



# Market Trends Review

## Q2 2020

Presented by

**Marty Miller**

*Senior Automotive Industry Consultant*

September 2020

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## **Marty Miller**

Senior Automotive Industry Consultant  
Experian Automotive

# Today's presentation

## **What's on the road**

VIO by model year, segment, age and market share  
U.S. light duty vehicles through June 30, 2020

New, Used and other market changes Industry news  
and special market analysis:

- *COVID-19 update*
- *Canada market coverage*

# Experian Automotive

Driving the automotive industry forward

**The right vehicles. The right customers.  
The right data to know the difference.**

- We deliver an integrated perspective using the highest quality automotive information and market intelligence focused on these key areas:
  - Automotive Credit
  - Automotive Marketing
  - Vehicle Market Statistics
  - AutoCheck<sup>®</sup> Vehicle History
- Our success comes from delivering actionable insights and lasting partnerships with our clients

<https://www.experian.com/automotive/auto-data>



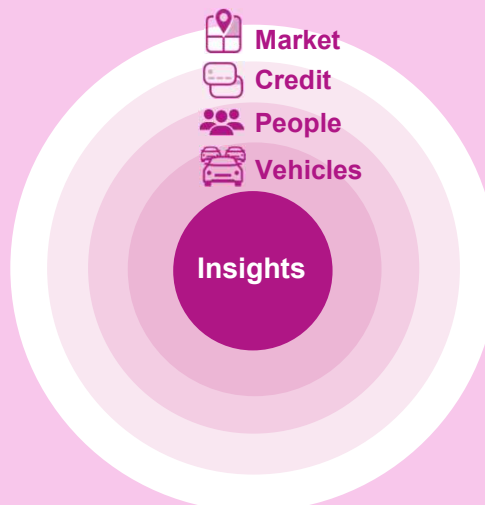
# The power of Experian data

Your unified source of automotive data. Enabling you to link insight into action



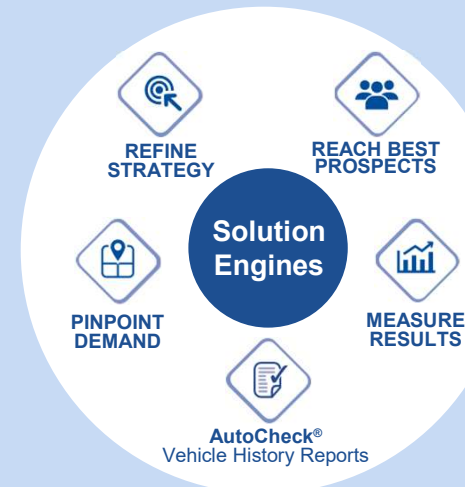
## Best-in-class data, unified and enhanced

Experian's vehicle, consumer, online and credit data enable unified data intelligence to identify and target vehicle buyers.



## Creating unparalleled market-wide insights

Use our unparalleled insights to turn competitive market strategies into action.

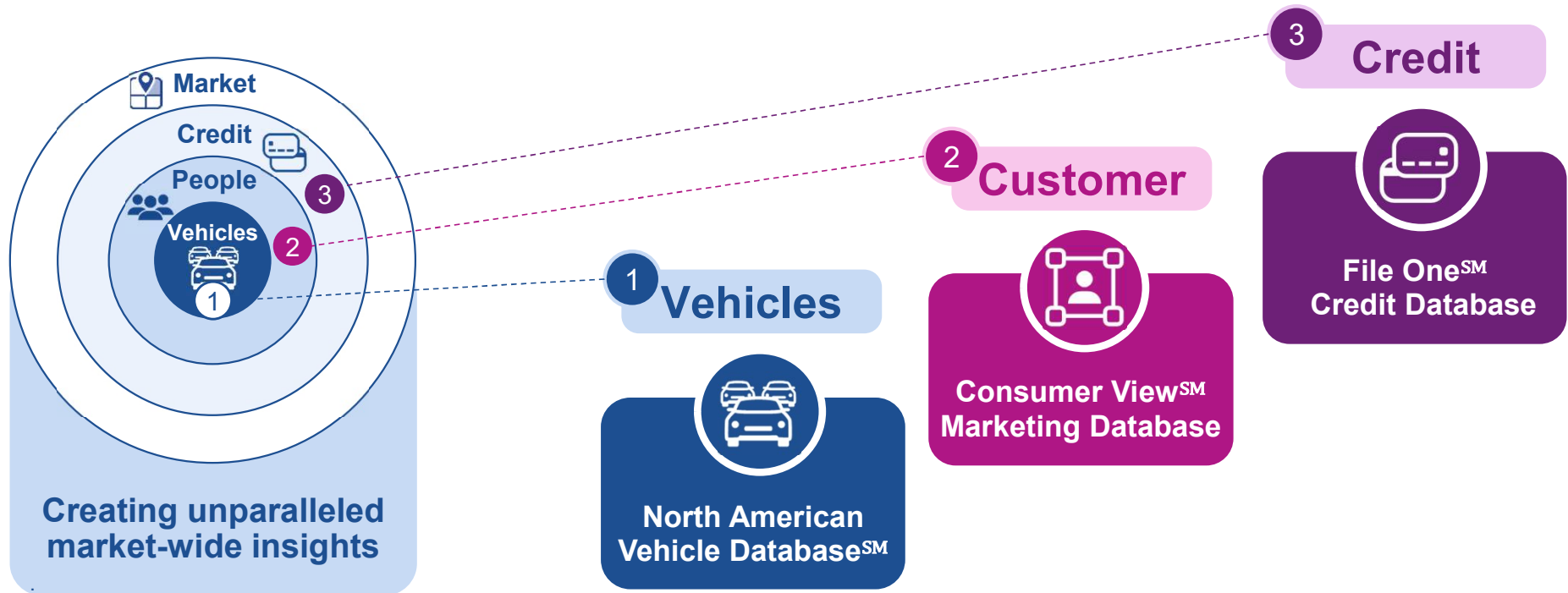


## Powering innovative solution engines that drive results

For instance, Experian marketing solutions pinpoint car shoppers, automate media planning and optimize results with the most sophisticated attribution models.

# It takes 3 things to sell a vehicle...

Experian is the only primary data source for all 3





# U.S. and Canada total Vehicles in Operation = 328.5M

## Light Duty

Passenger Cars, Light Trucks, Vans  
Cars and GVW Class 1 – 3

## Medium & Heavy Duty

Large Vans, Delivery Trucks, Buses, RVs,  
Cement Trucks, Semi-Tractors  
GVW Class 4 - 8

## Power Sports

Motorcycles, All-Terrain,  
Utility Task, Snowmobiles



### Types of vehicles by weight class

#### Cars and CUVs



#### CLASS 1 6,000 lbs. or less



#### CLASS 2 6,001 to 10,000 lbs.



#### CLASS 3 10,001 to 14,000 lbs.



#### CLASS 4 14,001 to 16,000 lbs.



#### CLASS 5 16,001 to 19,500 lbs.



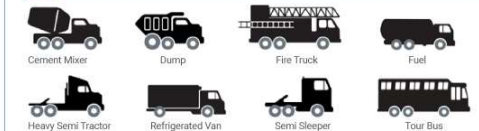
#### CLASS 6 19,501 to 26,000 lbs.



#### CLASS 7 26,001 to 33,000 lbs.



#### CLASS 8 over 33,000 lbs.



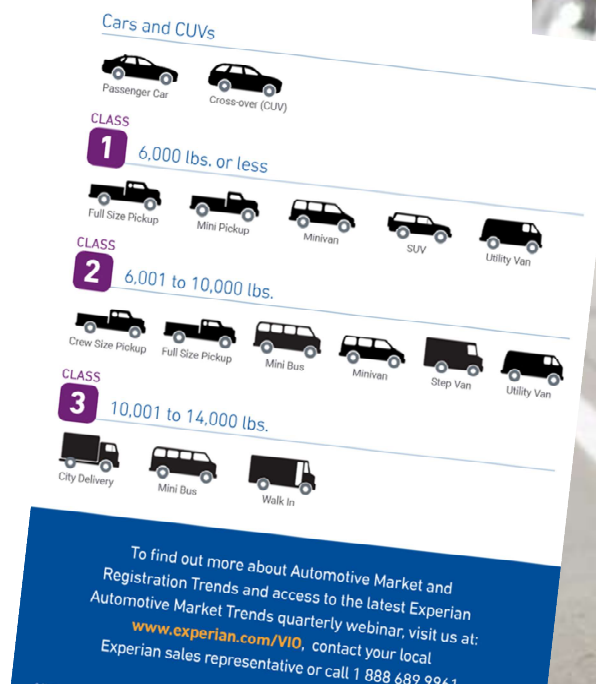
#### Power sports



# Vehicles in Operation

What's on the road today?

Light Duty Vehicles



# Changes in U.S. vehicles in operation

Light duty vehicles\* over the last 12 months

Q2 2020 Total\*

**280.6**  
MILLION

Vehicles on the road

Q2 2019 Total\*

**278.1**  
MILLION

Vehicles on the road

Q2 2020 VIO changes



**14.9**  
MILLION  
**NEW** Vehicles  
Registered



**12.4**  
MILLION  
Vehicles went  
out of operation



**38.9**  
MILLION  
**USED** vehicles  
changed owners

=



**28.2%**  
Total VIO  
changes<sup>1</sup>

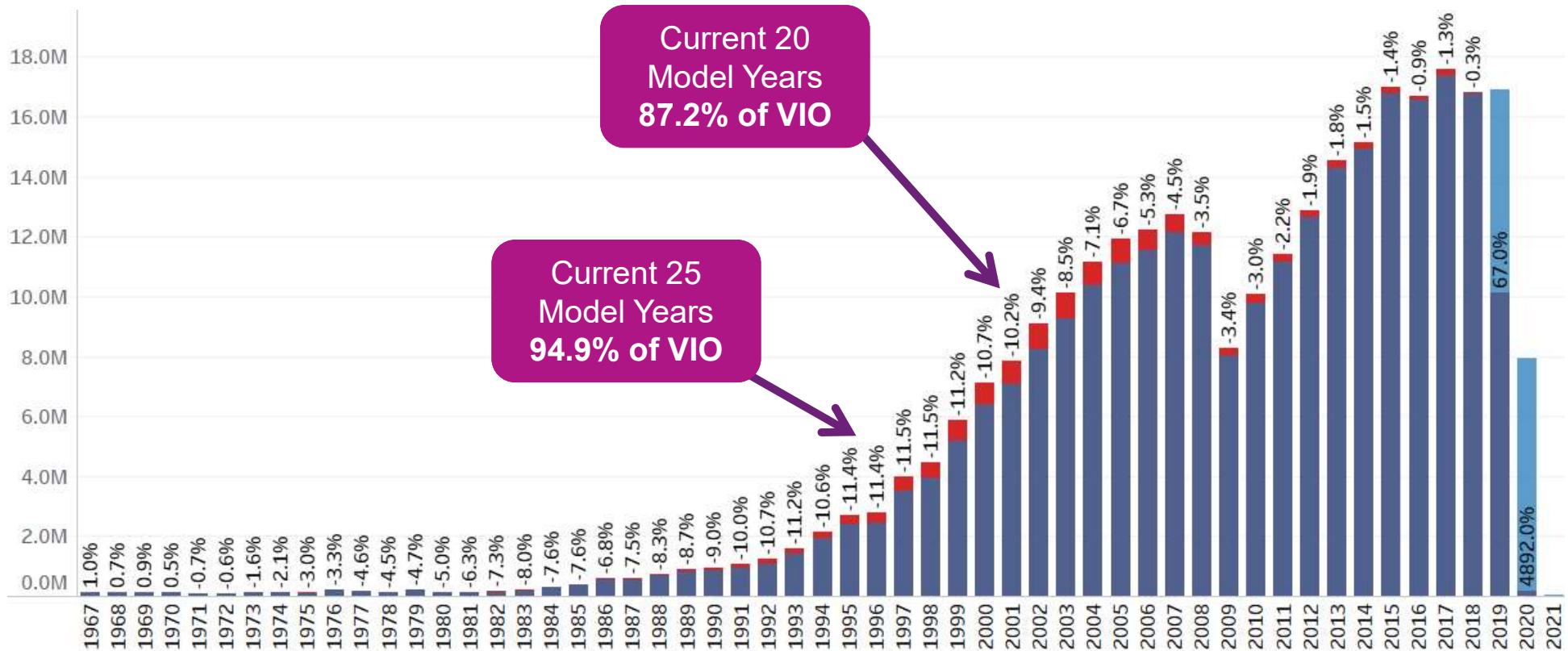
\*U.S. Vehicles in Operation data as of June 30, 2020 sourced from Experian Automotive, including U.S. and Puerto Rico (U.S. light duty vehicles only).  
1 – includes estimated annual households that relocated with the same vehicle(s)



# U.S. VIO change by Model Year (in millions)

Q2 2019 to Q2 2020

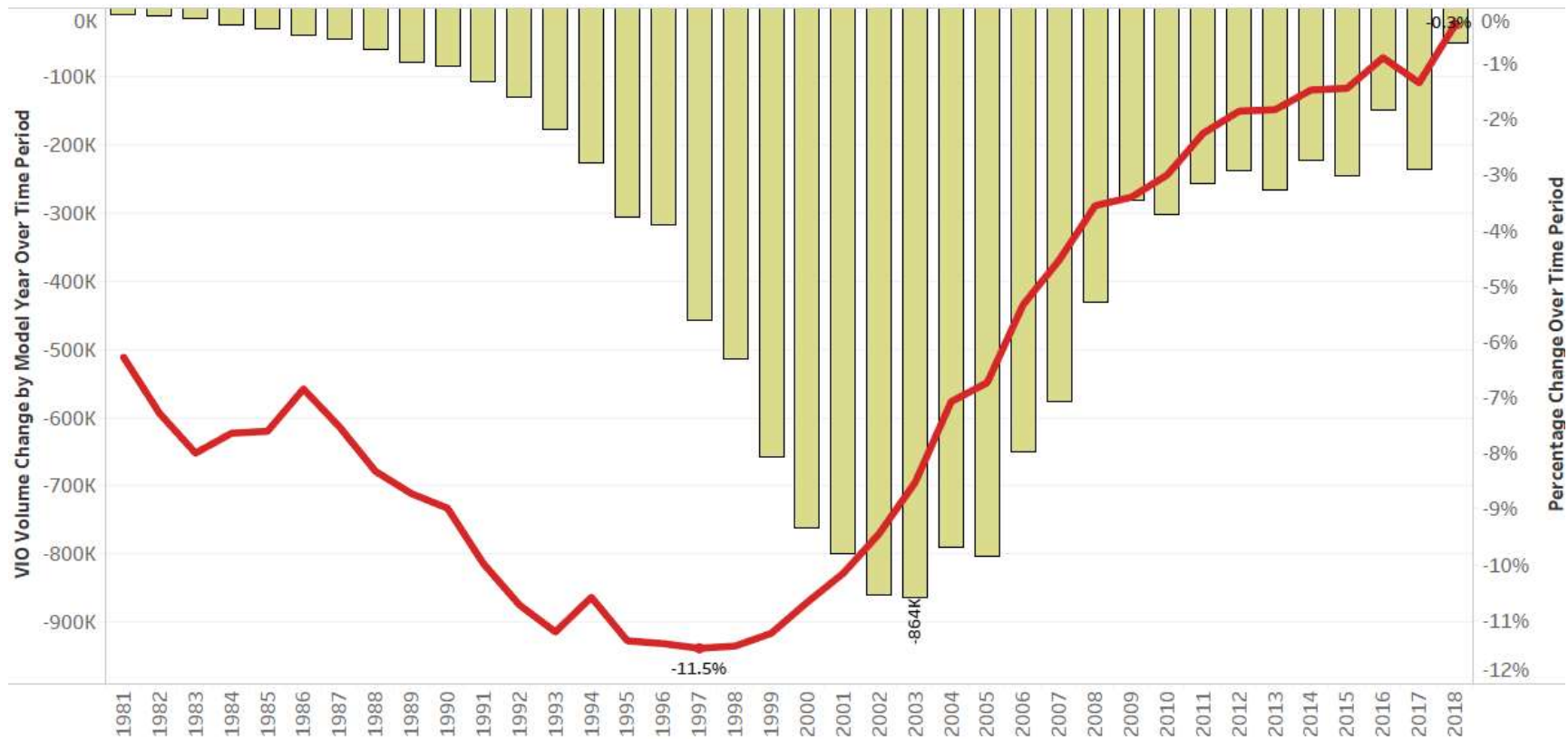
Out of operation  
New vehicle sales  
Carryover vehicles



# U.S. VIO out of operation change by Model Year

Q2 2019 to Q2 2020

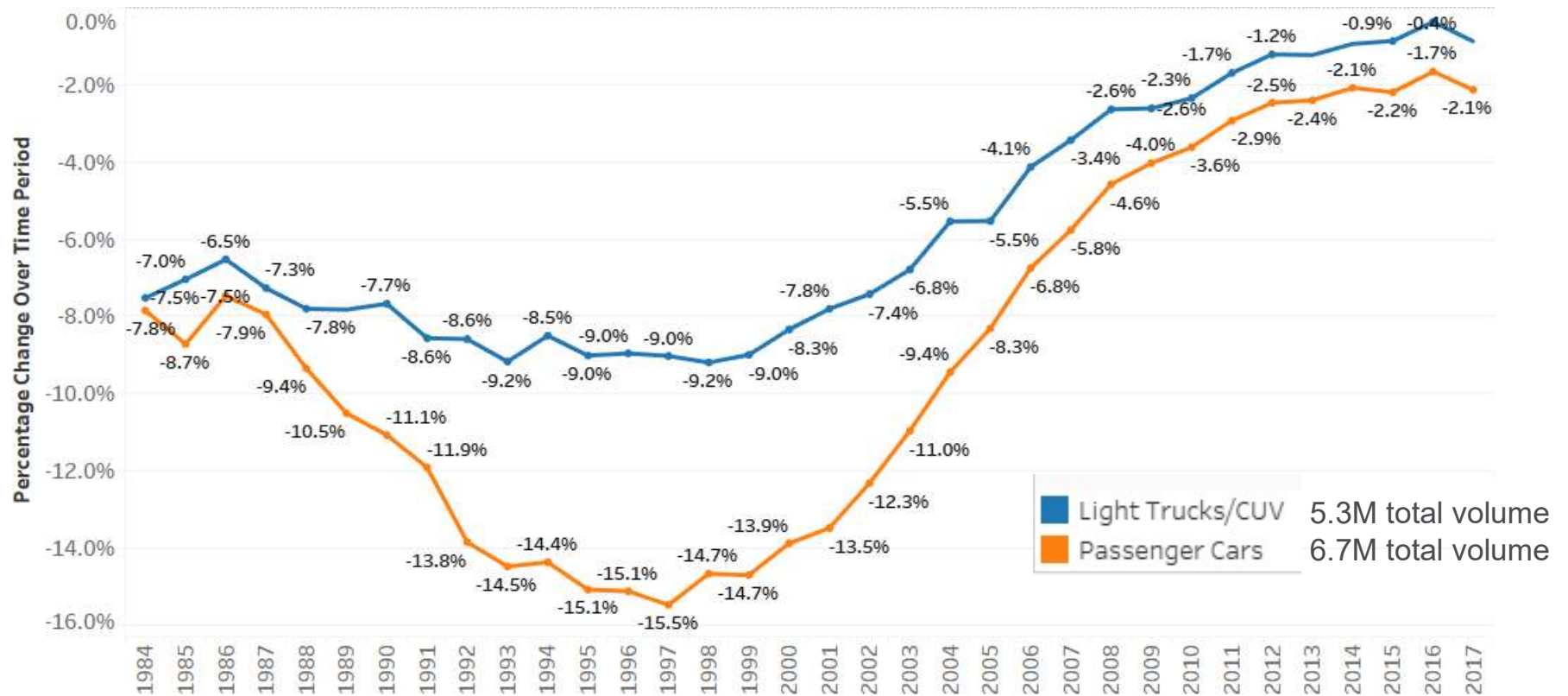
Volume vs Share of Model Year



# U.S. VIO out of operation change by Model Year

Q2 2019 to Q2 2020

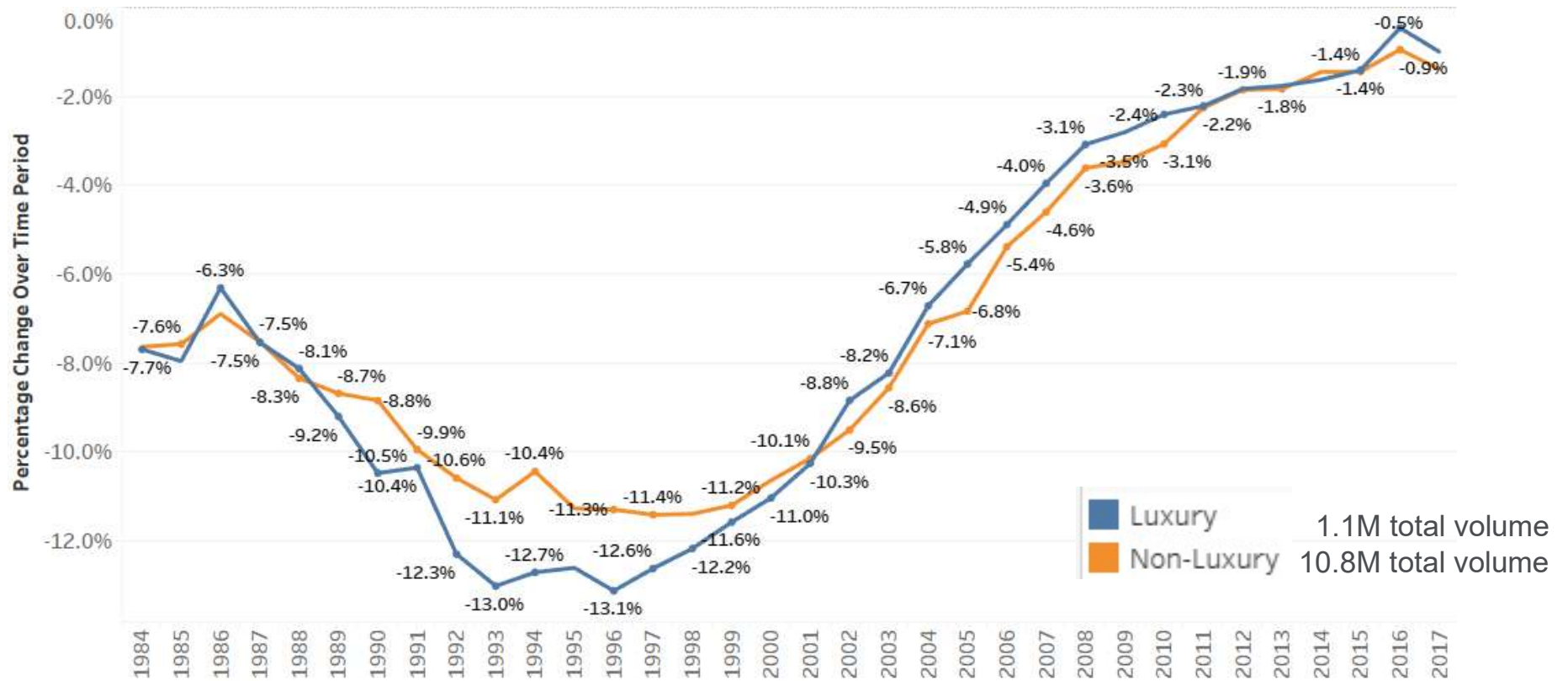
Vehicle Type share change



# U.S. VIO out of operation change by Model Year

Q2 2019 to Q2 2020

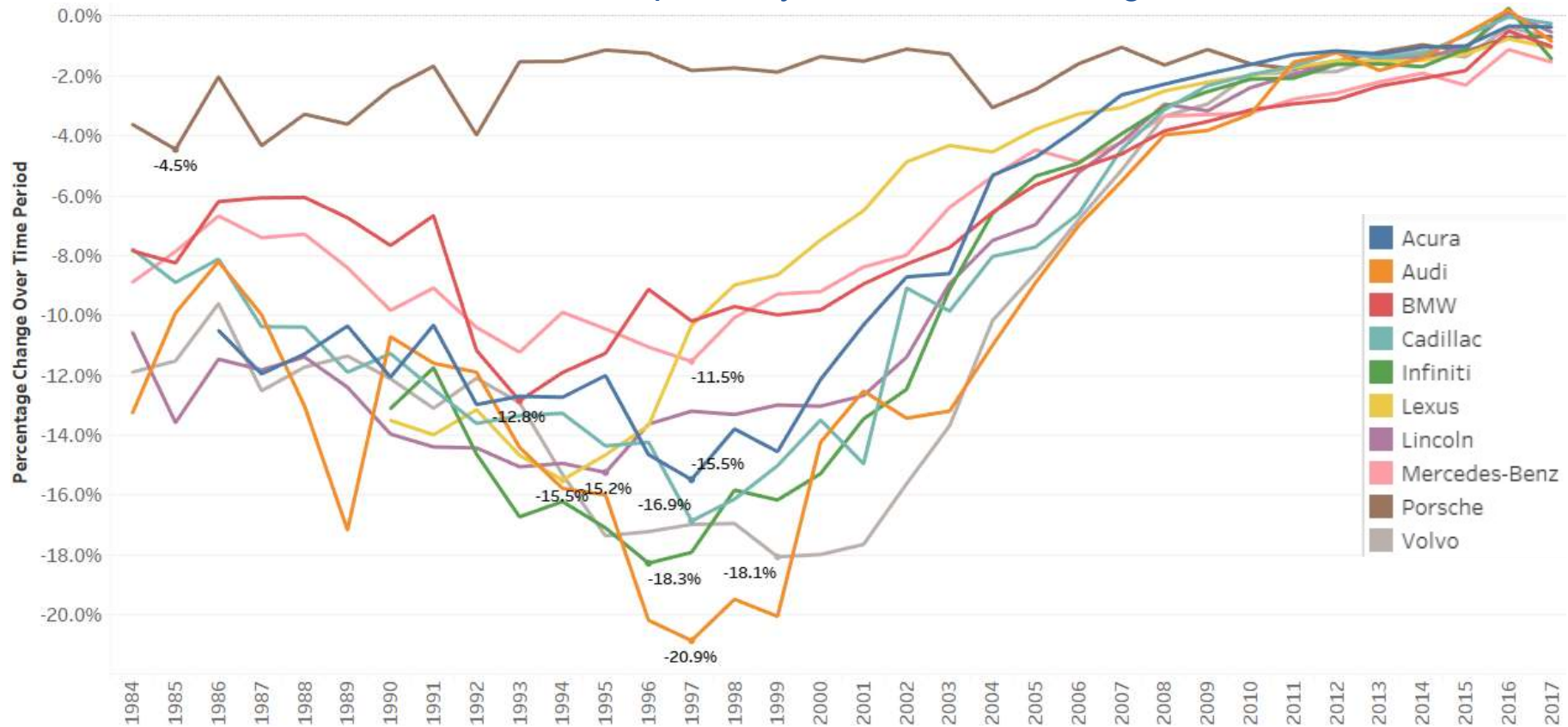
Luxury vs Non-Luxury share change



# U.S. VIO out of operation change by Model Year

Q2 2019 to Q2 2020

Top Luxury brands share change

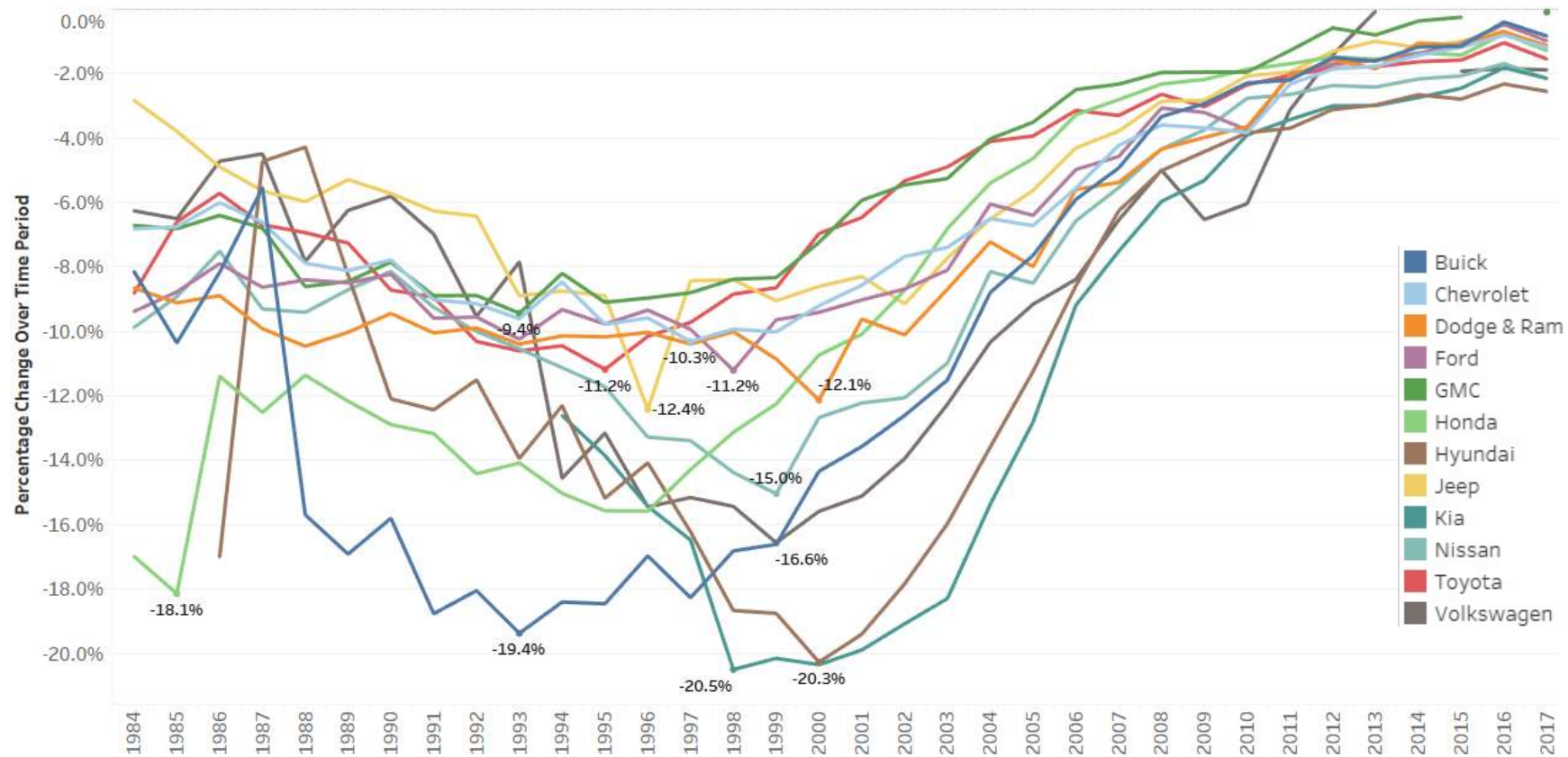




# U.S. VIO out of operation change by Model Year

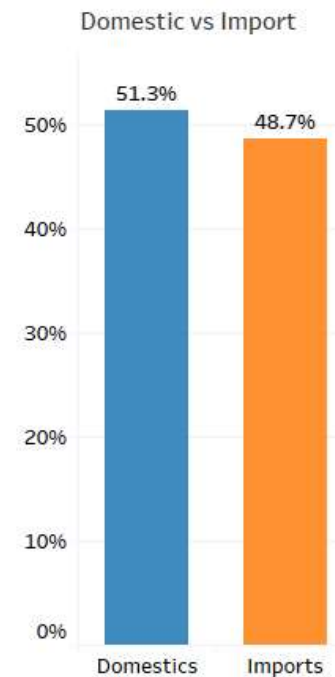
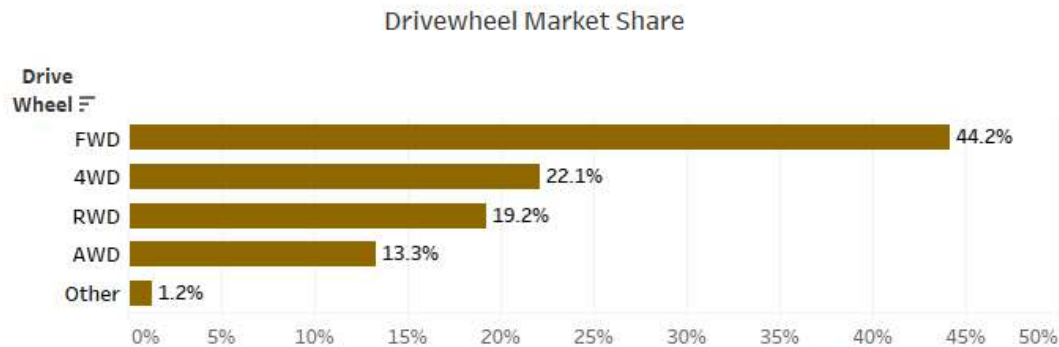
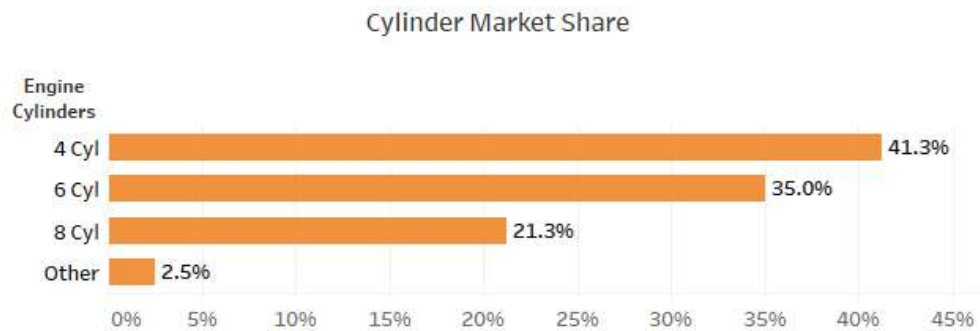
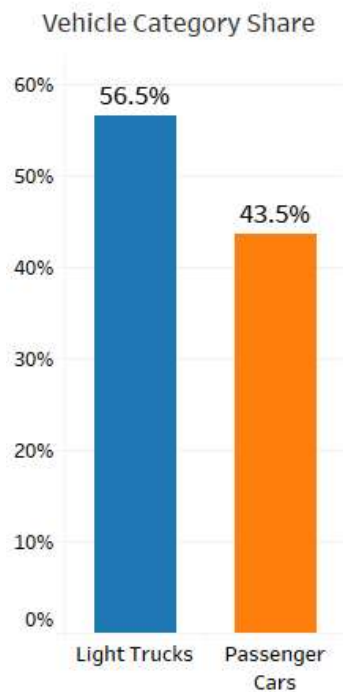
Q2 2019 to Q2 2020

Top Non-Luxury brands share change

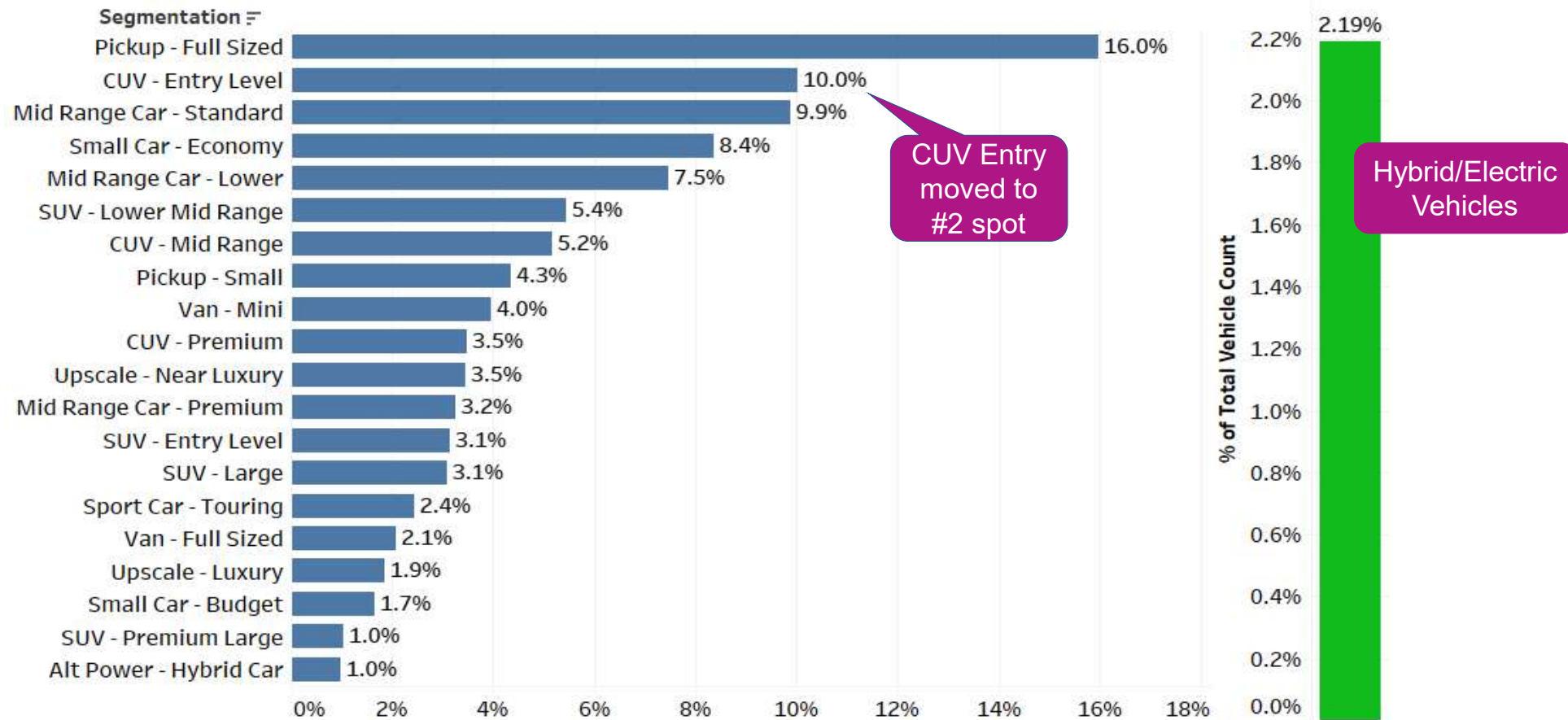


# U.S. Summary Stats – for all light duty VIO

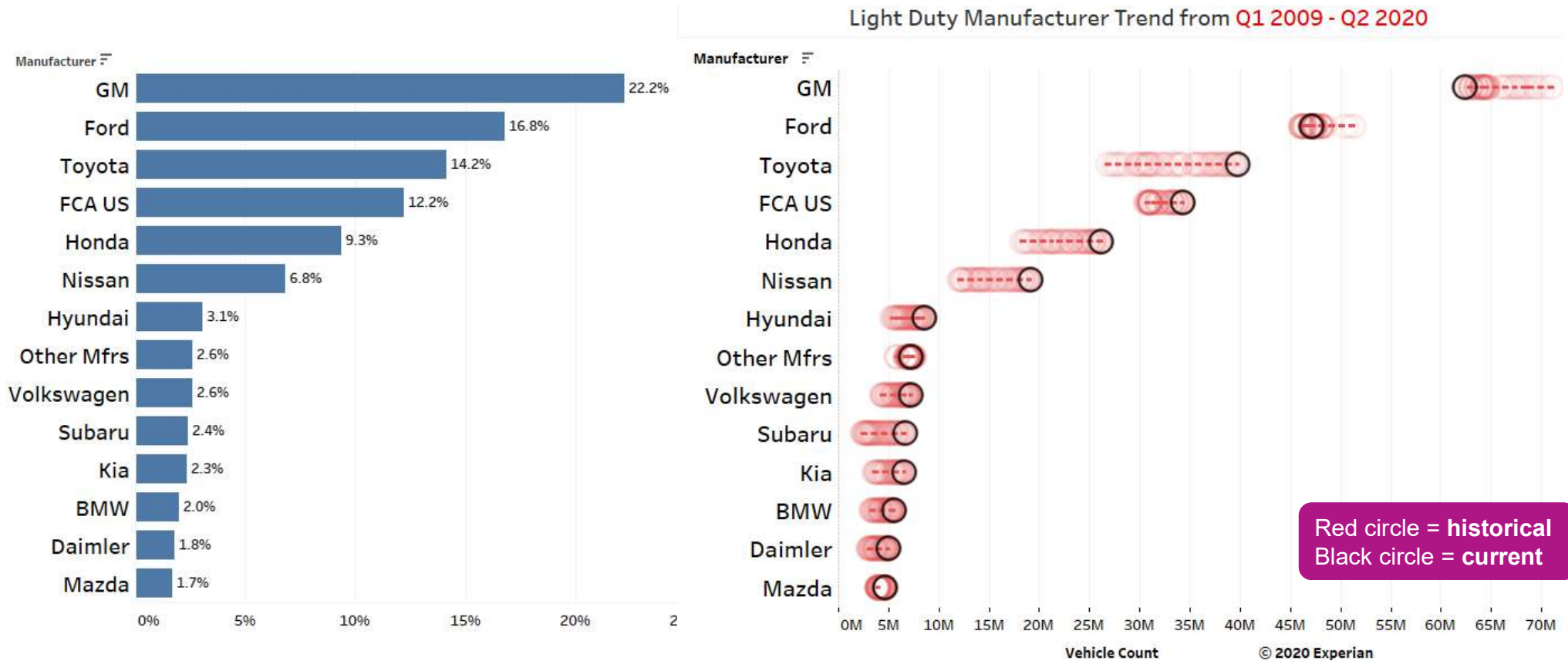
as of Q2 2020



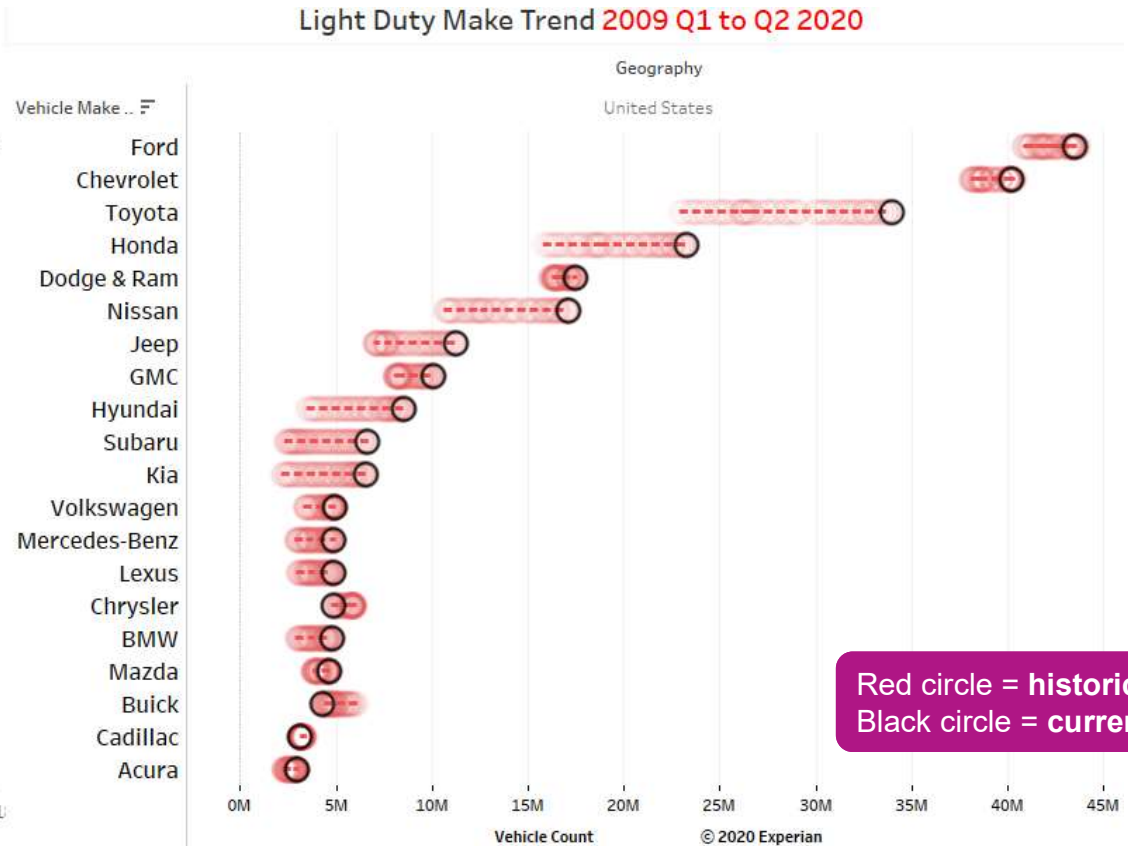
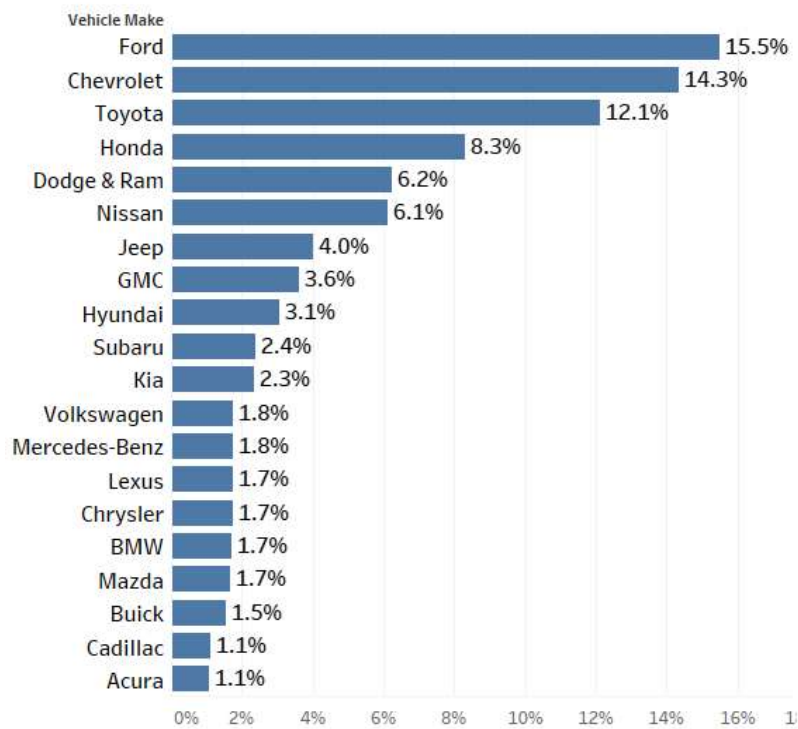
# U.S. VIO Top 20 segments on the road market share



# U.S. VIO by manufacturer market share vs volume trend

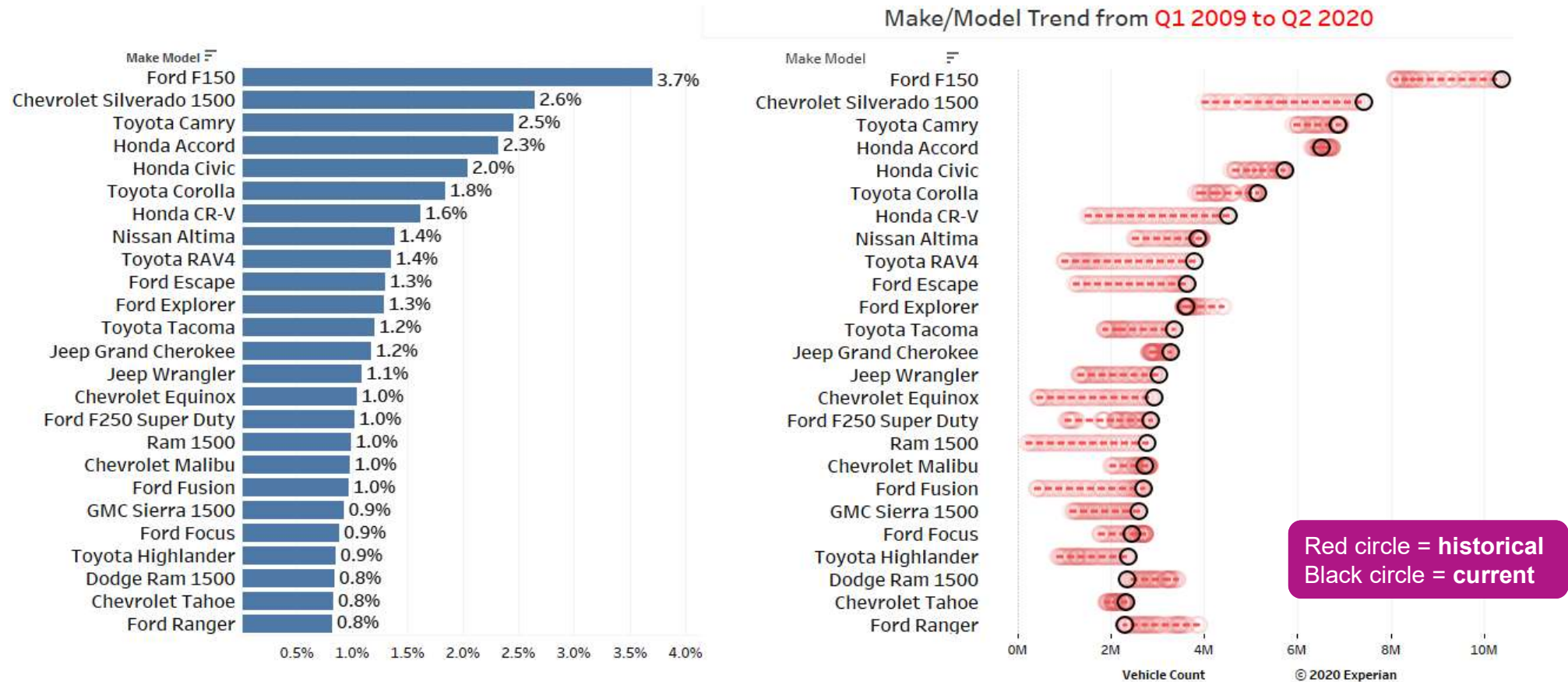


# U.S. VIO Top 20 brands market share vs volume trend





# U.S. VIO top 25 Make/Model market share vs volume trend



# The aftermarket “Sweet Spot” overview

“Post” and “Pre” Sweet Spot defined

## The Aftermarket “Sweet Spot”

- 6 to 12 model year old vehicles
- Aged out of general OEM manufacturer warranties for any repairs
- Likely require more part replacement & services (e.g. shocks, timing belt service, engine repairs) that may be performed by aftermarket service shops using parts from aftermarket part manufacturers
- Sizing the Sweet Spot helps identify overall market potential and changes can have implications to those that service it

## “Post Sweet Spot” vehicles

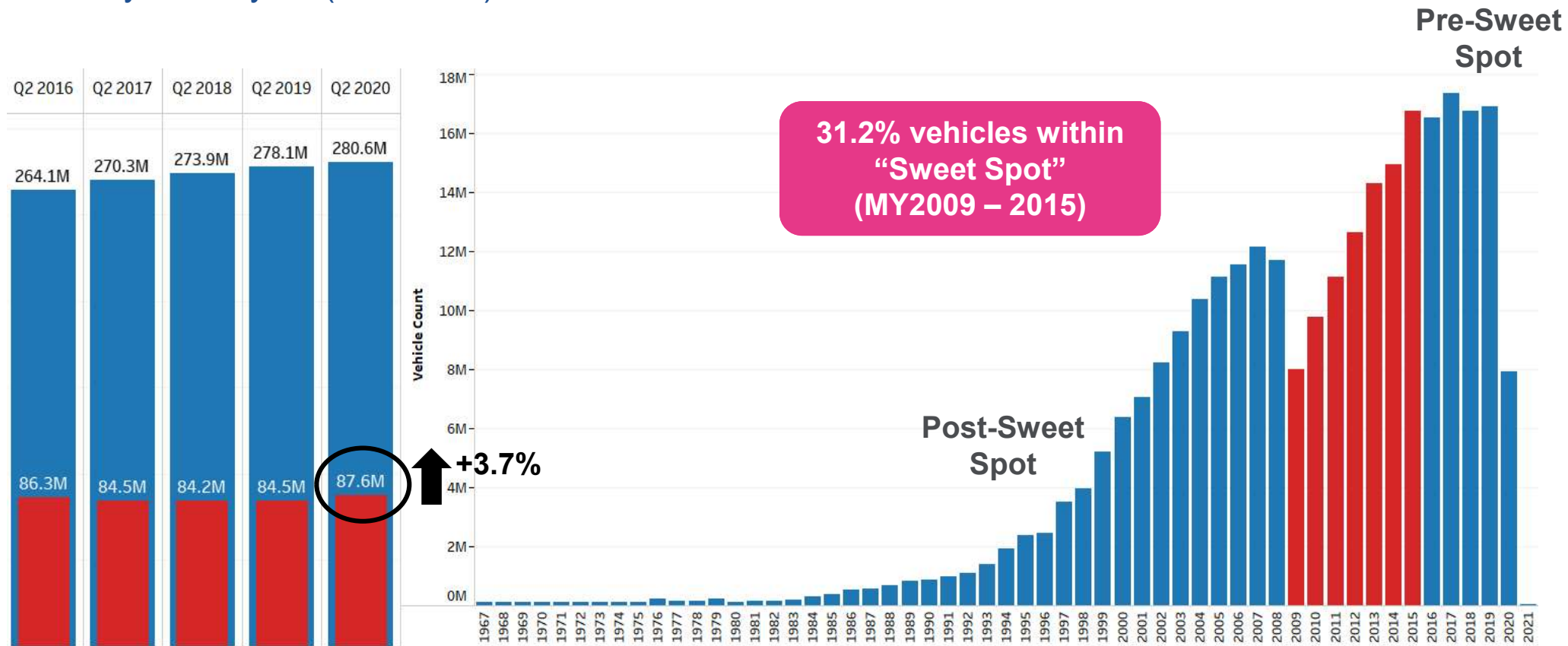
- 13 model years old & older
- Less costs may be spent to service them due to their age and lower vehicle value

## “Pre Sweet Spot” vehicles

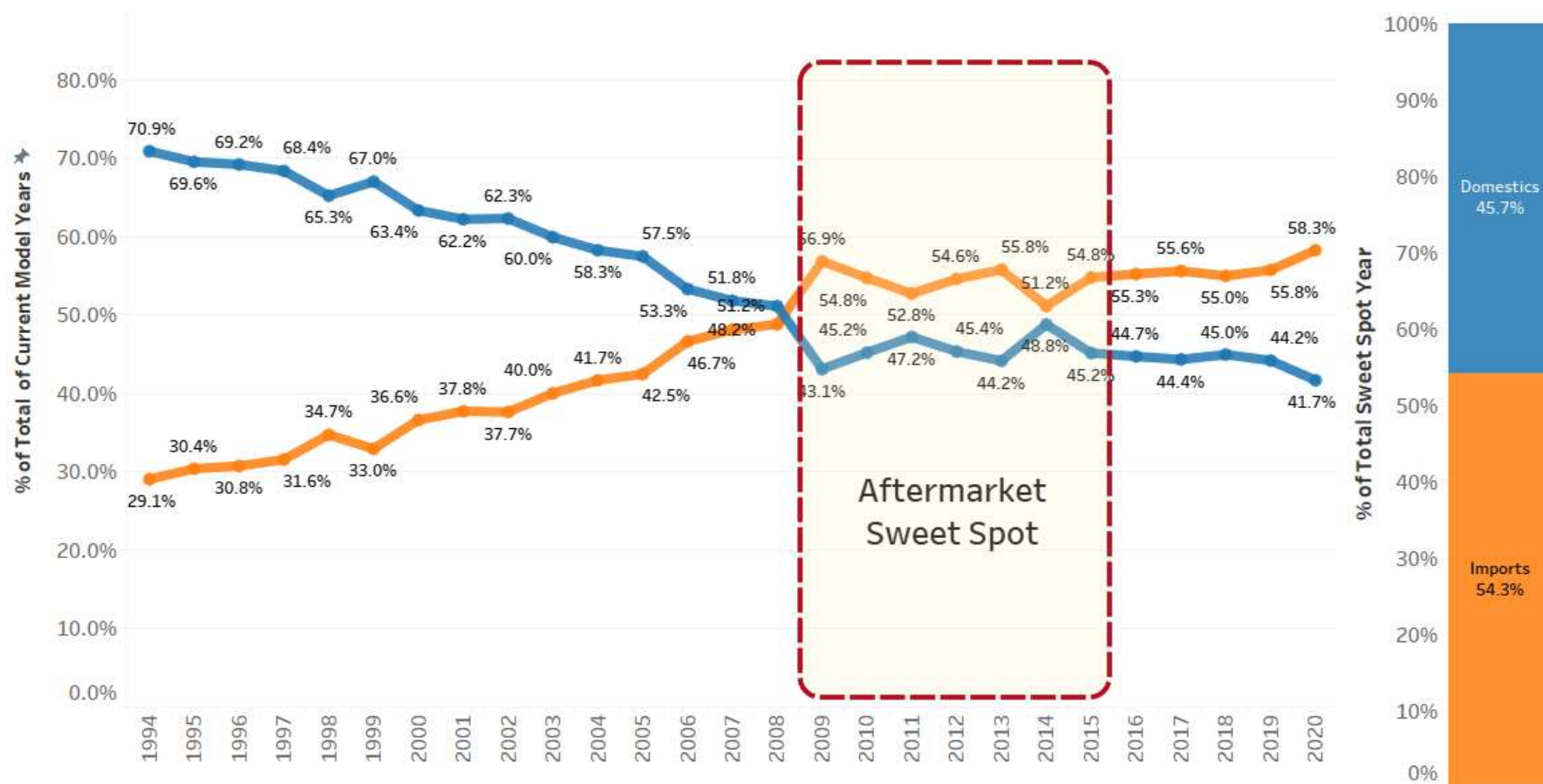
- 5 model years old & newer; many covered by the vehicle’s manufacturer warranty
- Identifies models coming into the Sweet Spot

# U.S. trend of total VIO compared to sweet spot volumes

VIO by model year (in millions)



# Vehicles in the Sweet Spot – Domestic vs Imports



# New & Used Vehicles

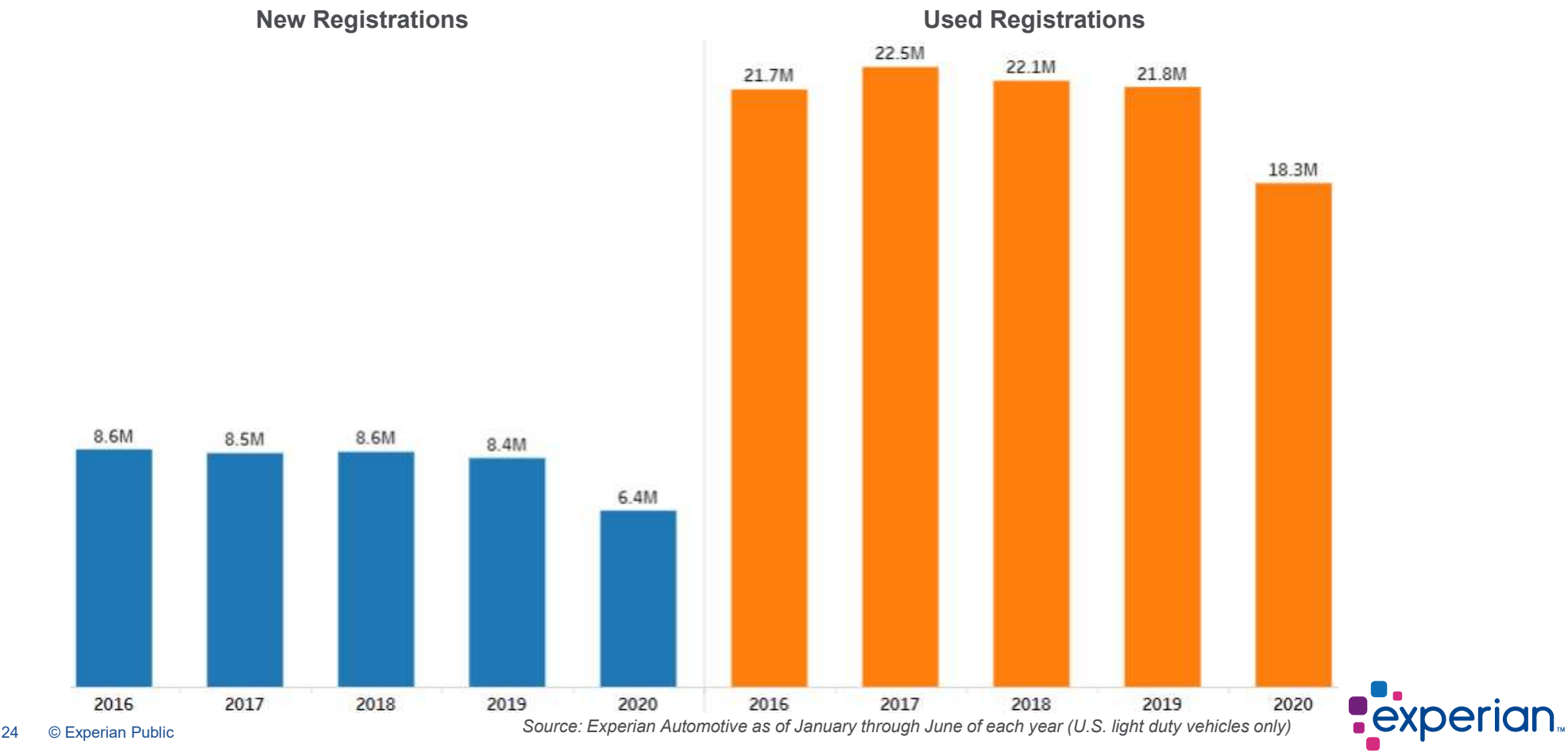
Volumes of New vs Used and Domestic vs Import over the last 12 months

Market analysis through the 2<sup>nd</sup> quarter



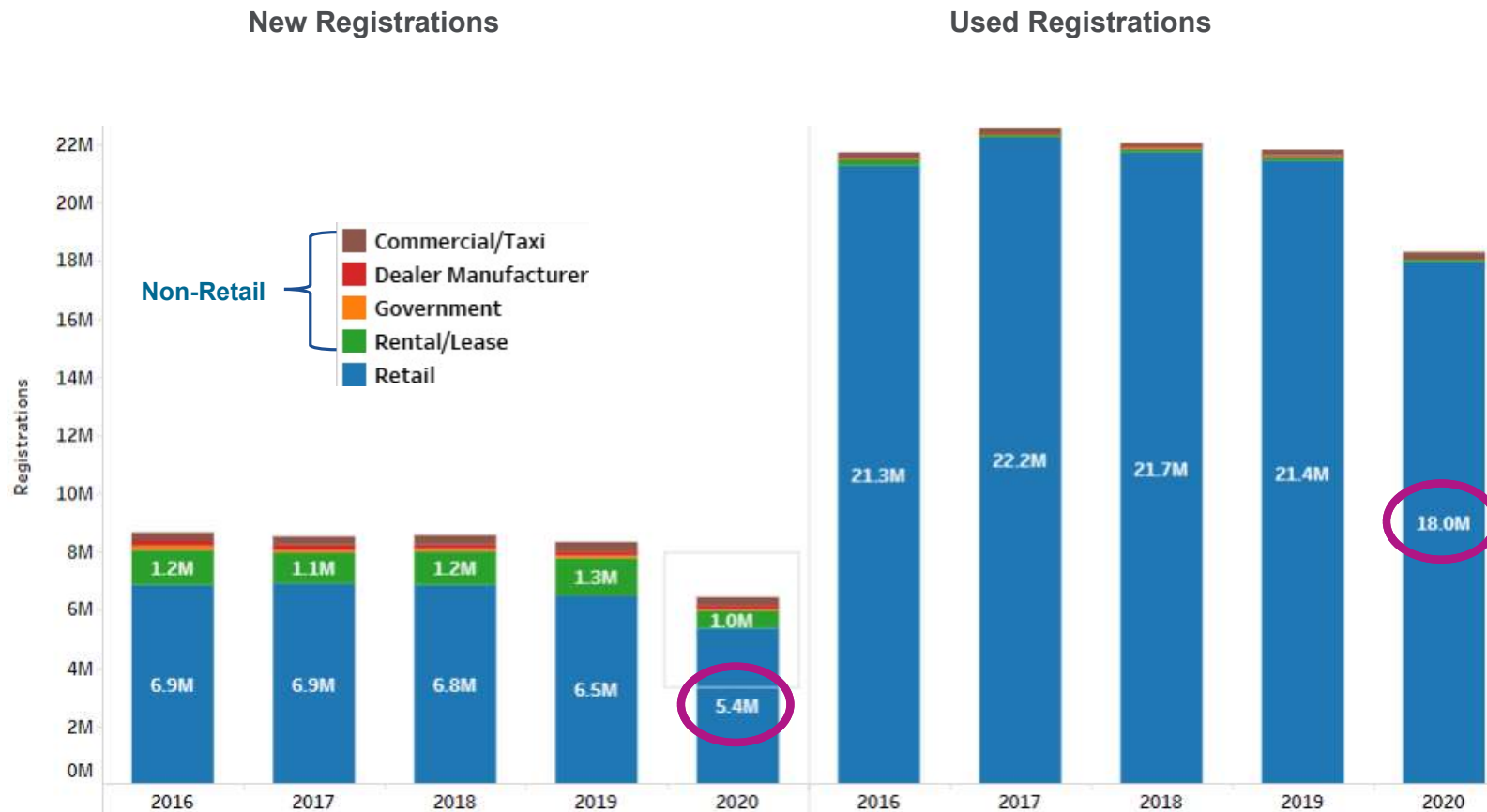


# New and Used vehicle registrations through the 2nd quarter



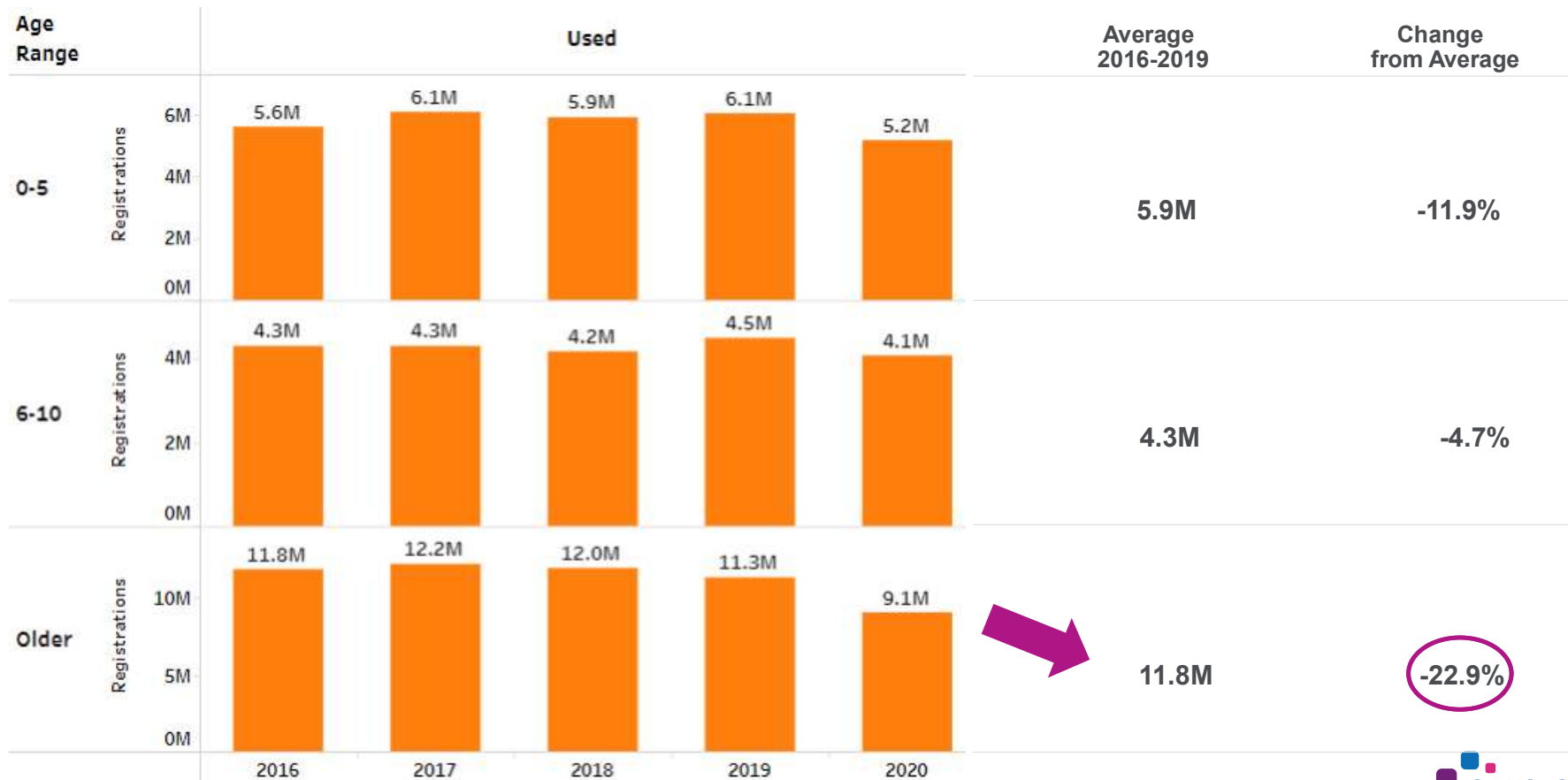
# New and Used vehicle registrations

By sales category through the 2nd quarter



# Used vehicle registrations

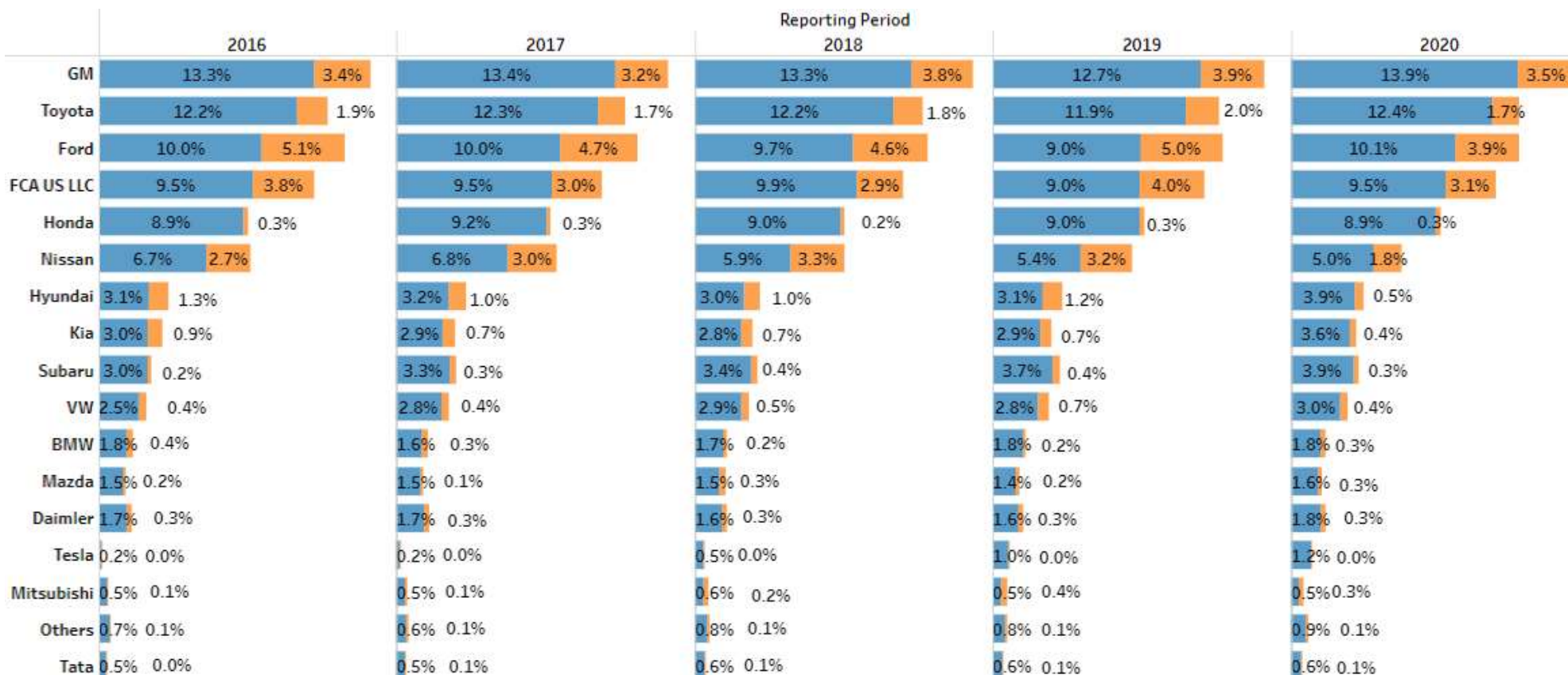
By age range (Model Year) through the 2nd quarter



# New vehicle registrations through the 2nd quarter

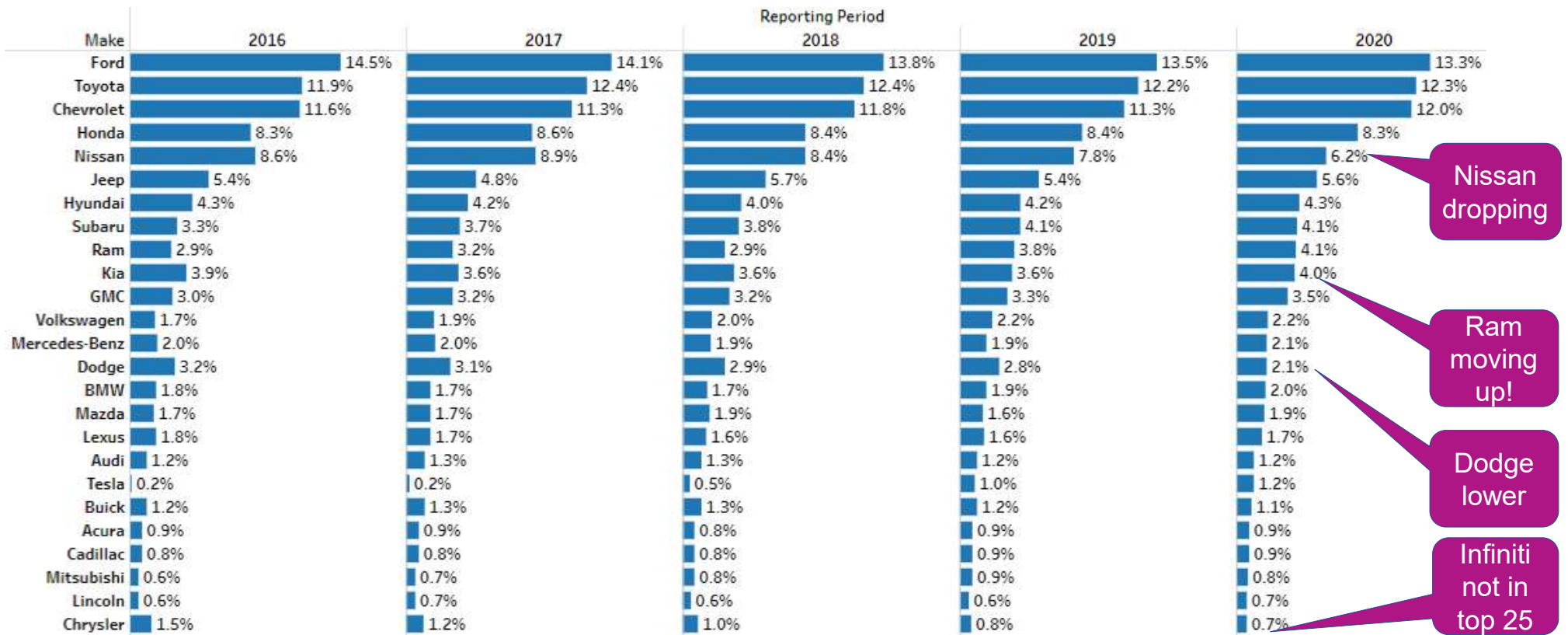
By manufacturer – Retail + Non-Retail

Non-Retail  
Retail



# New vehicle registrations through the 2nd quarter

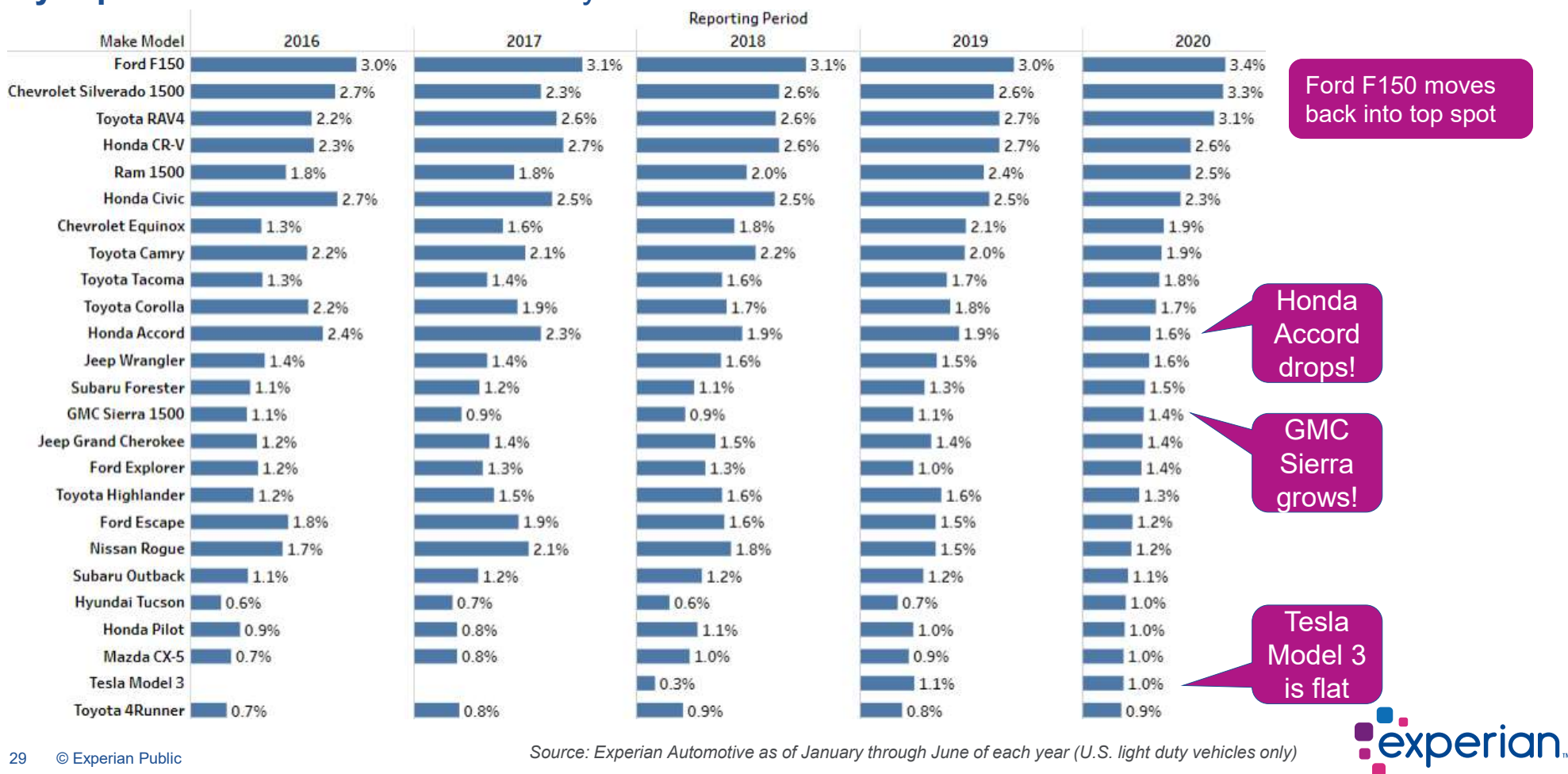
## Top 25 brands – all sales categories (retail + non-retail)





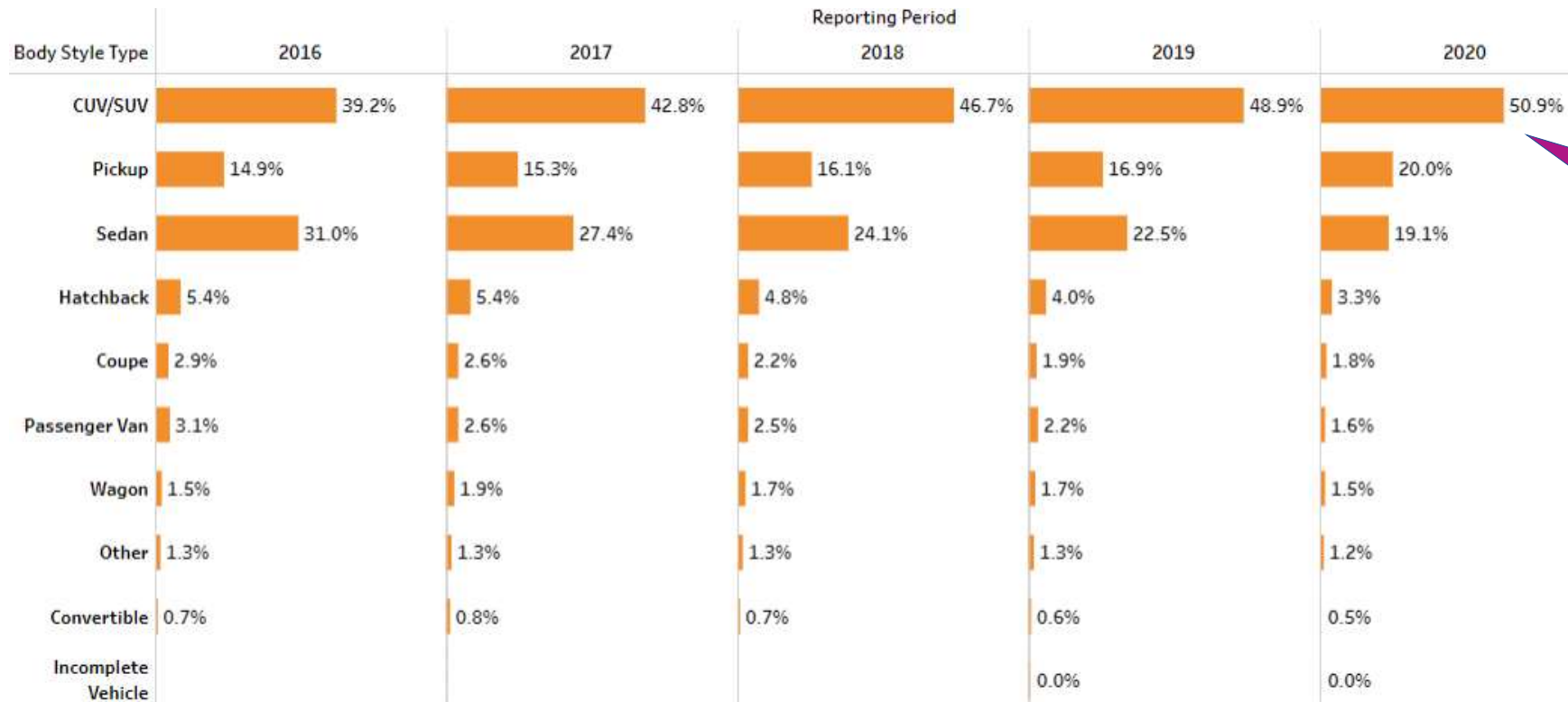
# New vehicle registrations through the 2nd quarter

## By top 25 make/models – Retail only



# New vehicle registrations through the 2nd quarter

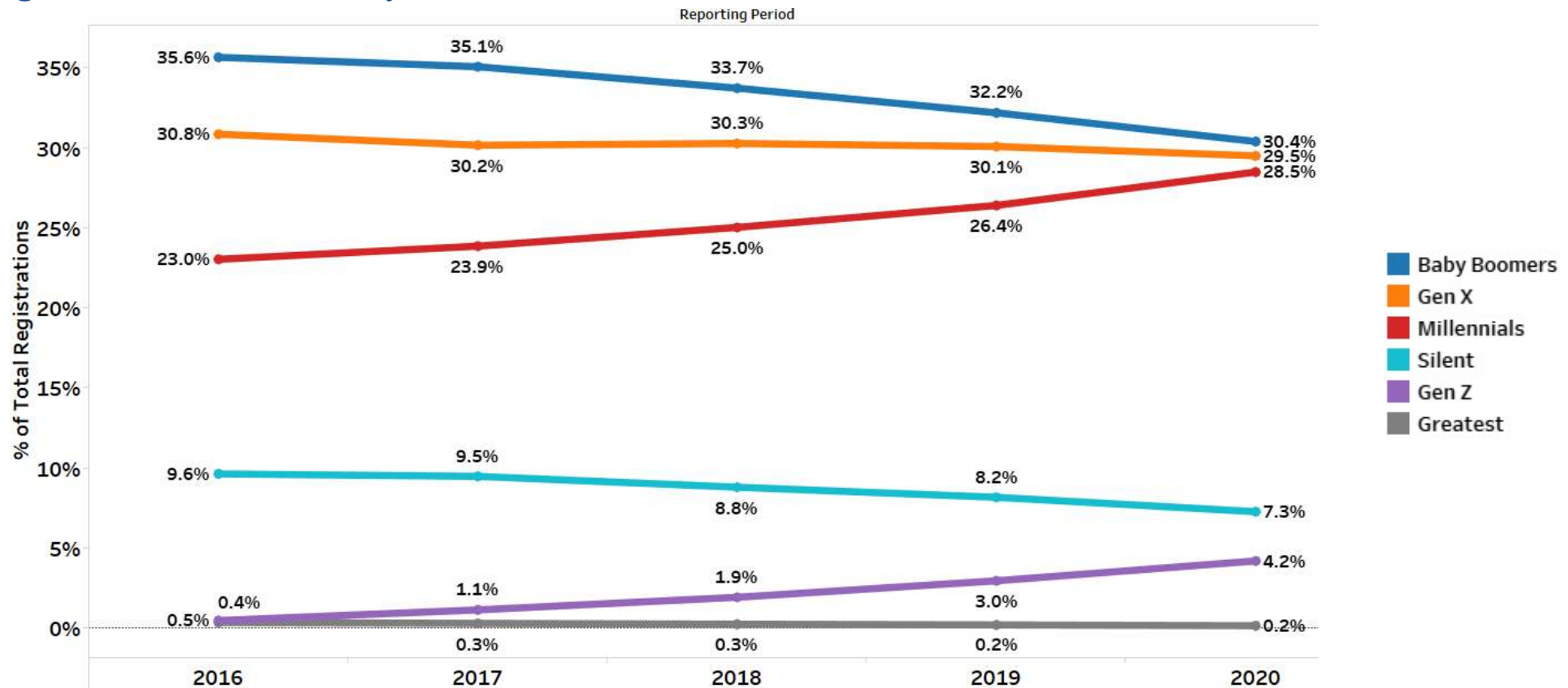
## By body style type – Retail only




CUVs nearly at 51%

# New vehicle registrations through the 2<sup>nd</sup> quarter

## By generation – Retail only



# Vehicle Analysis



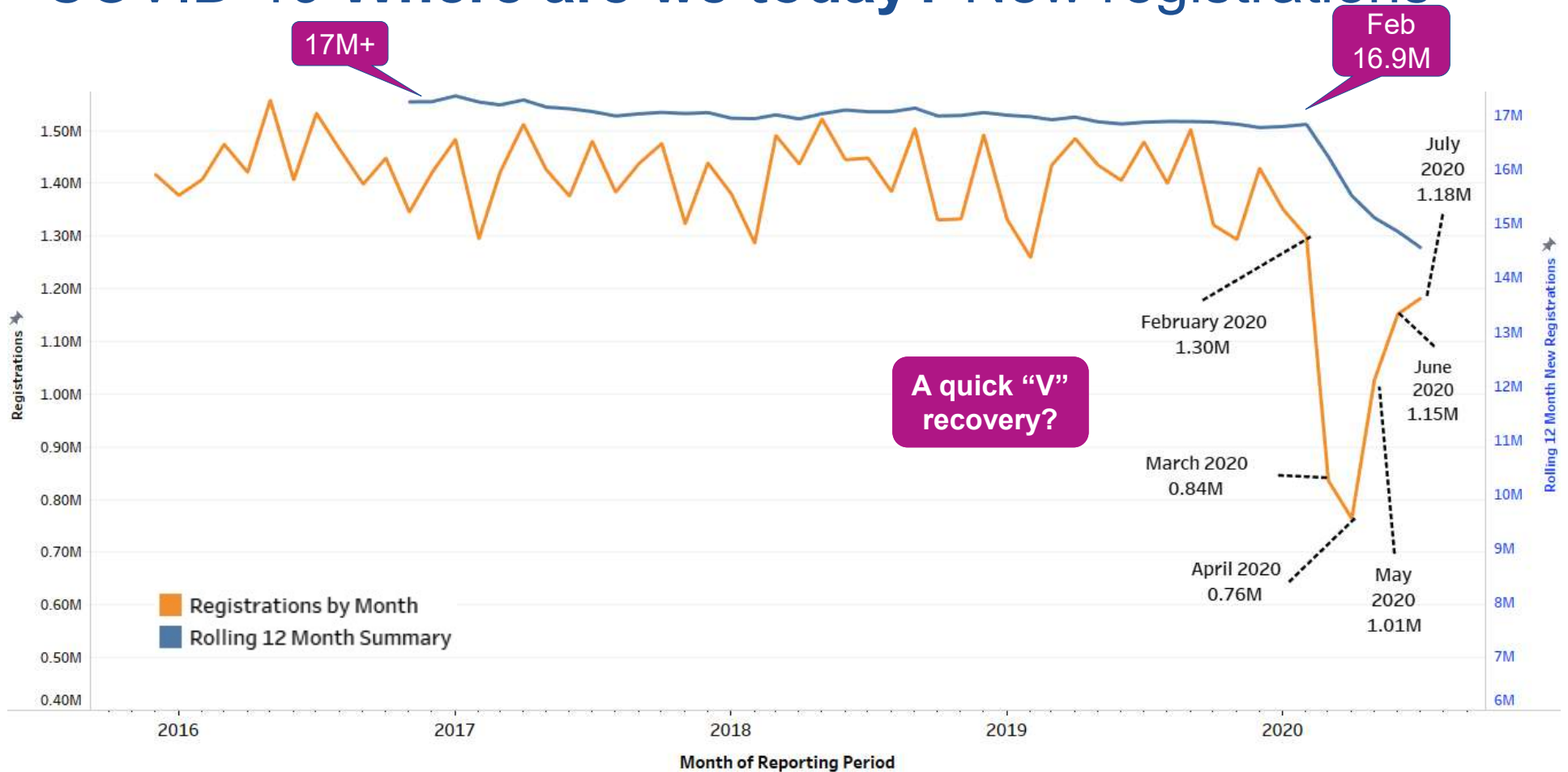
**COVID-19**



What is occurring in  
the vehicle market

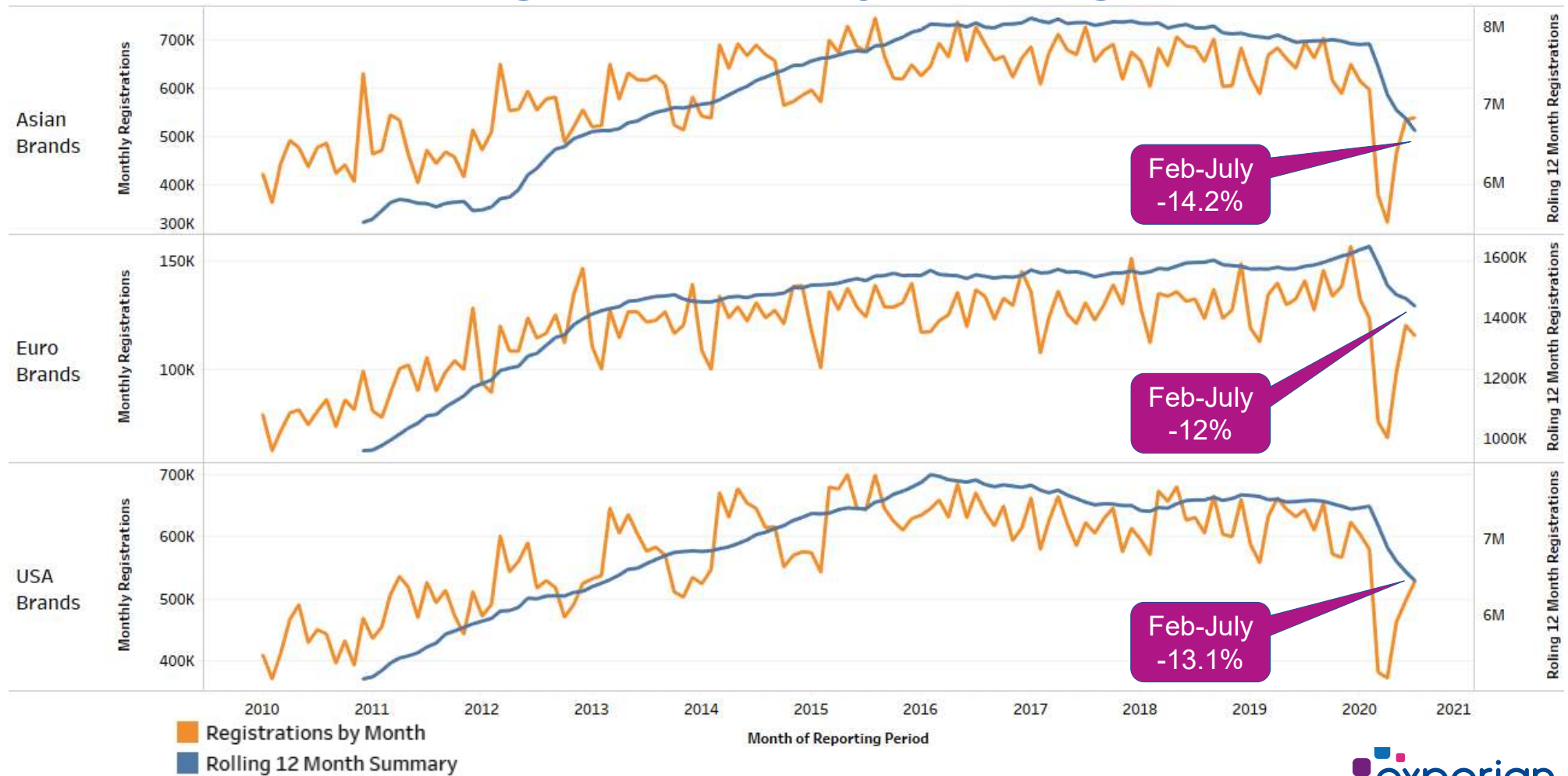


# COVID-19 Where are we today? New registrations



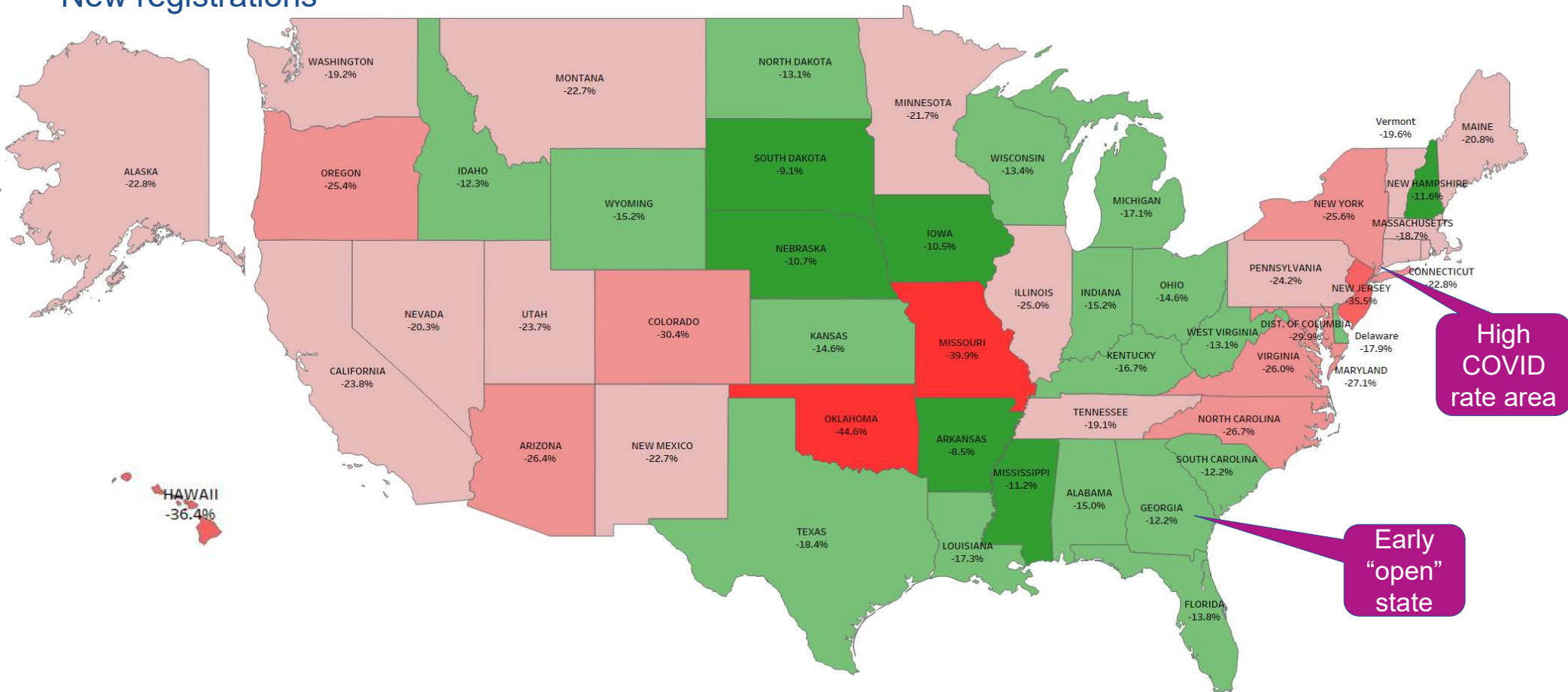


# COVID-19 New registrations by brand groups

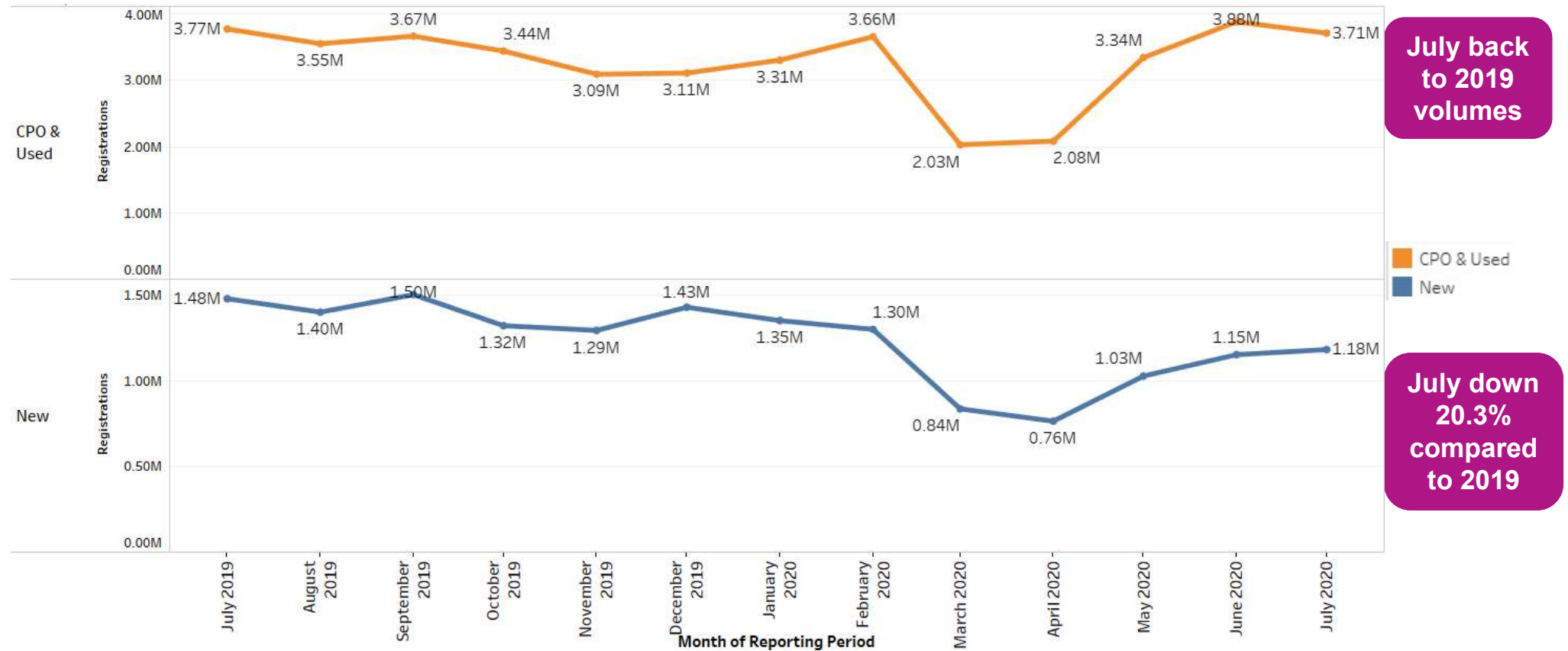


# COVID-19 January – July change 2019 vs 2020 by state

## New registrations



# New and Used vehicle registrations through July 2020



# Vehicle Analysis



# CANADA

Spotlight on the Canadian vehicle market



# Canada total Vehicles in Operation = 28.3M

## Light Duty

Passenger Cars, Light Trucks, Vans  
Cars and GVW Class 1 – 3

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26.3M

## Medium & Heavy Duty

Large Vans, Delivery Trucks, Buses, RVs,  
Cement Trucks, Semi-Tractors  
GVW Class 4 - 8

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972k

## Power Sports

Motorcycles, All-Terrain,  
Utility Task, Snowmobiles

960k

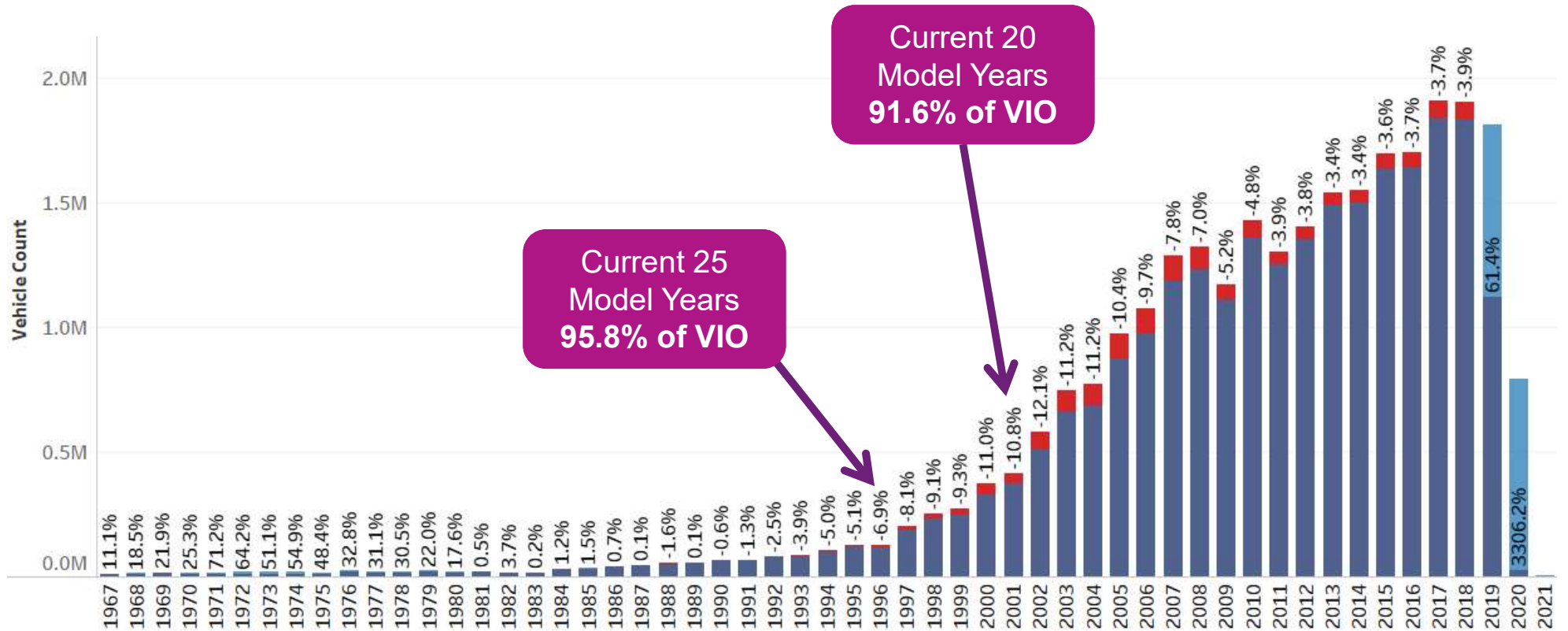




# Canada VIO change by Model Year (in millions)

Q2 2019 to Q2 2020

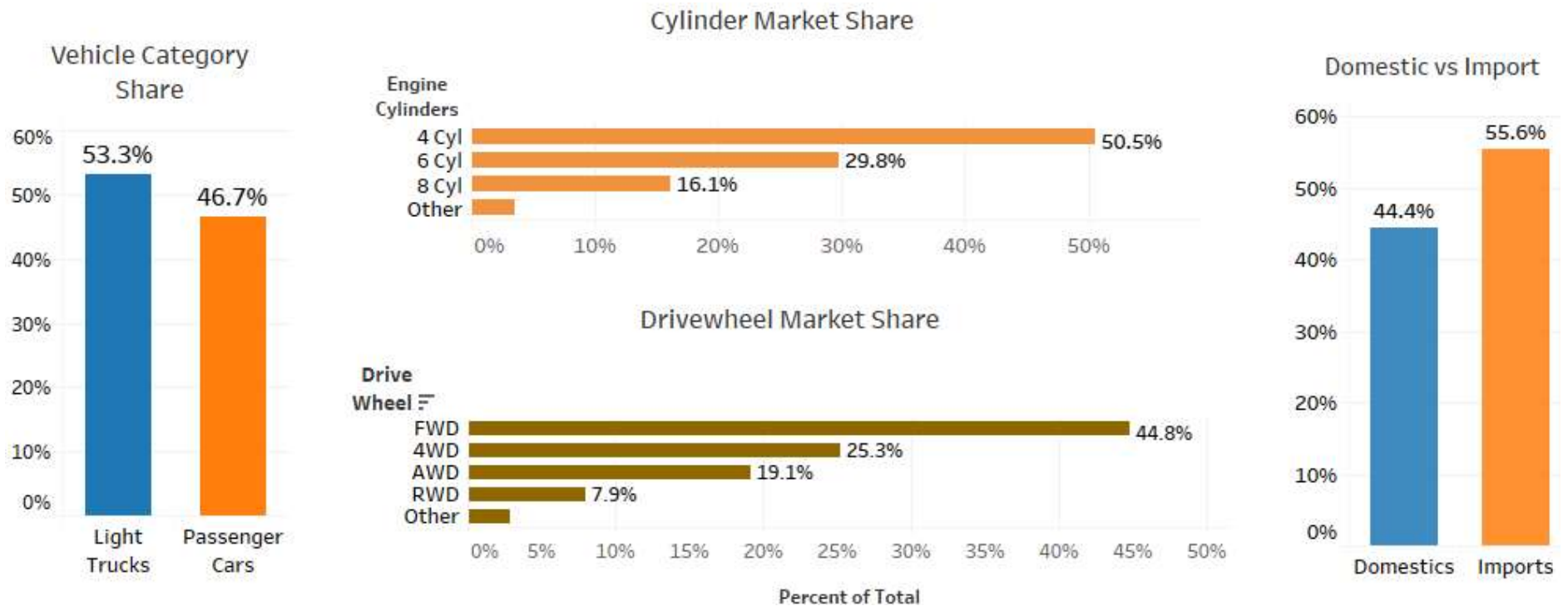
Out of operation  
New vehicle sales  
Carryover vehicles





# Canada Summary Stats – for all light duty VIO

as of Q2 2020



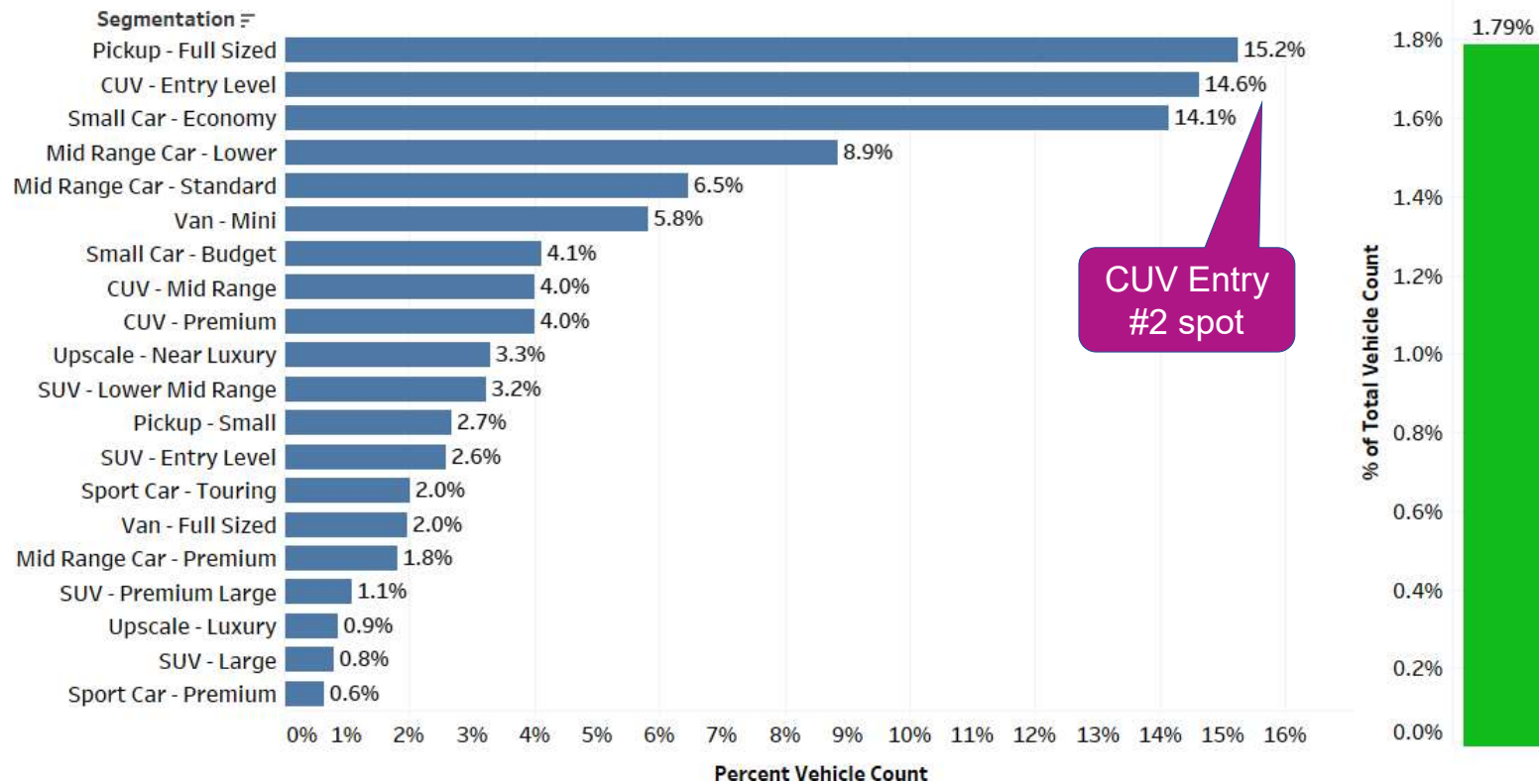


# Canada VIO Top 20 segments on the road market share

Top 20 Vehicle Segment for the Canada Market  
as of Q2 2020 Light Duty VIO

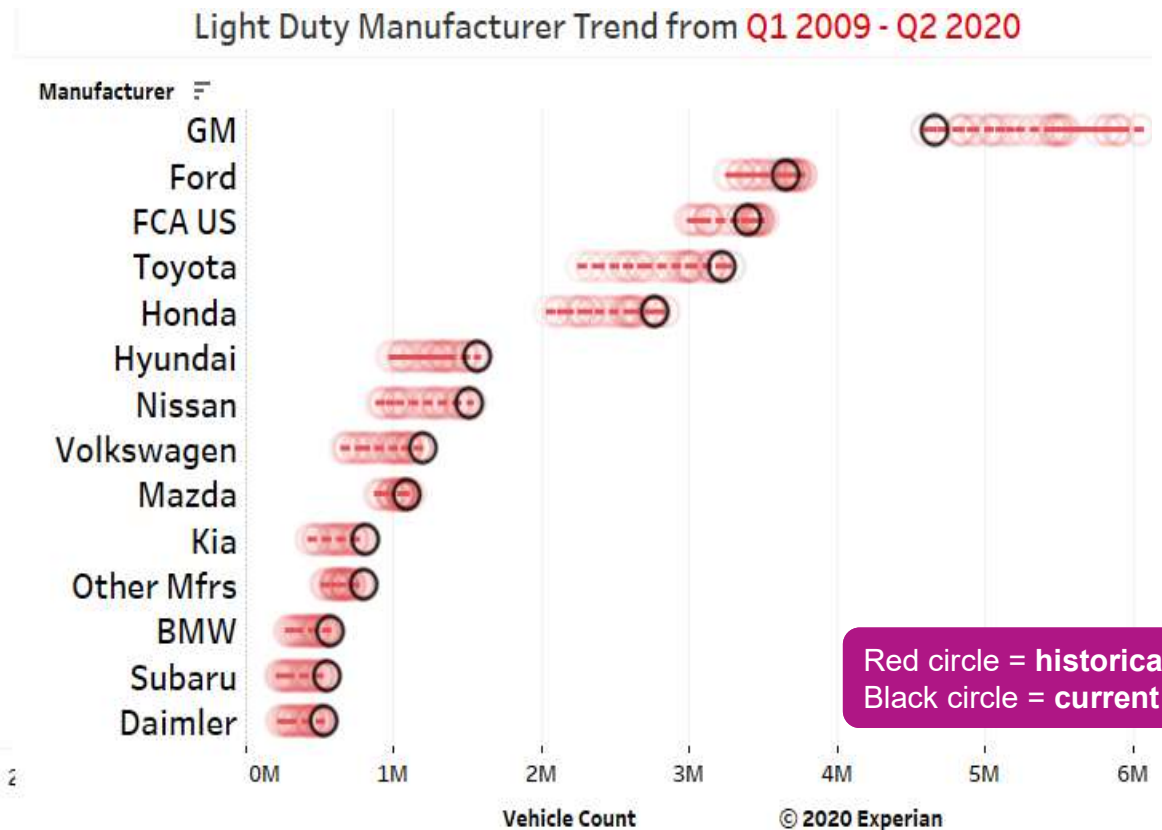
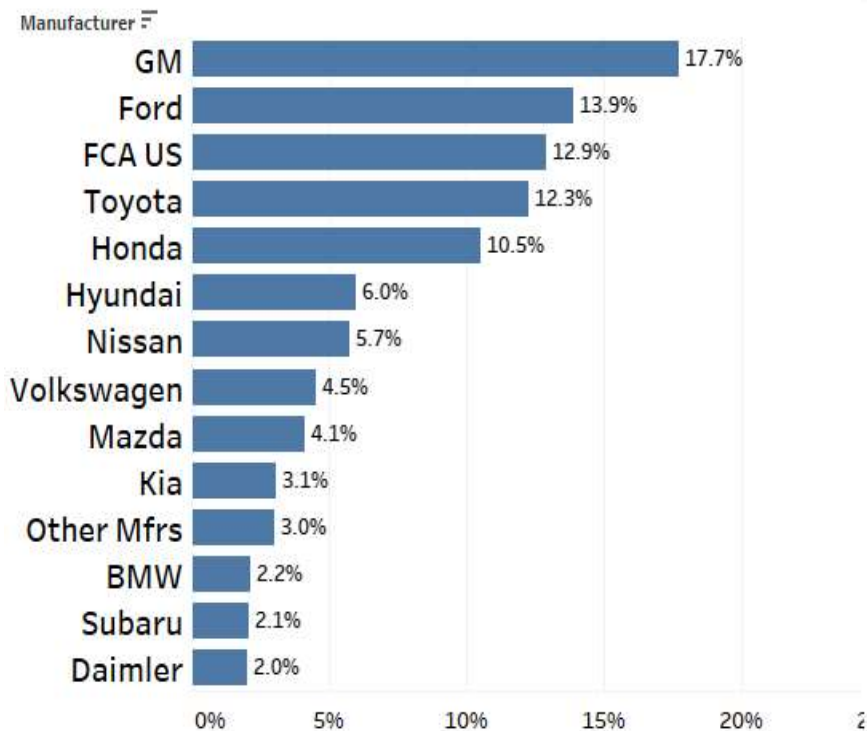
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Hybrid/Electric  
Vehicles



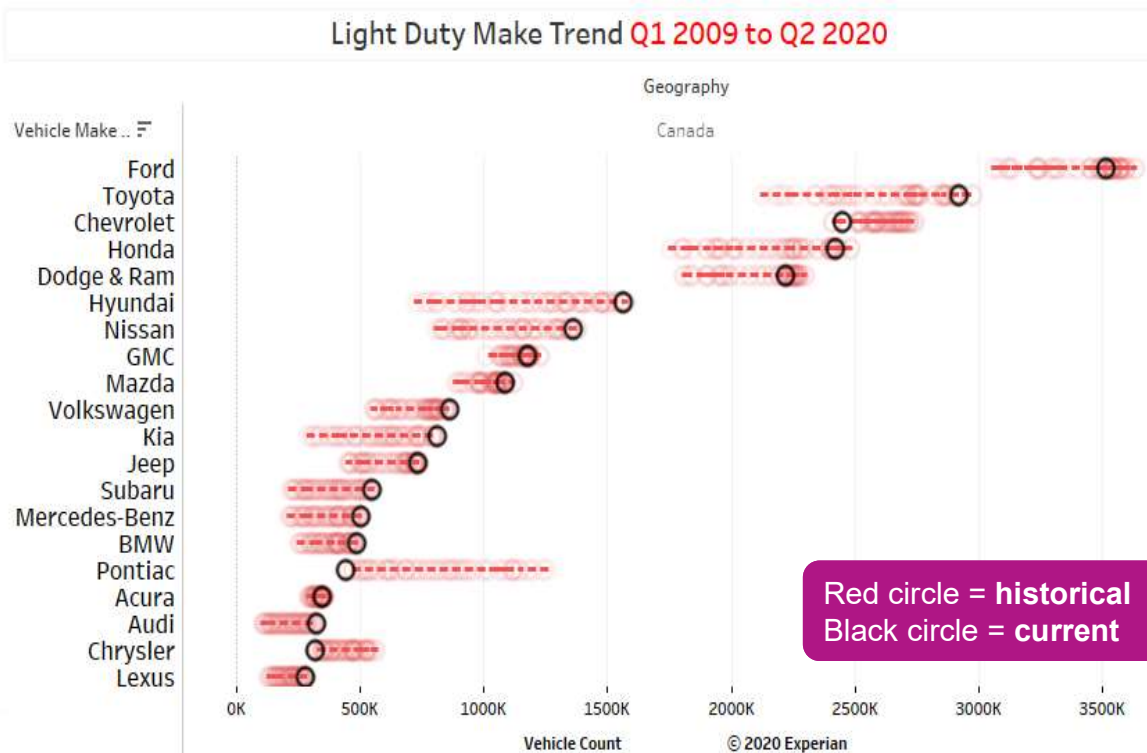
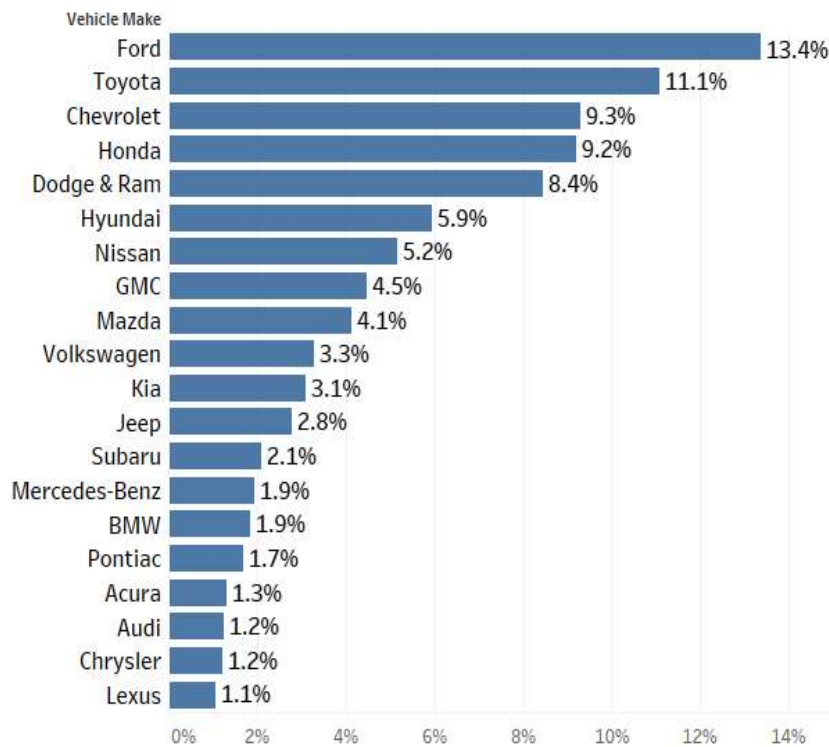


# U.S. VIO by manufacturer market share vs volume trend





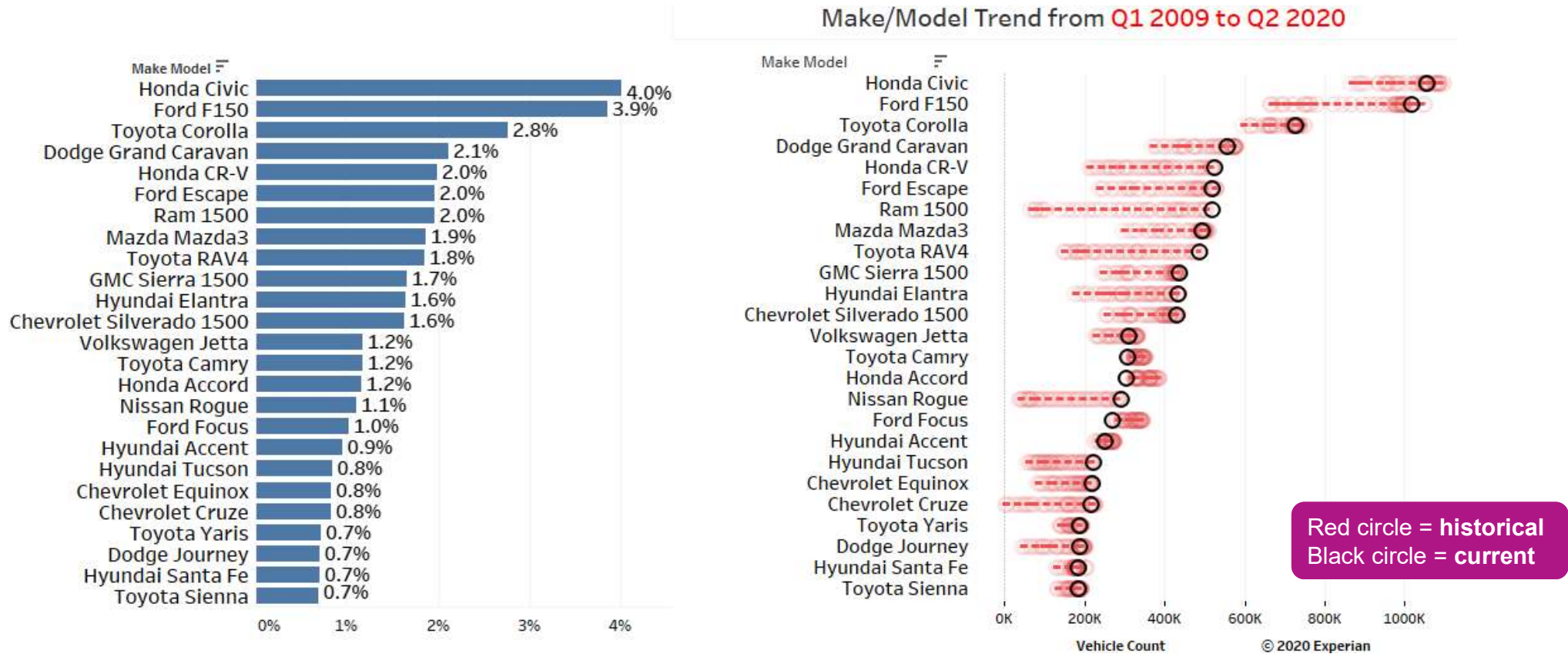
# Canada VIO Top 20 brands market share vs volume trend







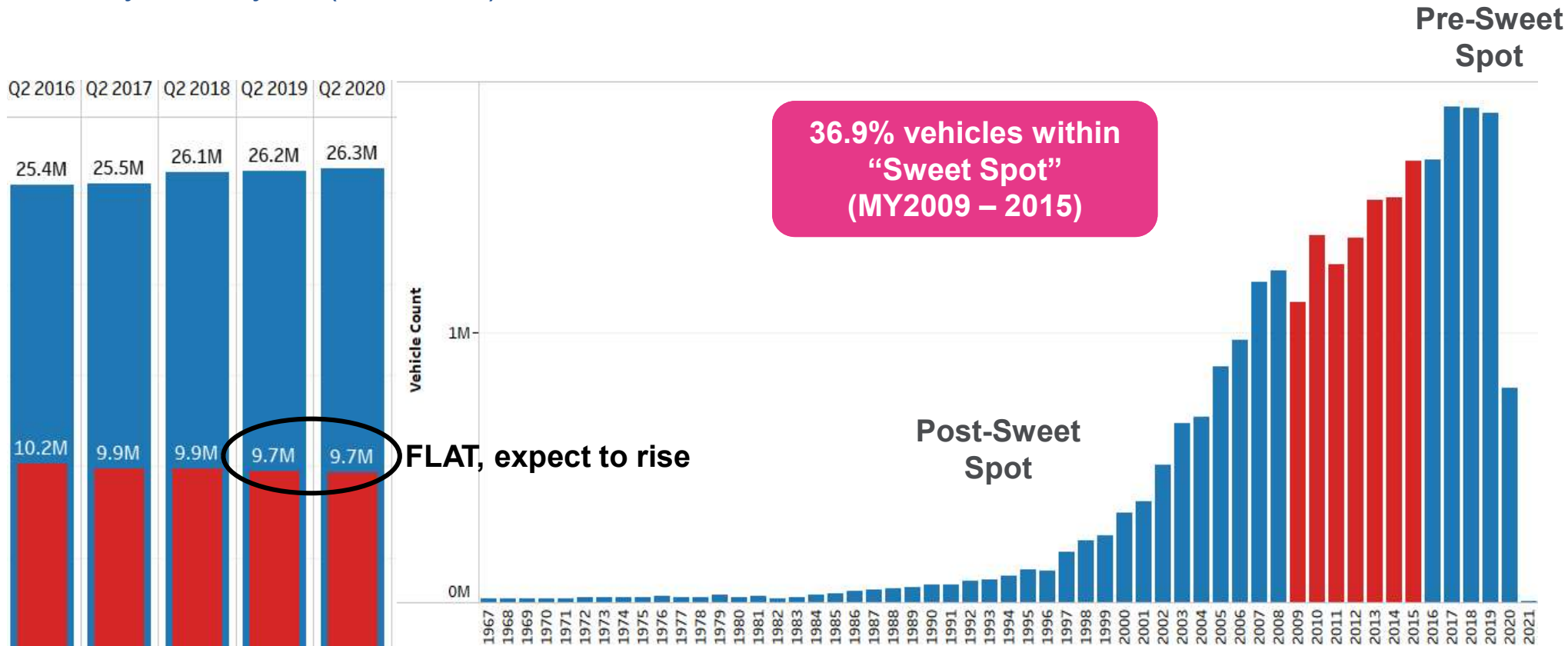
# Canada VIO top 25 Make/Model share vs volume trend



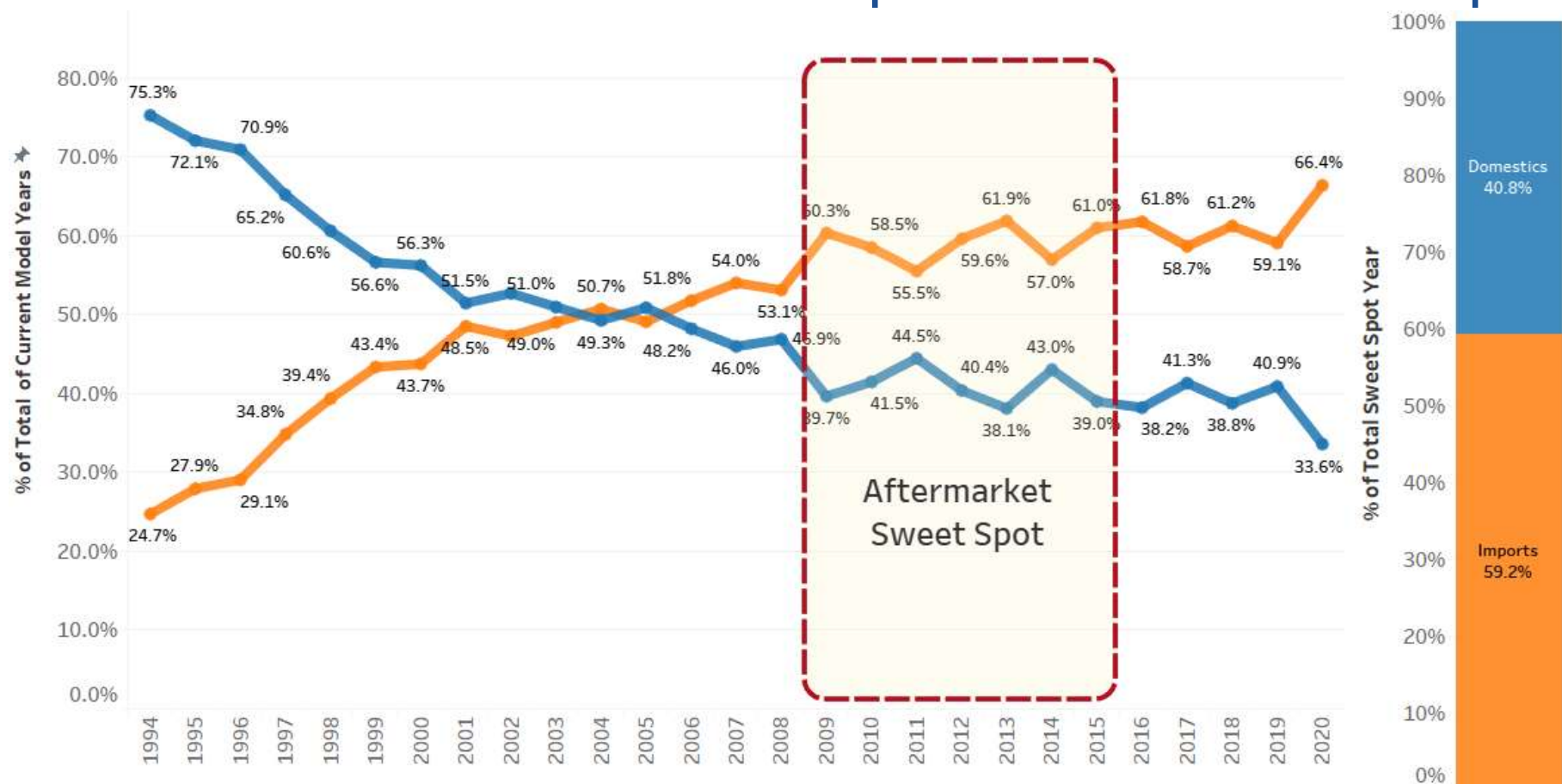


# Canada trend of total VIO vs sweet spot volumes

VIO by model year (in millions)



# Canada Vehicles in the Sweet Spot – Domestic vs Imports



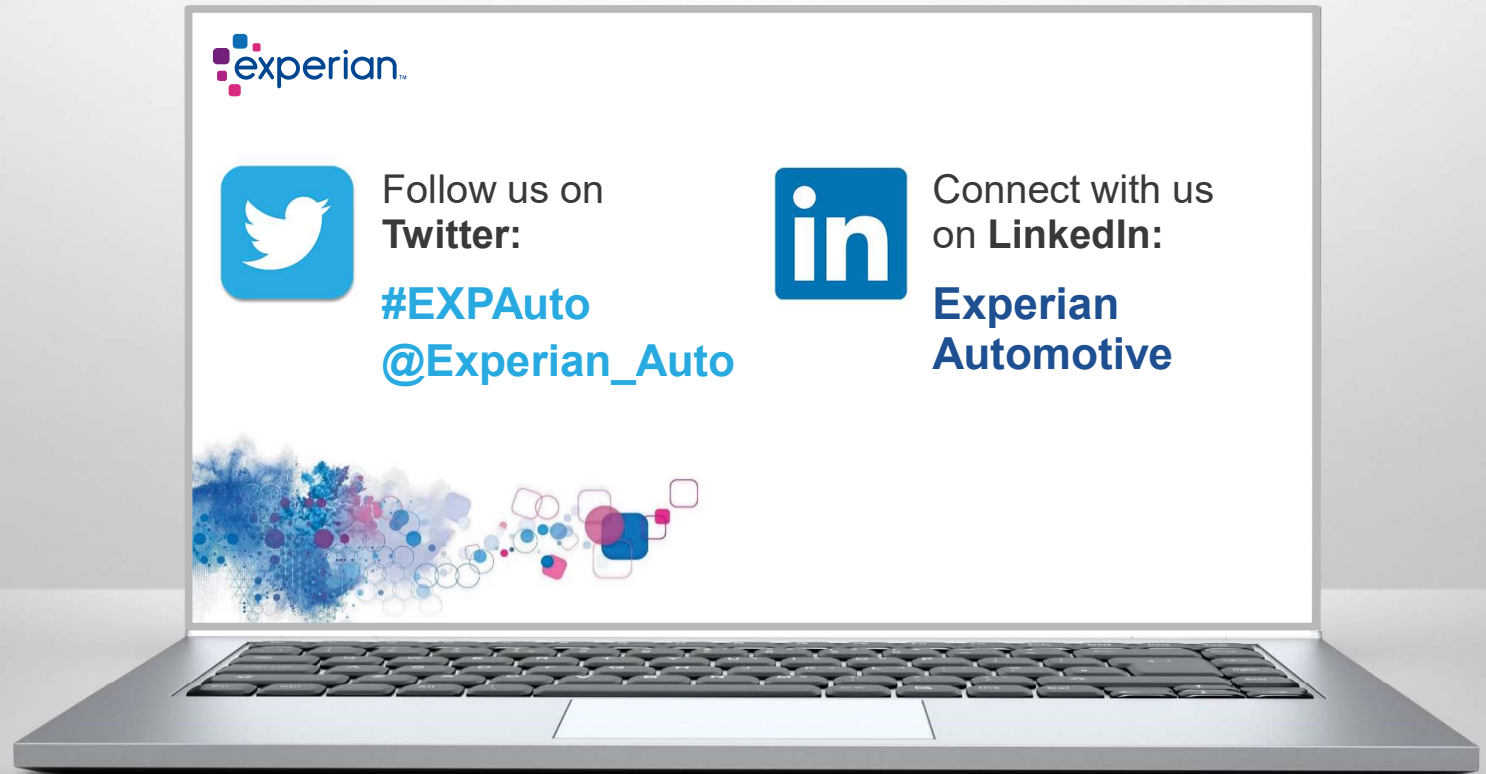
## Q2 2020 Summary

- Total light duty VIO is currently at **280.6 million** in the U.S. market
- The Aftermarket Sweet Spot has started growing in the U.S. as predicted and is at **3.7% in growth** over the prior year
- **Out of operation vehicles** over the last 12 months vary by type and brand, though some do better or worse than others as vehicles get older.
- Total U.S. New registrations lowered to **14.9 million annual** new registrations while Used registrations saw the largest drop in the 11+ year old vehicle age range
- **COVID-19 has taken a toll on registration volumes**, yet are we in for a possible quick rebound? It seems so with Used registrations volumes matching prior years, but New registrations are still down 22.6% compared to last year.
- **The Canadian vehicle market** is similar yet different from the U.S. market. The “Detroit 3” dominate VIO in Canada, but import brands overwhelm the Aftermarket Sweet Spot of vehicles.





# Today's presentation





# Thank You!

Experian Automotive is prepared to meet your needs with an integrated solution statically designed to drive your business forward.





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