deviations. In 2006, when the temperature was 6.5 degrees higher than average, January sales were 6.9 percent of the annual total, exceeding the 15-year average of 6.6 percent. In 2011, when the average temperature was 2.7 degrees below average, sales for the month were only 6.4 percent of the annual total.

Incentive spending patterns also reveal January's offers to be the year's least generous. Over the past 15 years average incentives per vehicle in the month have been 16.7 percent, or \$410, less than the annual average.

"Typically automakers will rein in January incentive spending from December, and this year we expect spending per vehicle to shrink by 10.4 percent from a month earlier," Krafcik said. "Nevertheless, the strength of the overall economy and absence of major storms make this January look like a very solid start to 2015."

About TrueCar

TrueCar, Inc. (NASDAQ: TRUE), the negotiation-free car buying and selling mobile marketplace, gives consumers transparent insight into what others paid and access to guaranteed savings off MSRP from TrueCar Certified Dealers. TrueCar's network of more than 10,000 trusted Certified Dealers is committed to providing upfront pricing information and a hassle-free buying experience. TrueCar powers car-buying programs for some of the largest U.S. membership and service organizations, including AARP, American Express, AAA and USAA. Not all program features are available in all states. TrueCar is headquartered in Santa Monica, California, with offices in San Francisco and Austin, Texas. For more information, go to www.truecar.com. Follow us on [Facebook](#) or [Twitter](#).

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