



Market Trends Review

Q3 2020

Presented by

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December 2020

Today's presentation



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What's on the road

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

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

- *COVID-19 update*
- *Loyalty overview*

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[®] Vehicle History
- Our success comes from delivering actionable insights and lasting partnerships with our clients

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

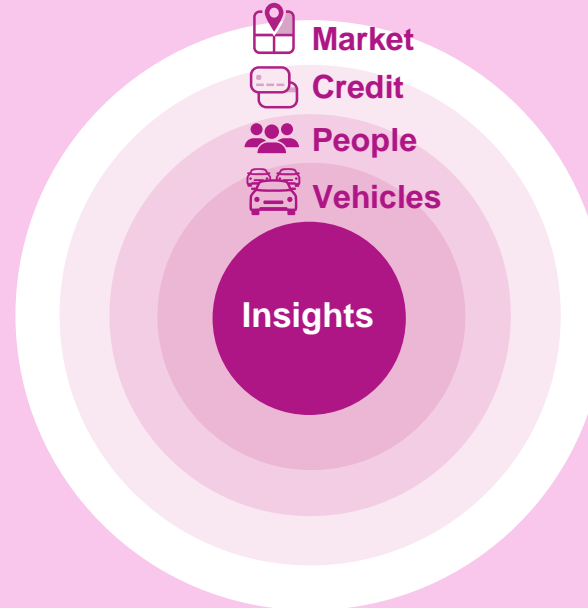
The power of Experian data

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.

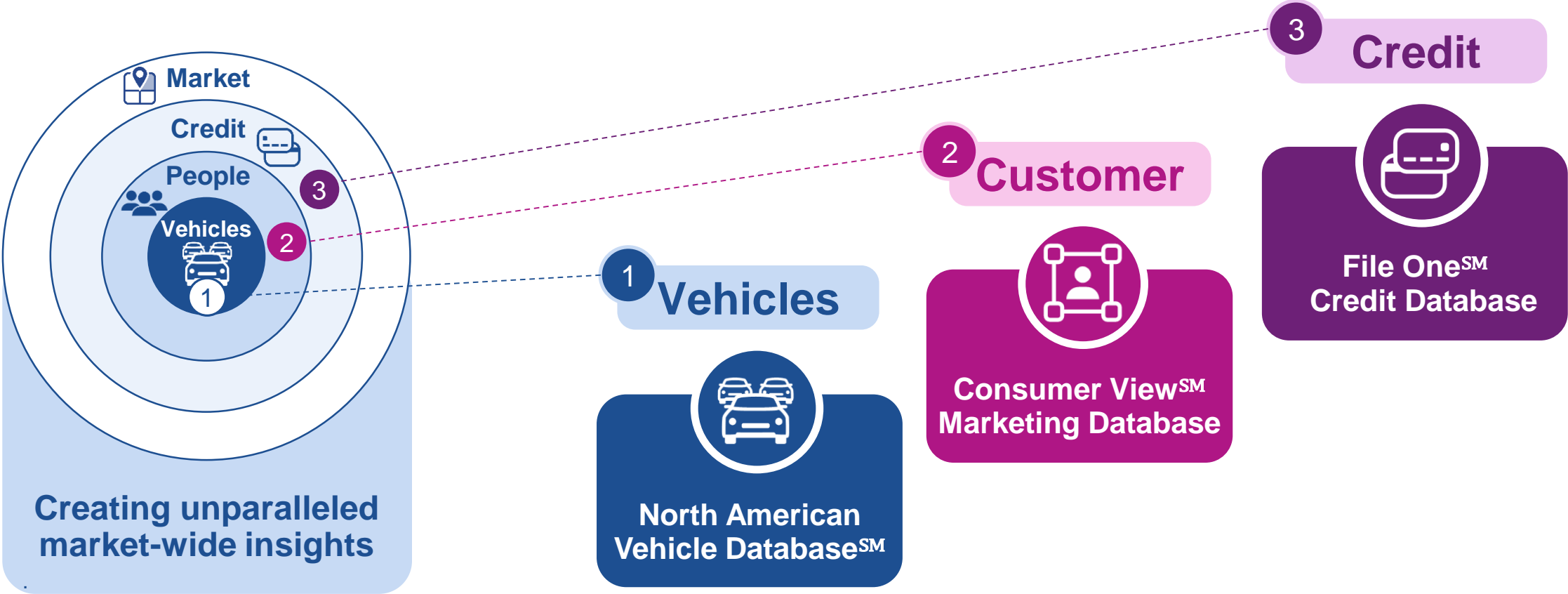


Powering innovative solution engines that drive results

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. & Canada total Vehicles in Operation (VIO) = 329.5M

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.



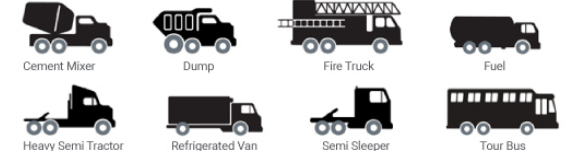
CLASS 7

26,001 to 33,000 lbs.



CLASS 8

over 33,000 lbs.



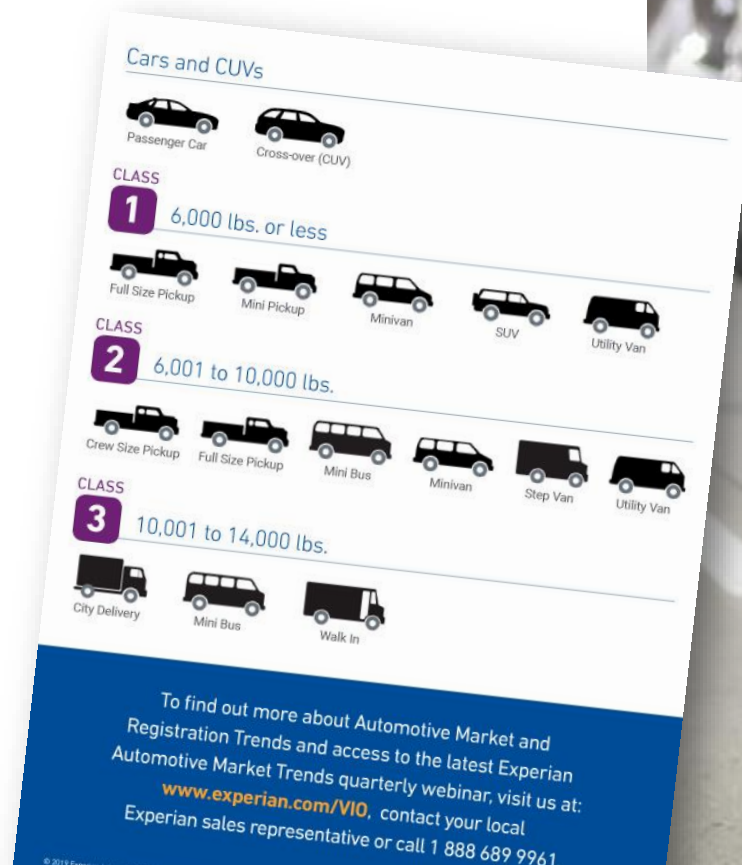
Power sports



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

Q3 2020 Total*
281.6
MILLION
Vehicles on the road

Q3 2020 VIO changes

Q3 2019 Total*
279.2
MILLION
Vehicles on the road


14.3
MILLION
NEW Vehicles
Registered


10
MILLION
Vehicles went
out of operation


39.6
MILLION
USED vehicles
changed owners

=

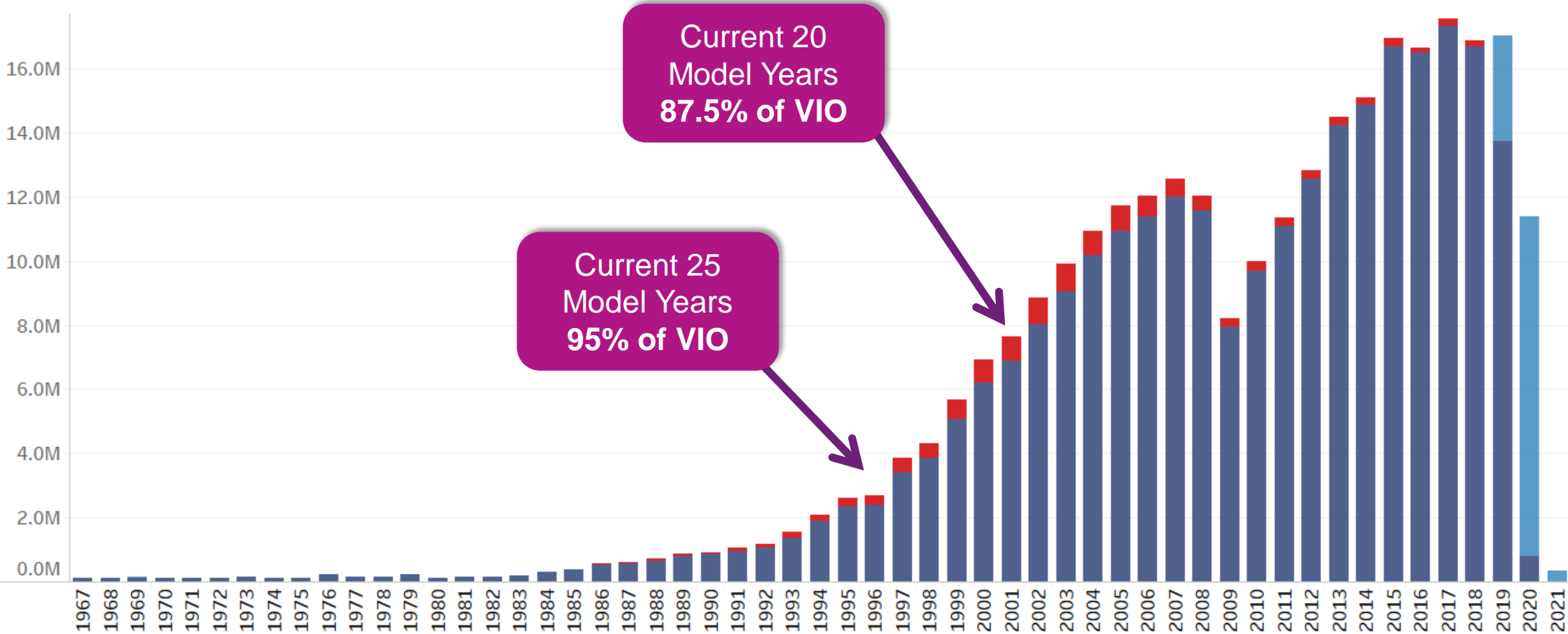

27.7%
Total VIO
changes¹

*U.S. Vehicles in Operation data as of September 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)

Q3 2019 to Q3 2020

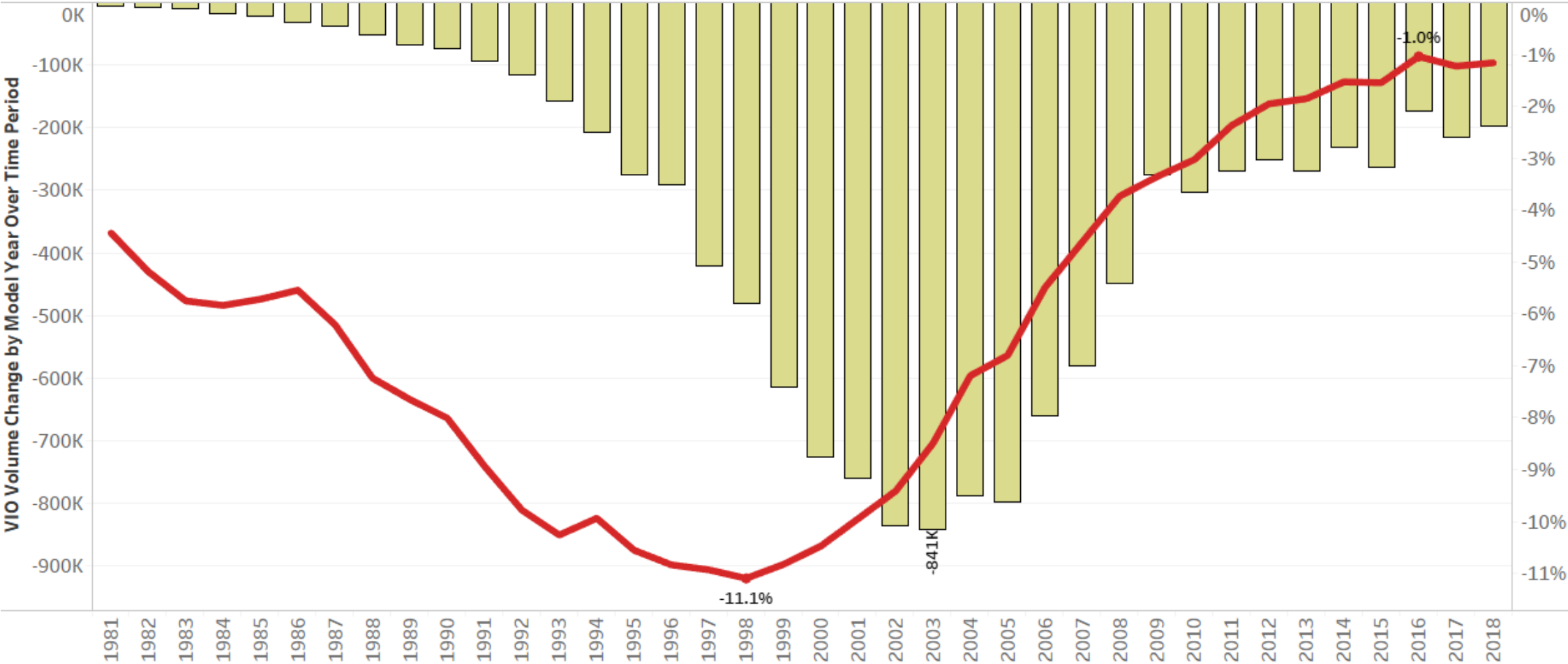
Out of operation
New vehicle sales
Carryover vehicles



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

Q3 2019 to Q3 2020

Volume vs Share of Model Year



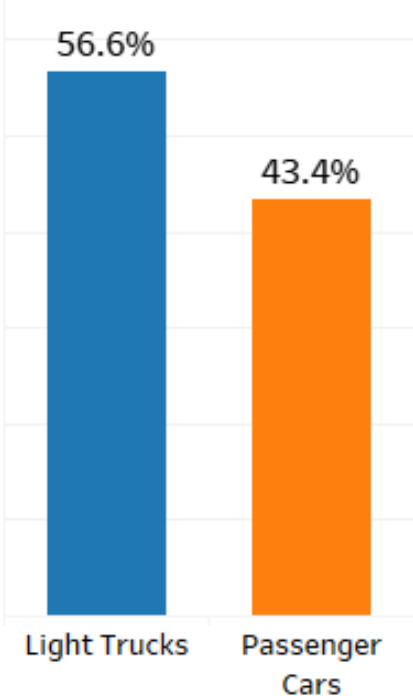
Source: U.S. Experian Automotive VIO as of September 30, 2020 (light duty registered vehicles only)



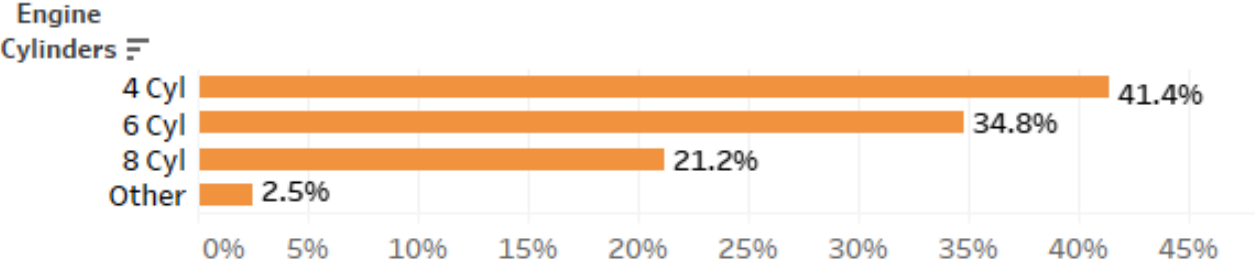
U.S. Summary Stats – for all light duty VIO

as of Q3 2020

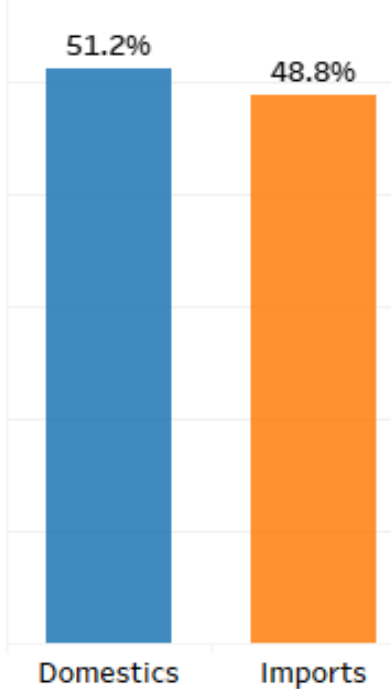
Vehicle Category Share



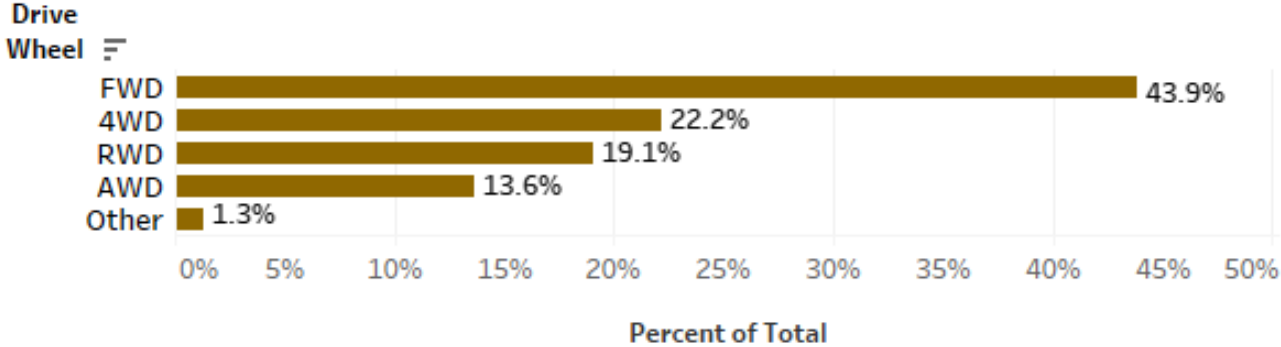
Cylinder Market Share



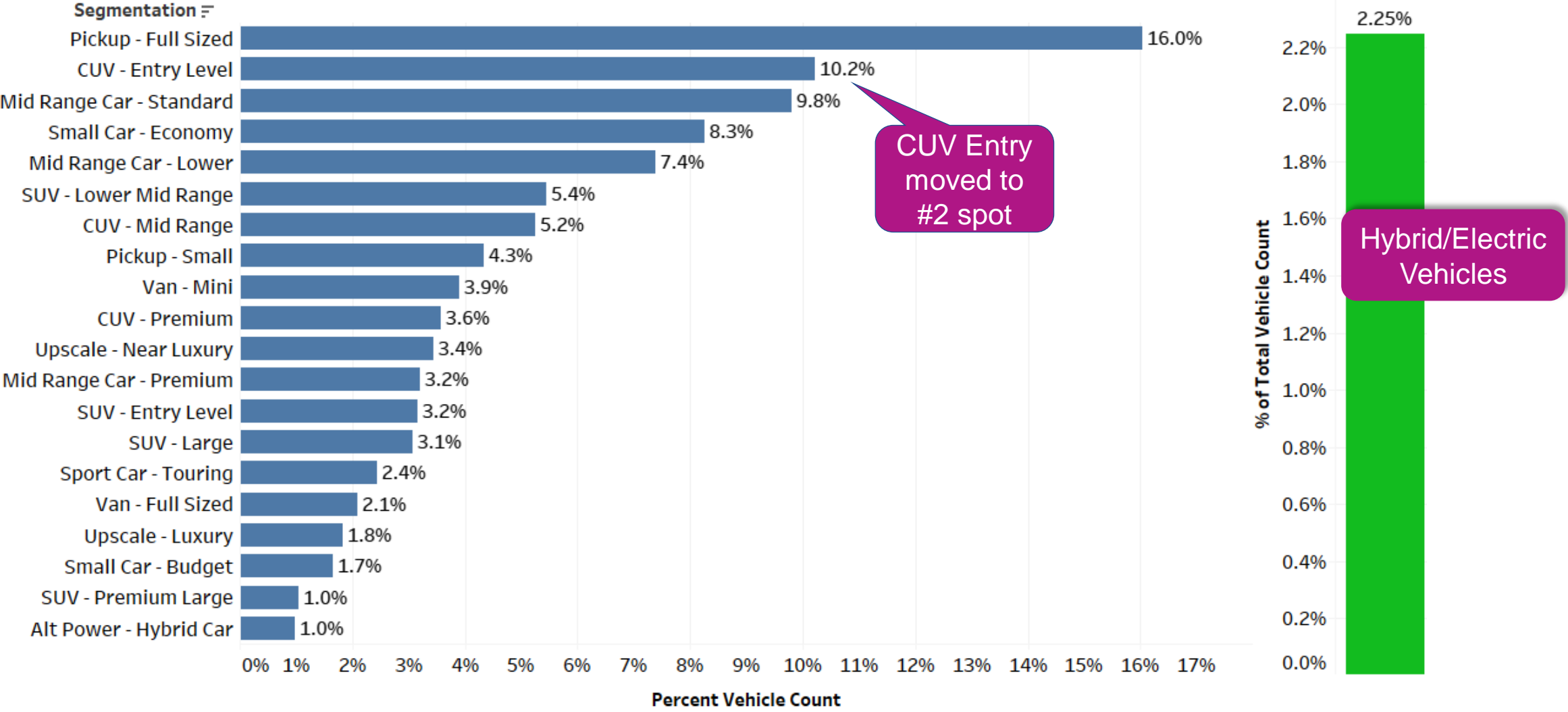
Domestic vs Import



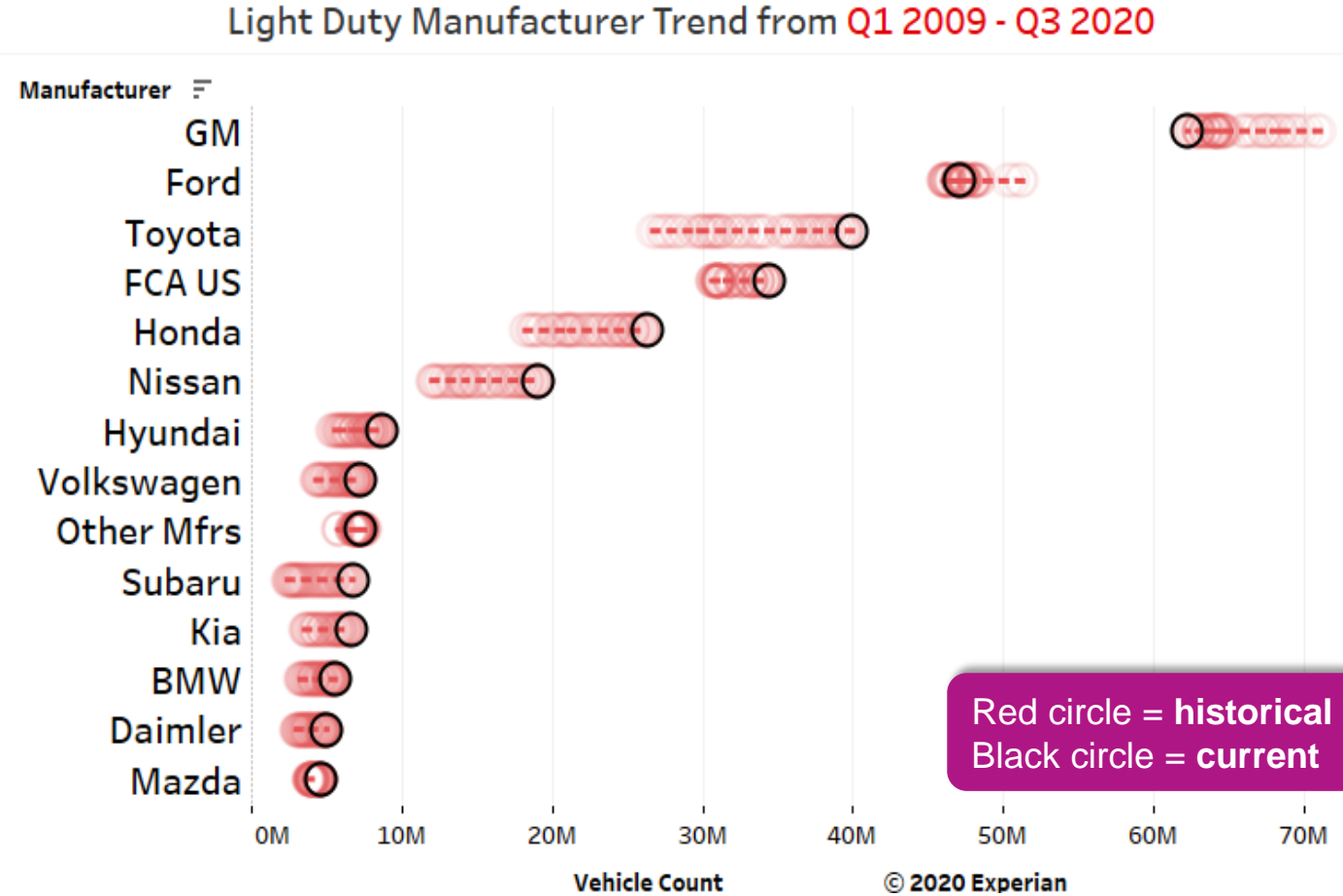
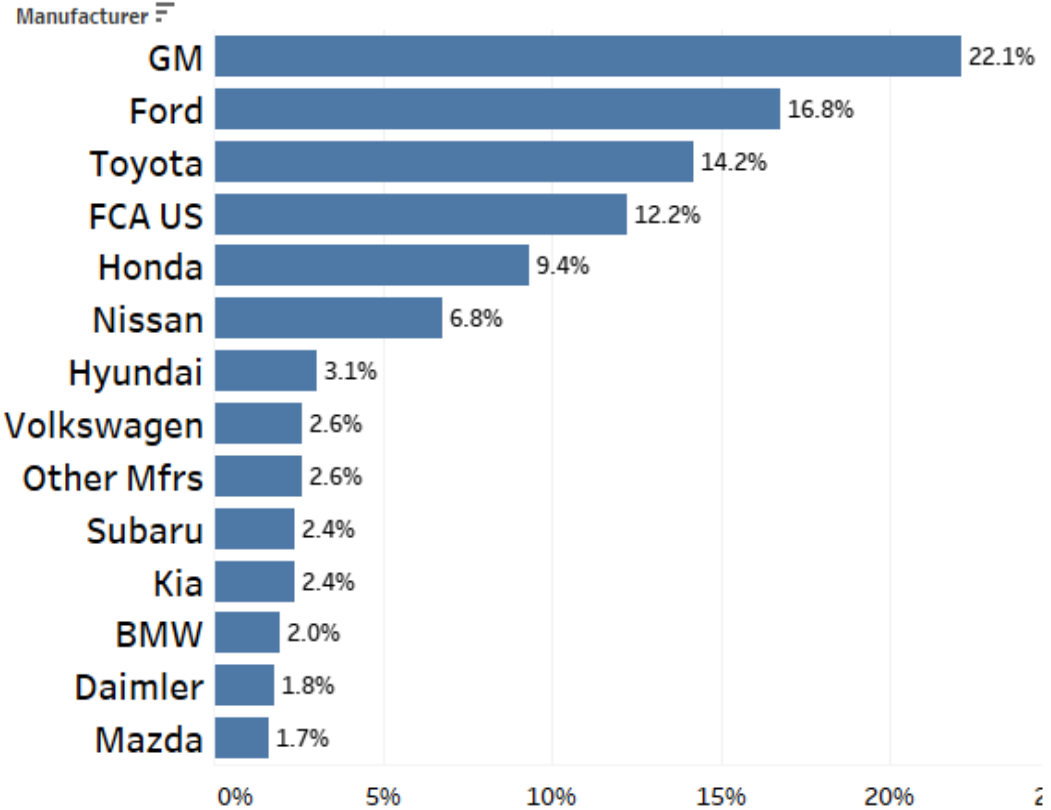
Drivewheel Market Share



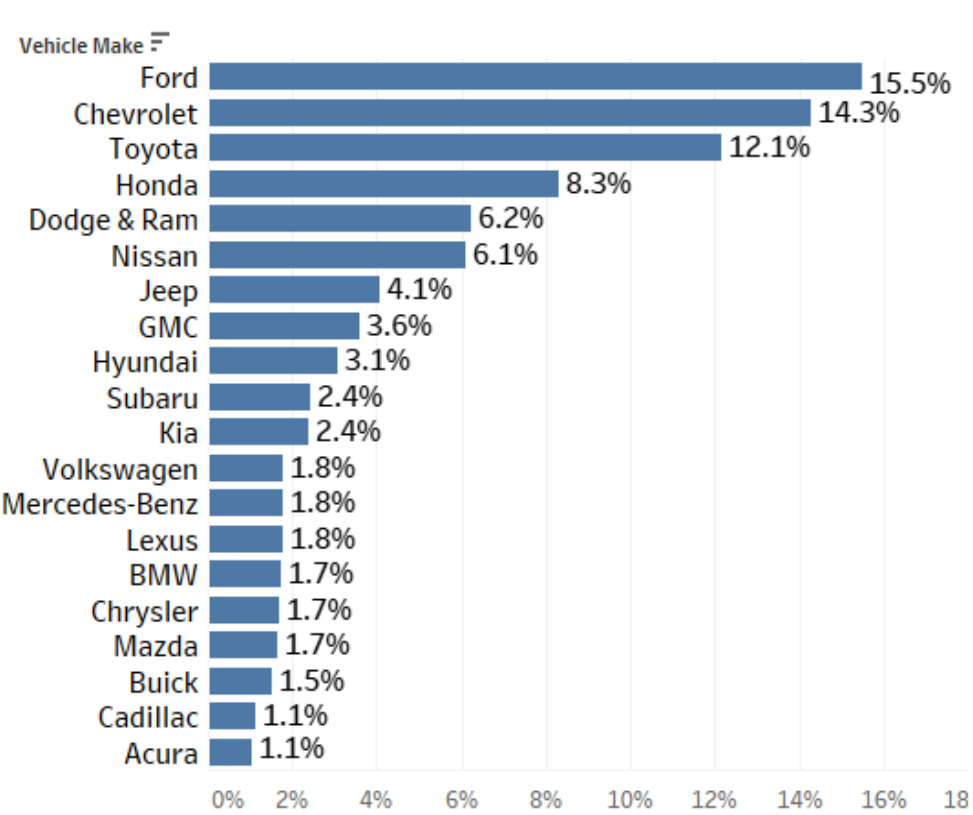
U.S. VIO Top 20 segments on the road market share



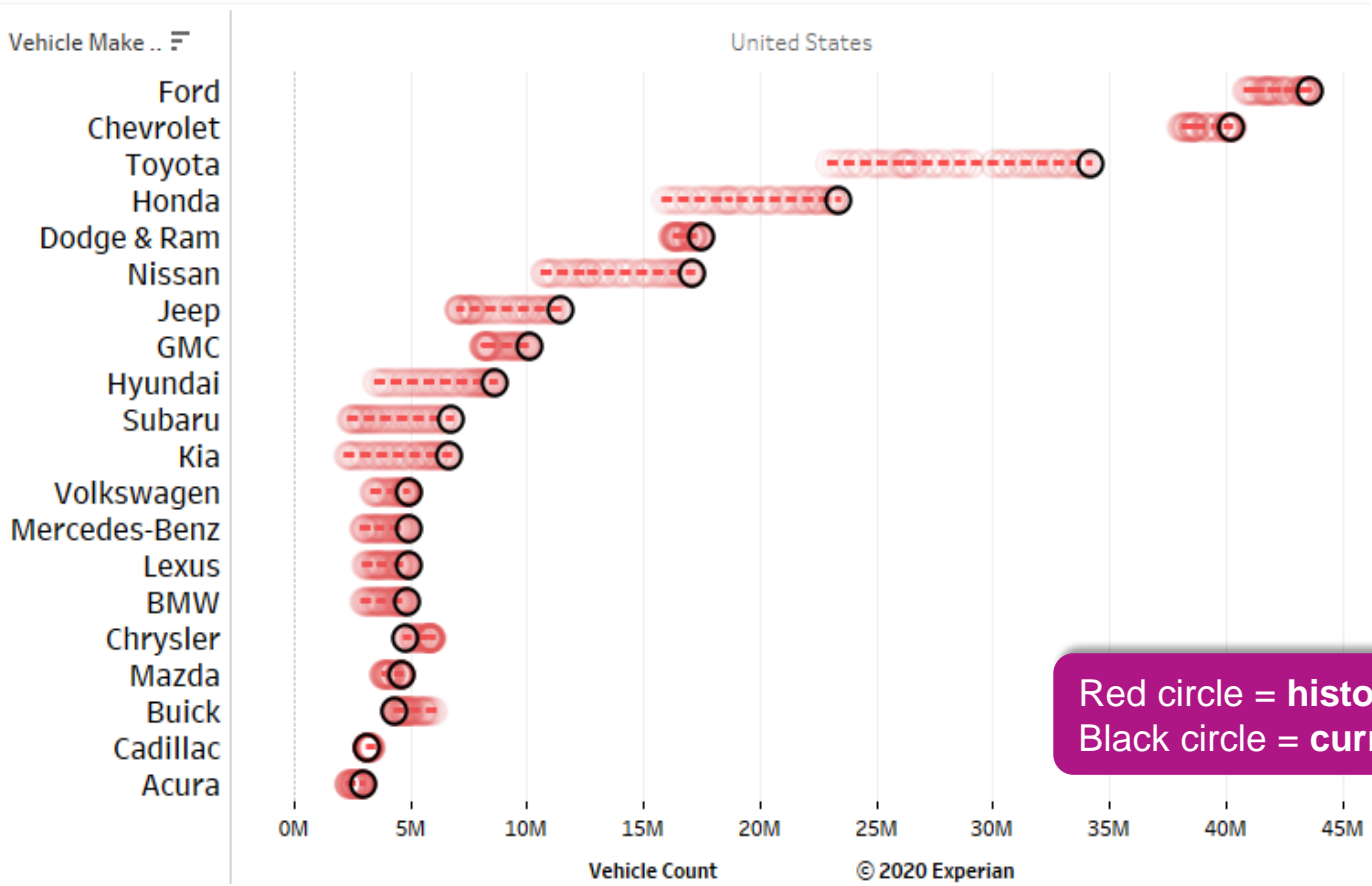
U.S. VIO by manufacturer market share vs volume trend



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



Light Duty Make Trend Q1 2009 to Q3 2020

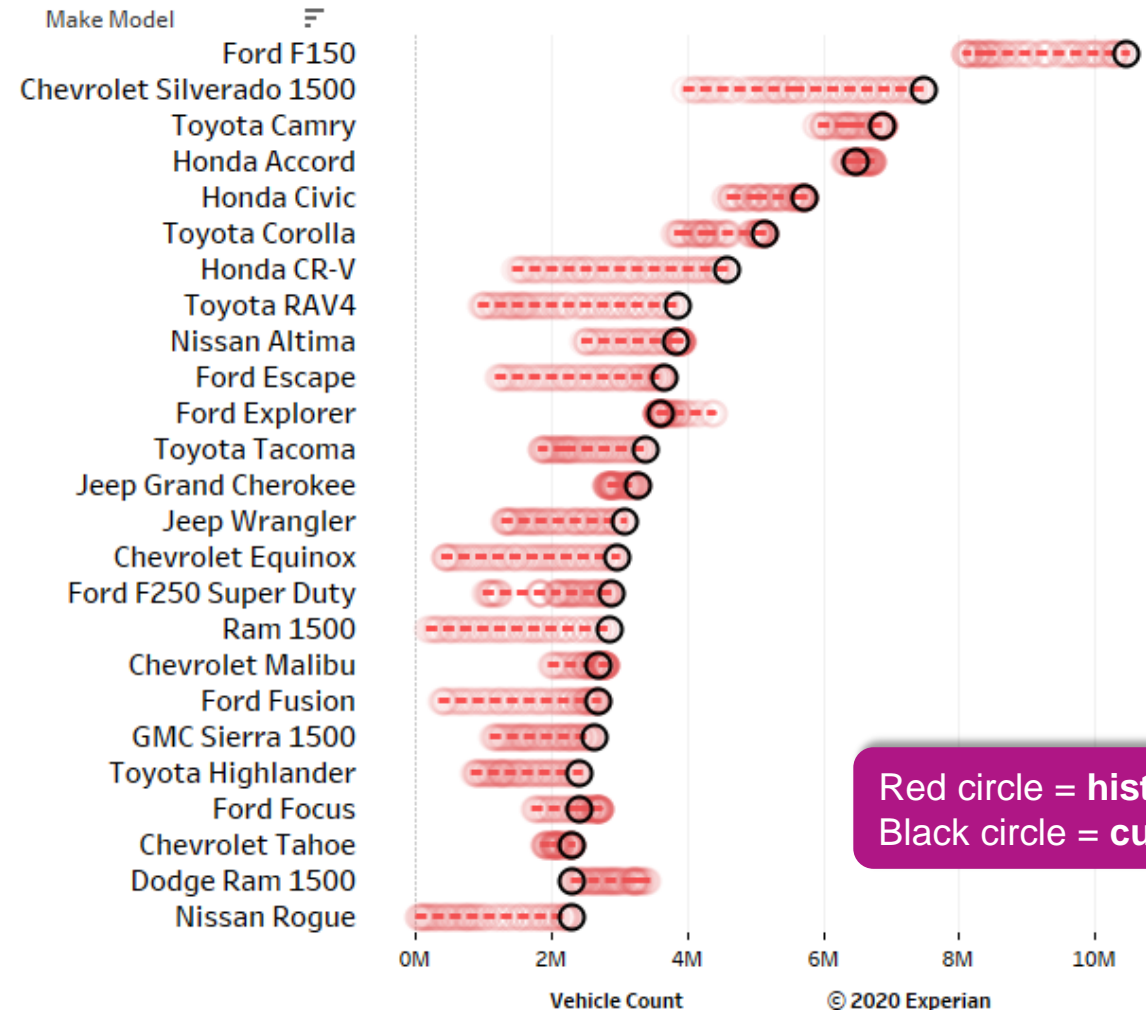
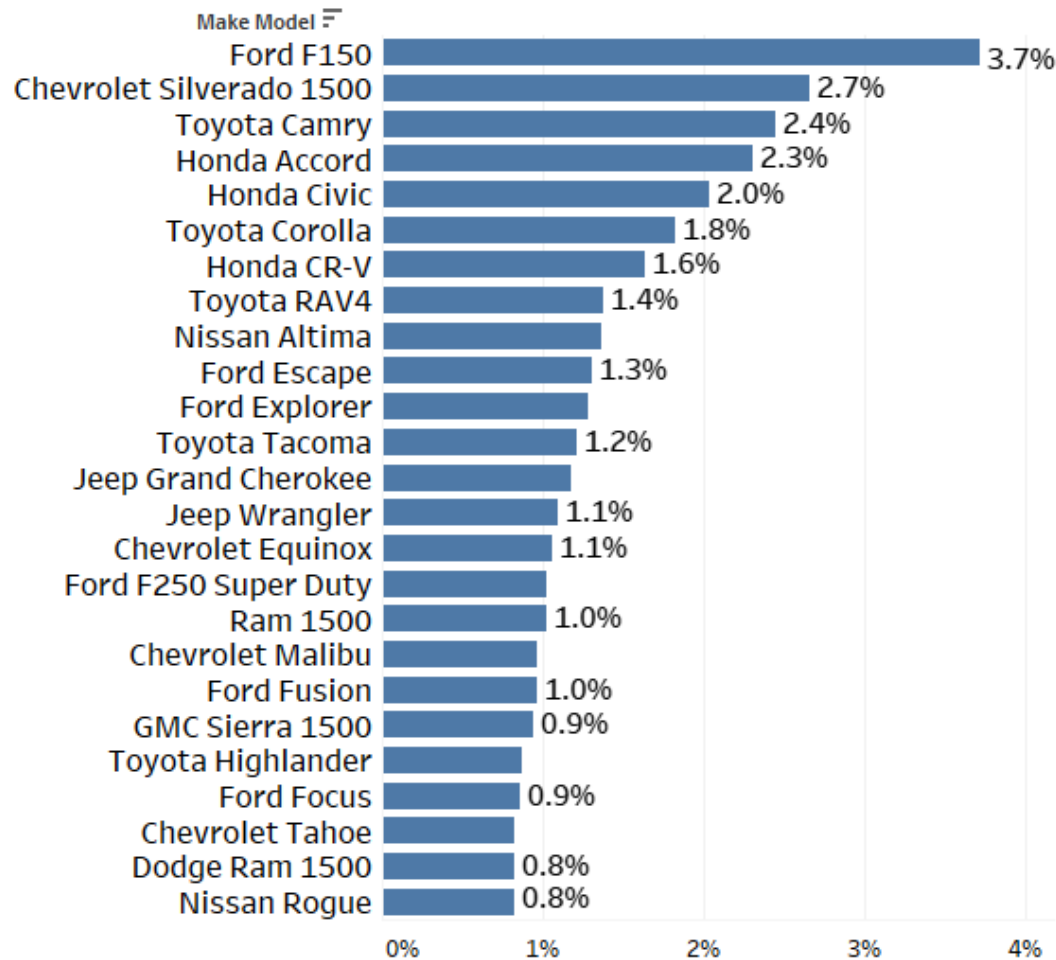


Source: U.S. Experian Automotive VIO as of September 30, 2020 (light duty registered vehicles only)



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

Make/Model Trend from Q1 2009 to Q3 2020



Red circle = historical
Black circle = current

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

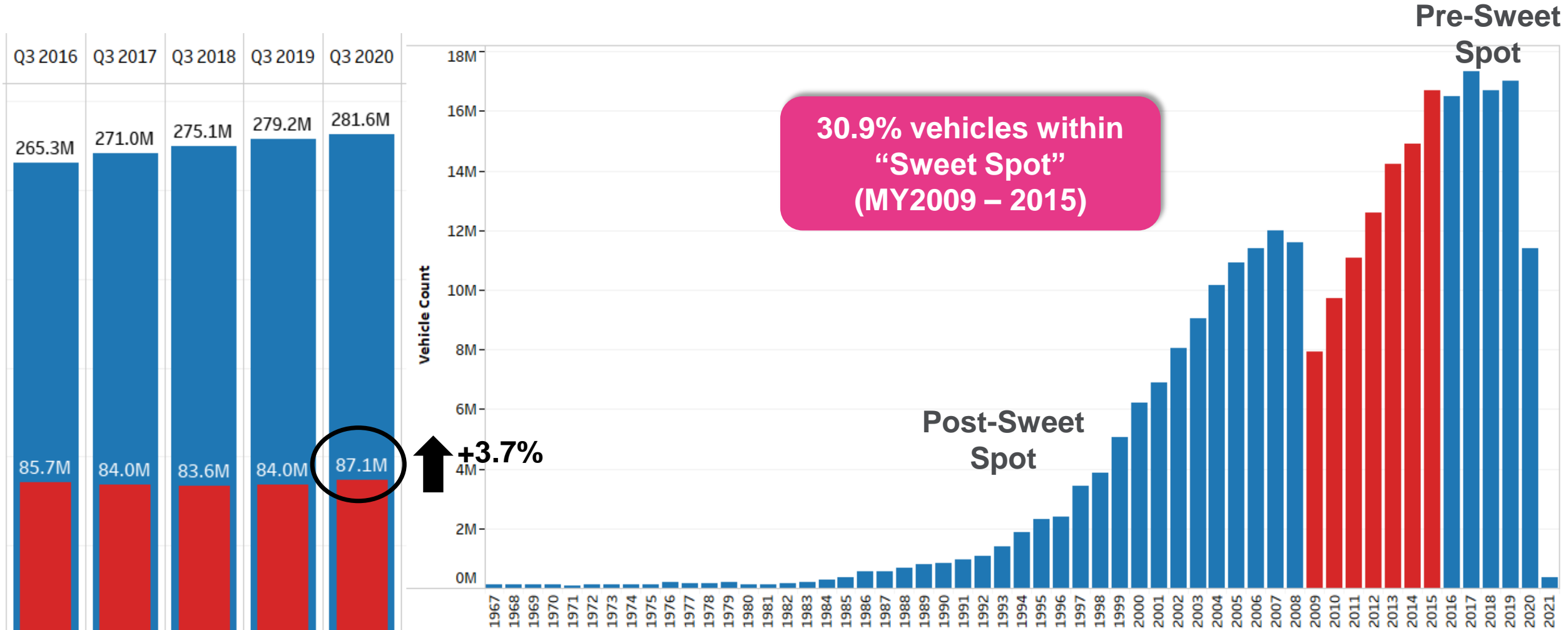
- 13 model years old & older
- Less costs may be spent to service them due to their age and lower vehicle value

“Pre Sweet Spot” vehicles

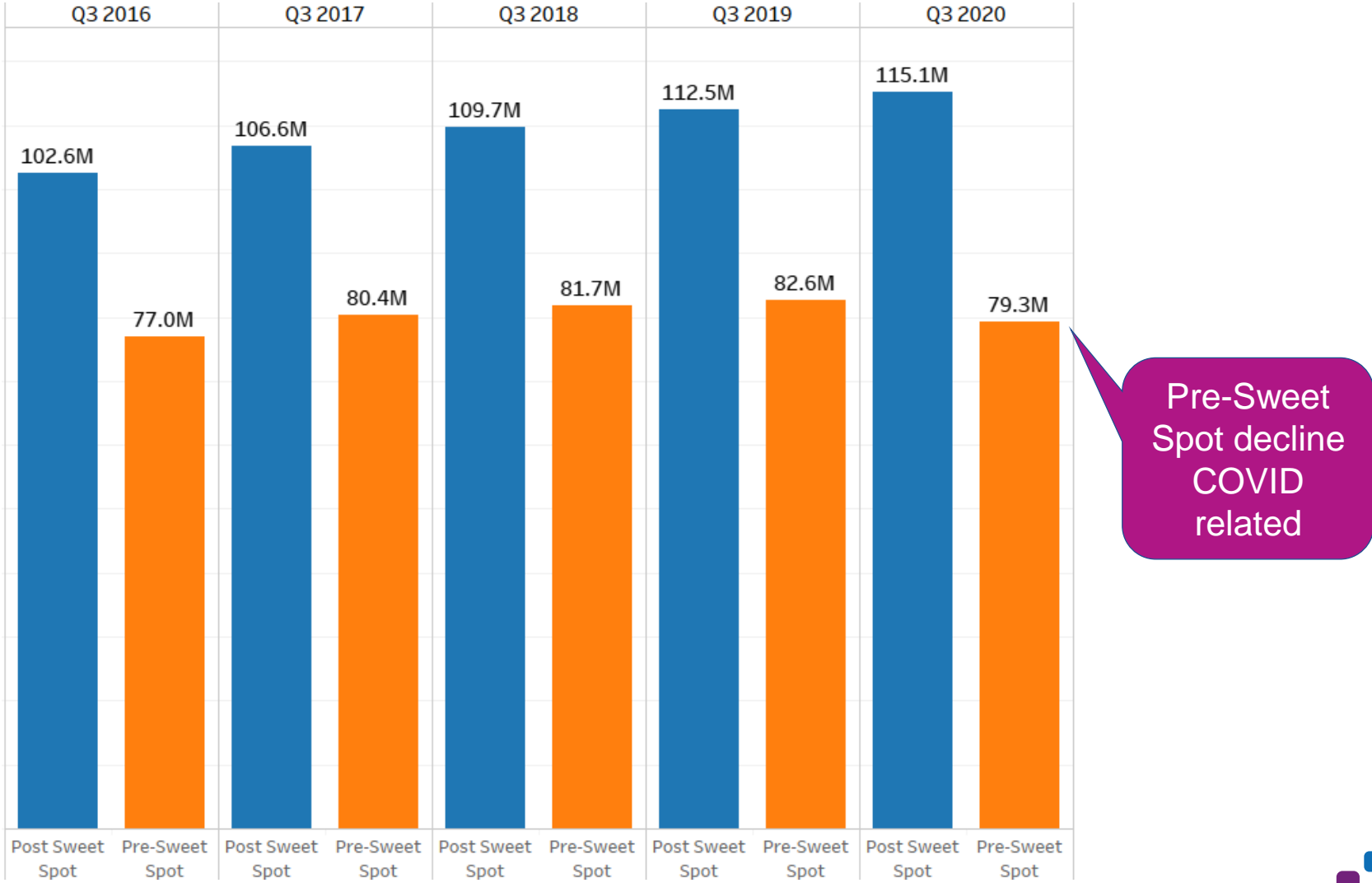
- 5 model years old & newer; many covered by the vehicle’s manufacturer warranty
- Identifies models coming into the Sweet Spot

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

VIO by model year (in millions)



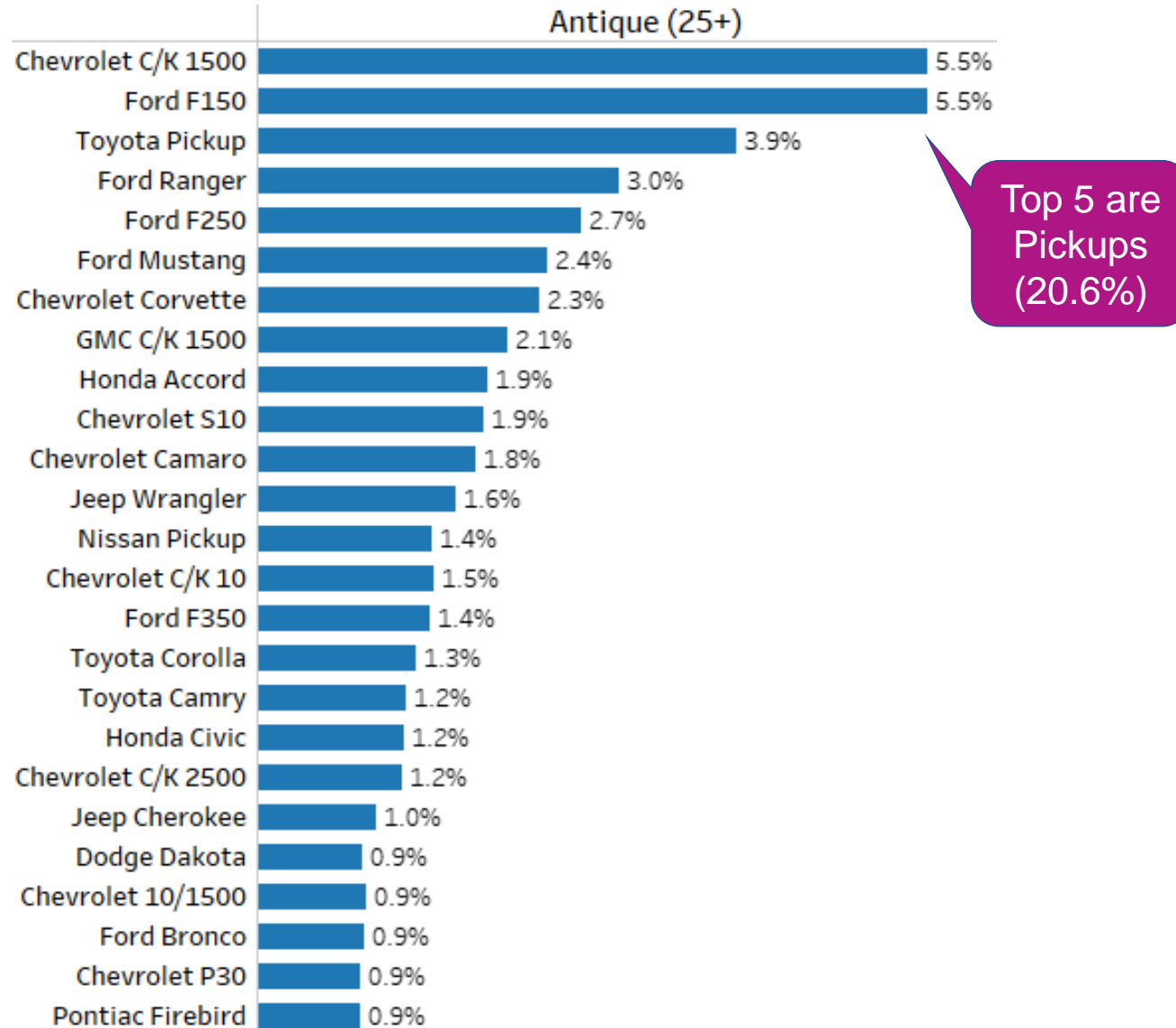
Vehicles in the Post & Pre-Sweet Spot



Source: U.S. Experian Automotive VIO as of September 30, 2020 (light duty registered vehicles only)



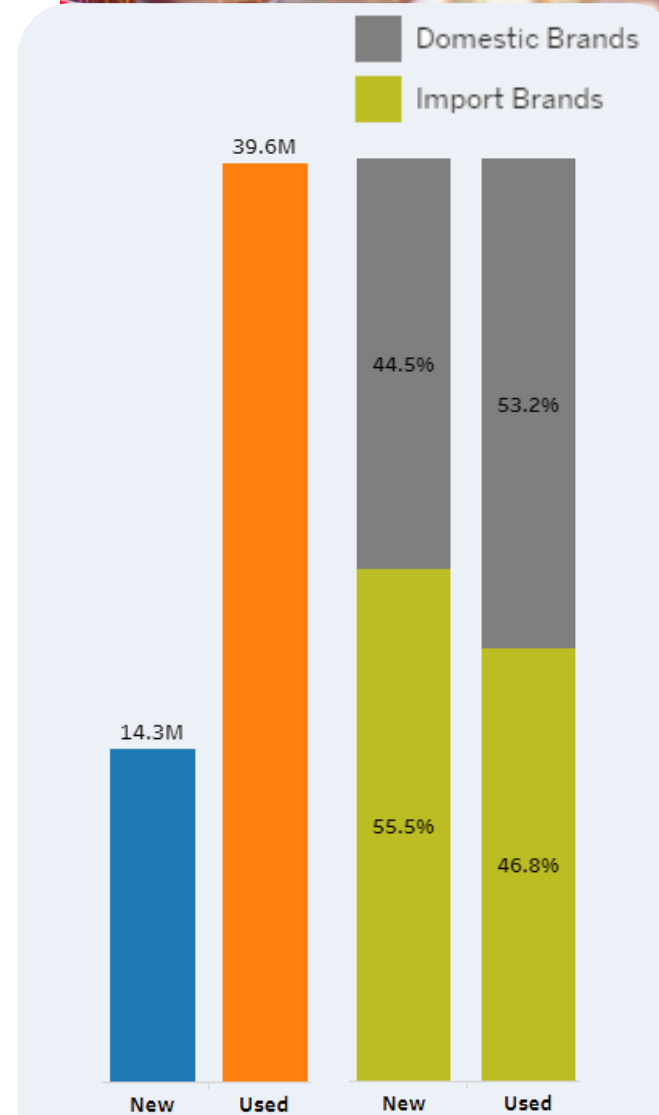
Top 25 Antique Vehicles in the Post Sweet Spot



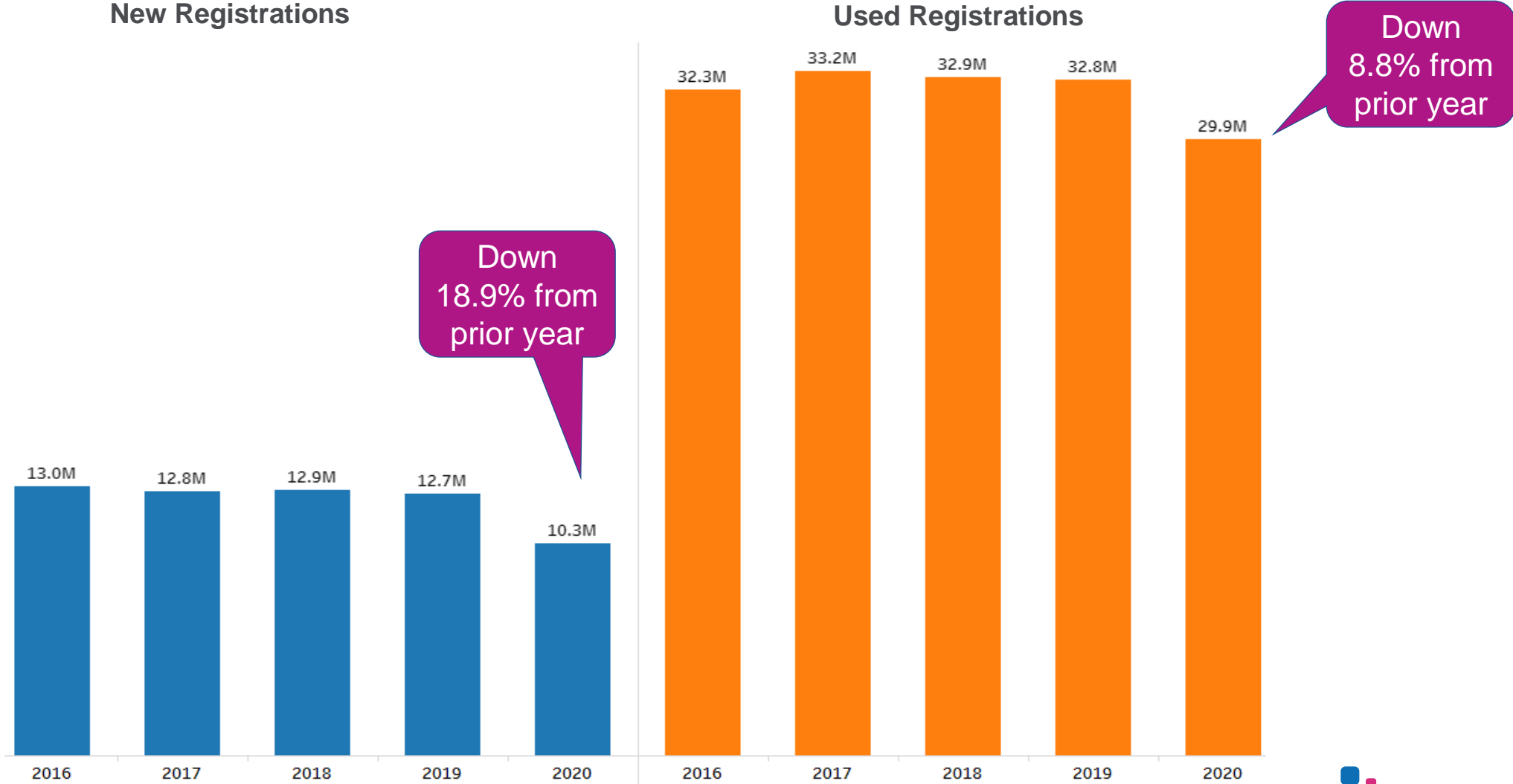
New & Used Vehicles

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

Market analysis through the 3rd quarter



New and Used vehicle registrations through the 3rd quarter



Source: Experian Automotive as of January through September of each year (U.S. light duty vehicles only)

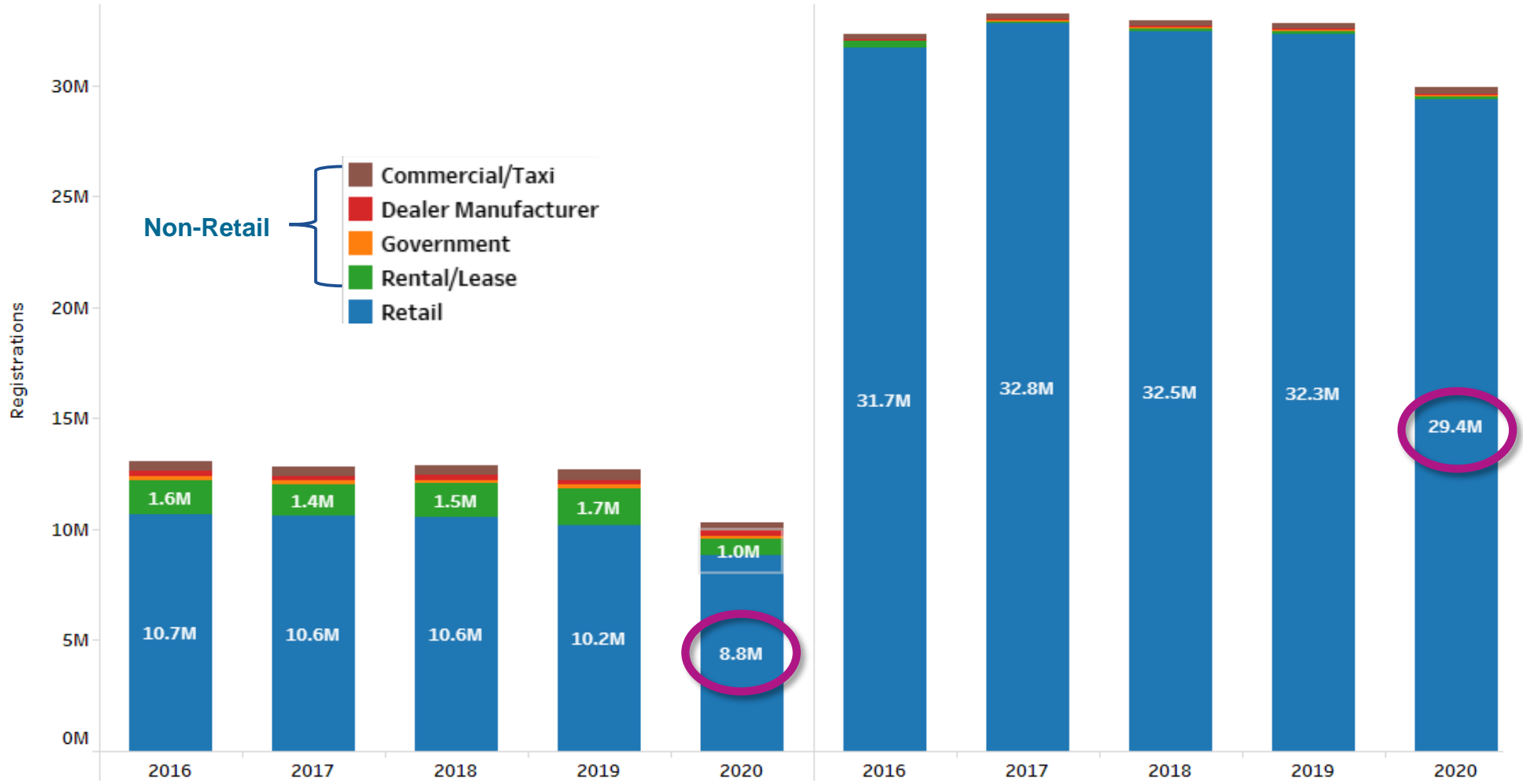


New and Used vehicle registrations

By sales category through the 3rd quarter

New Registrations

Used Registrations



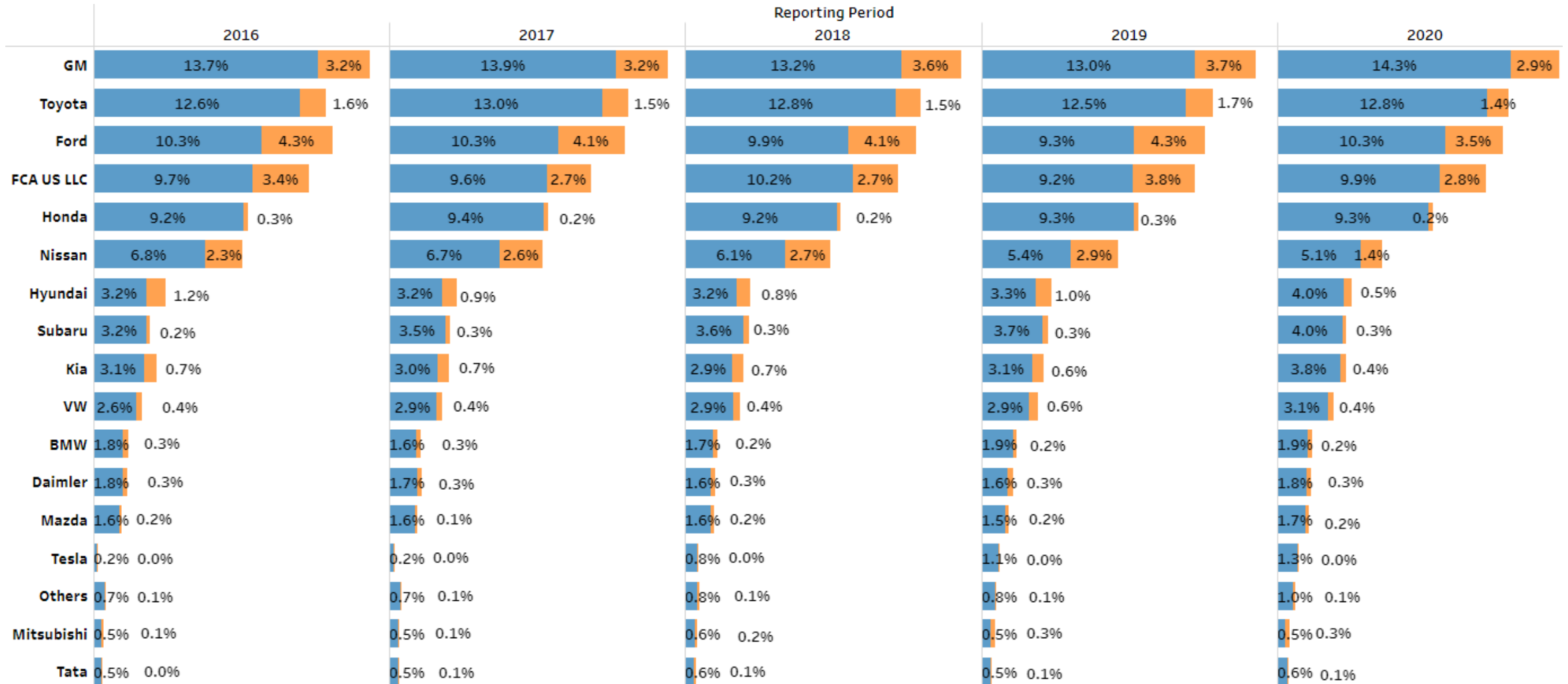
Source: Experian Automotive as of January through September of each year (U.S. light duty vehicles only)



New vehicle registrations through the 3rd quarter

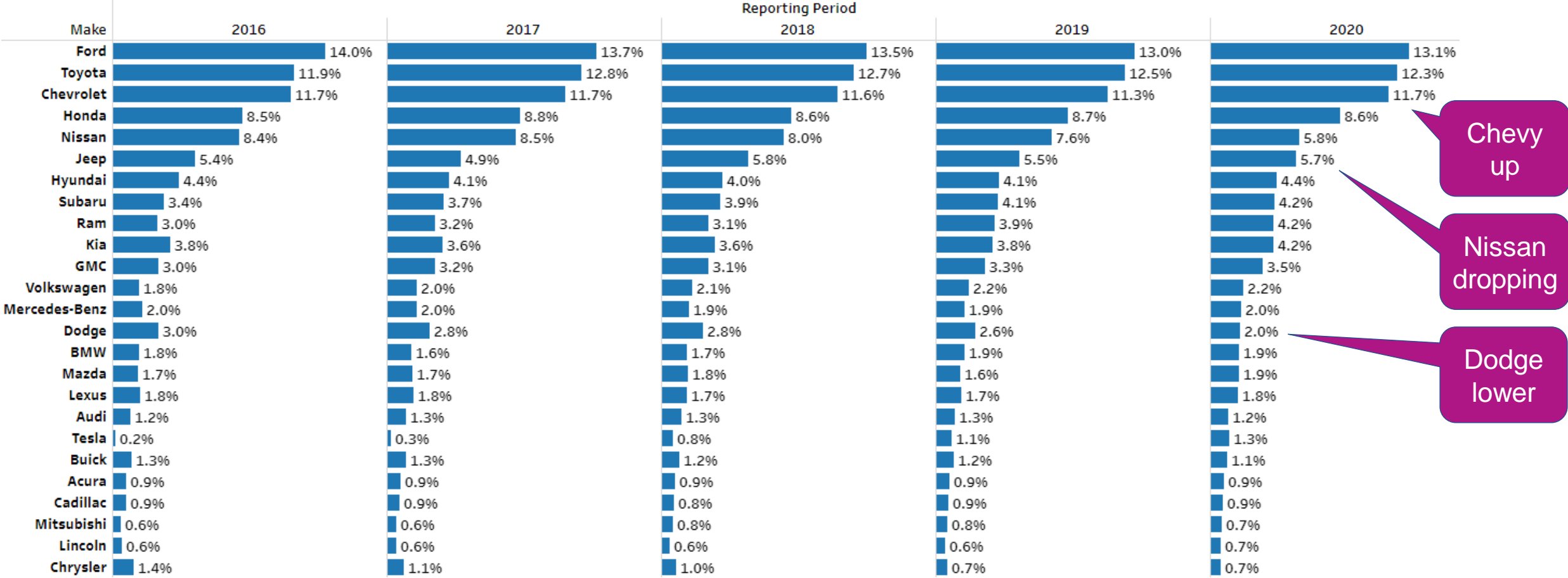
By manufacturer – Retail + Non-Retail

■ Non-Retail
■ Retail



New vehicle registrations through the 3rd quarter

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



Chevy up

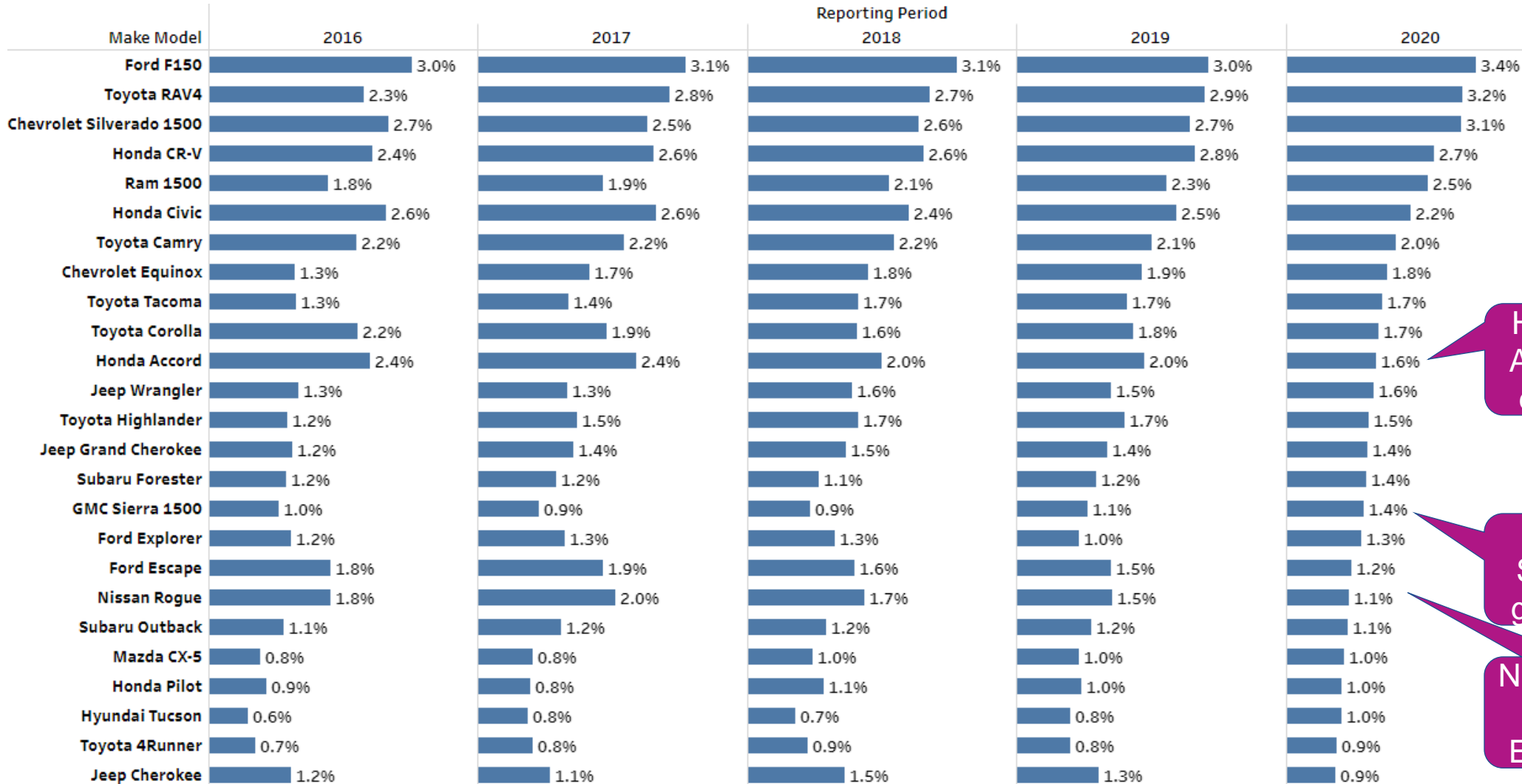
Nissan dropping

Dodge lower



New vehicle registrations through the 3rd quarter

By top 25 make/models – Retail only



Ford F150 leads all models

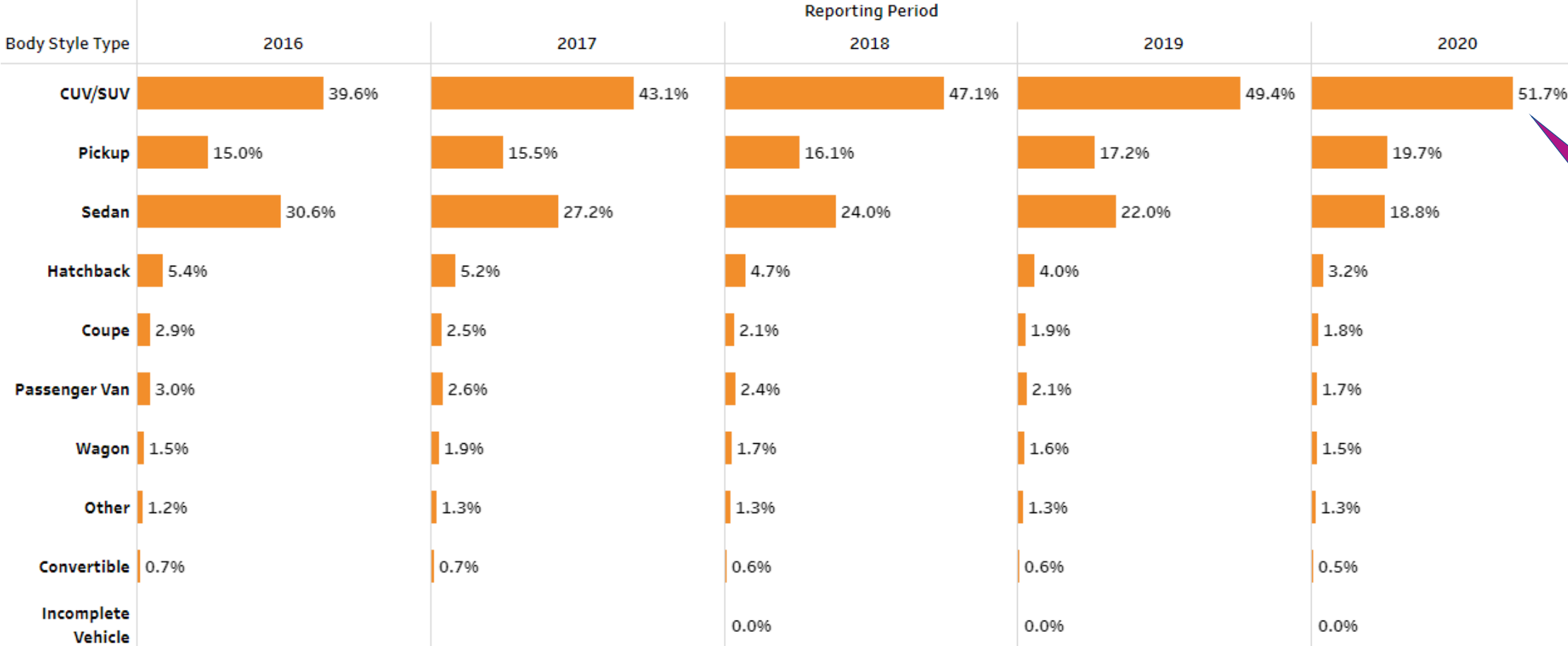
Honda Accord drops

GMC Sierra grows!

Nissan Rogue and Ford Escape drop

New vehicle registrations through the 3rd quarter

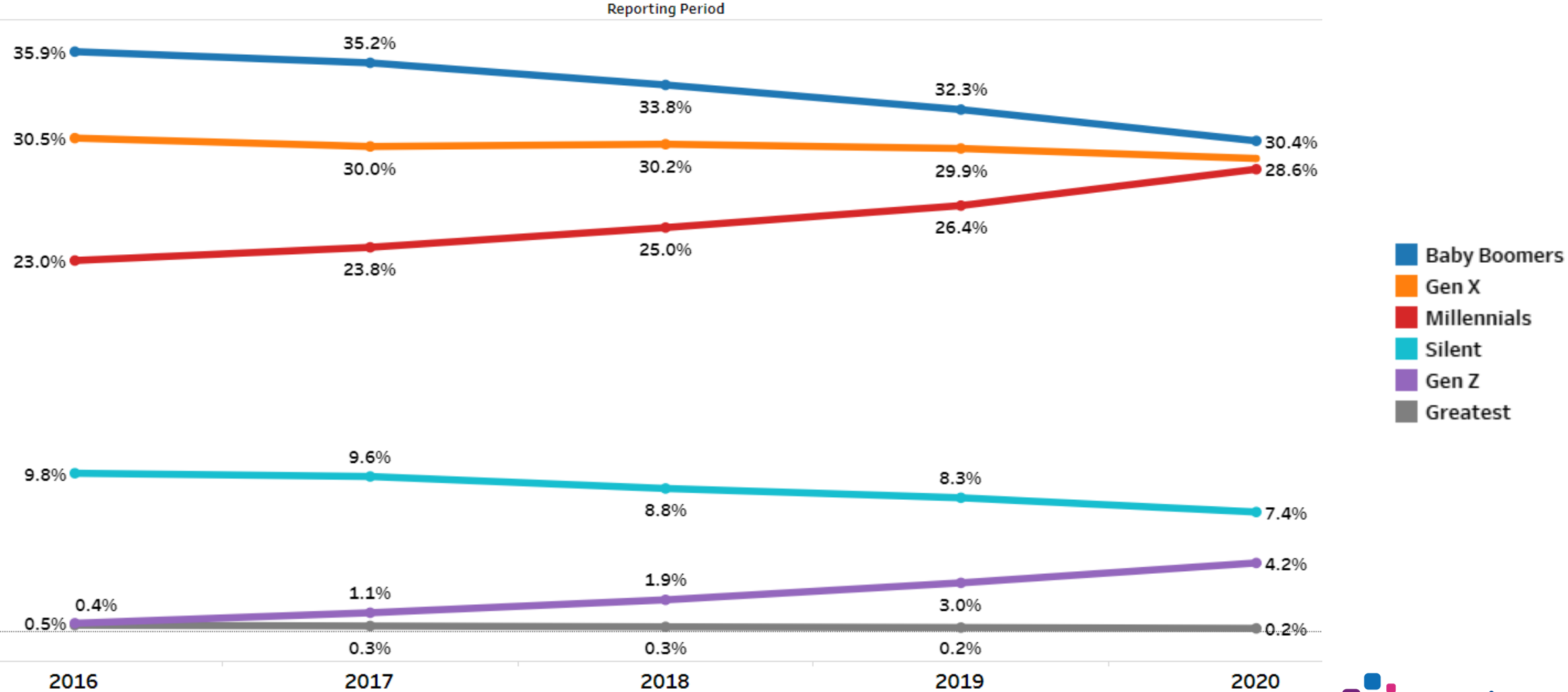
By body style type – Retail only



CUVs nearly at 52%

New vehicle registrations through the 3rd quarter

By generation – Retail only



Source: Experian Automotive as of January through September of each year (U.S. light duty vehicles only)



Vehicle Analysis



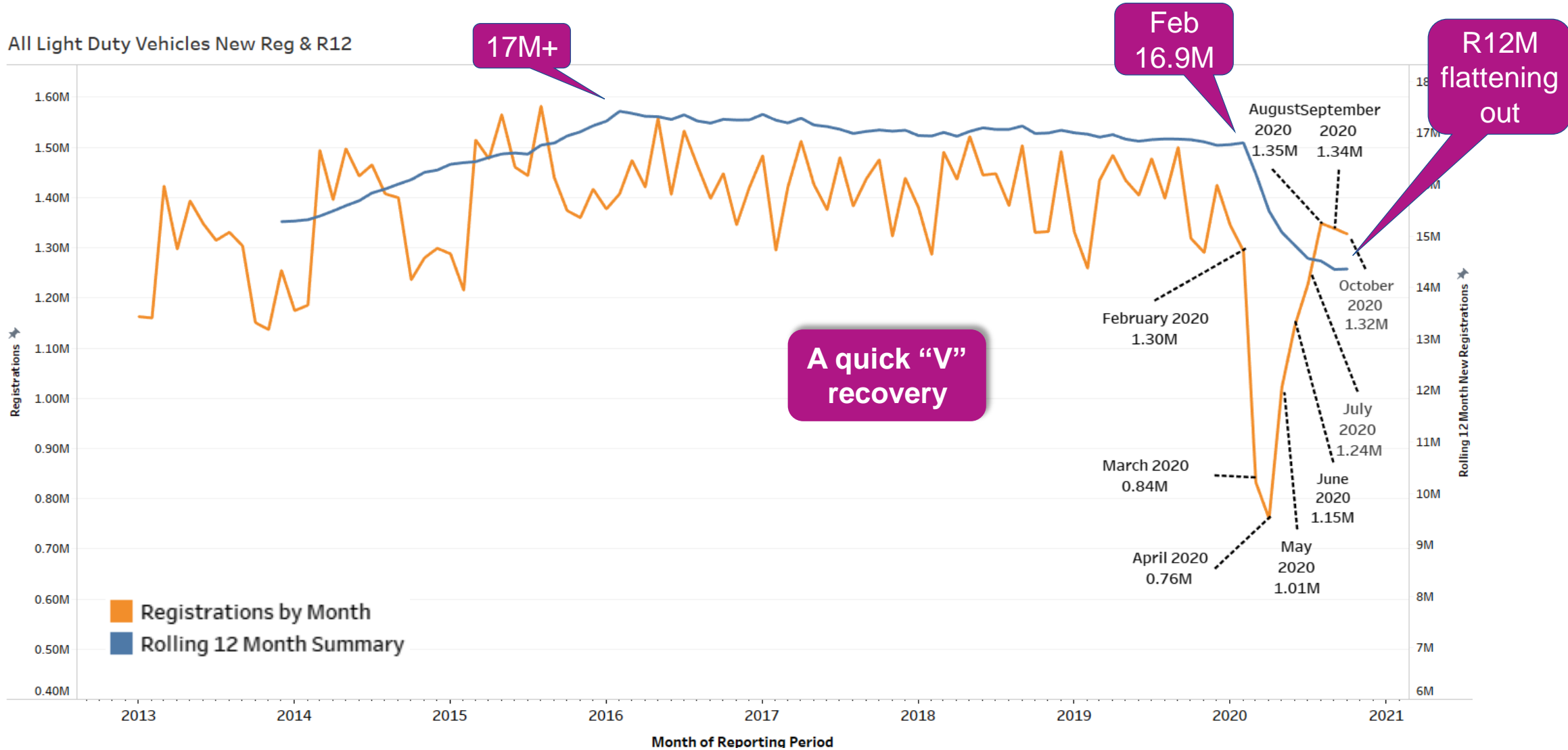
COVID-19



What is occurring in
the vehicle market

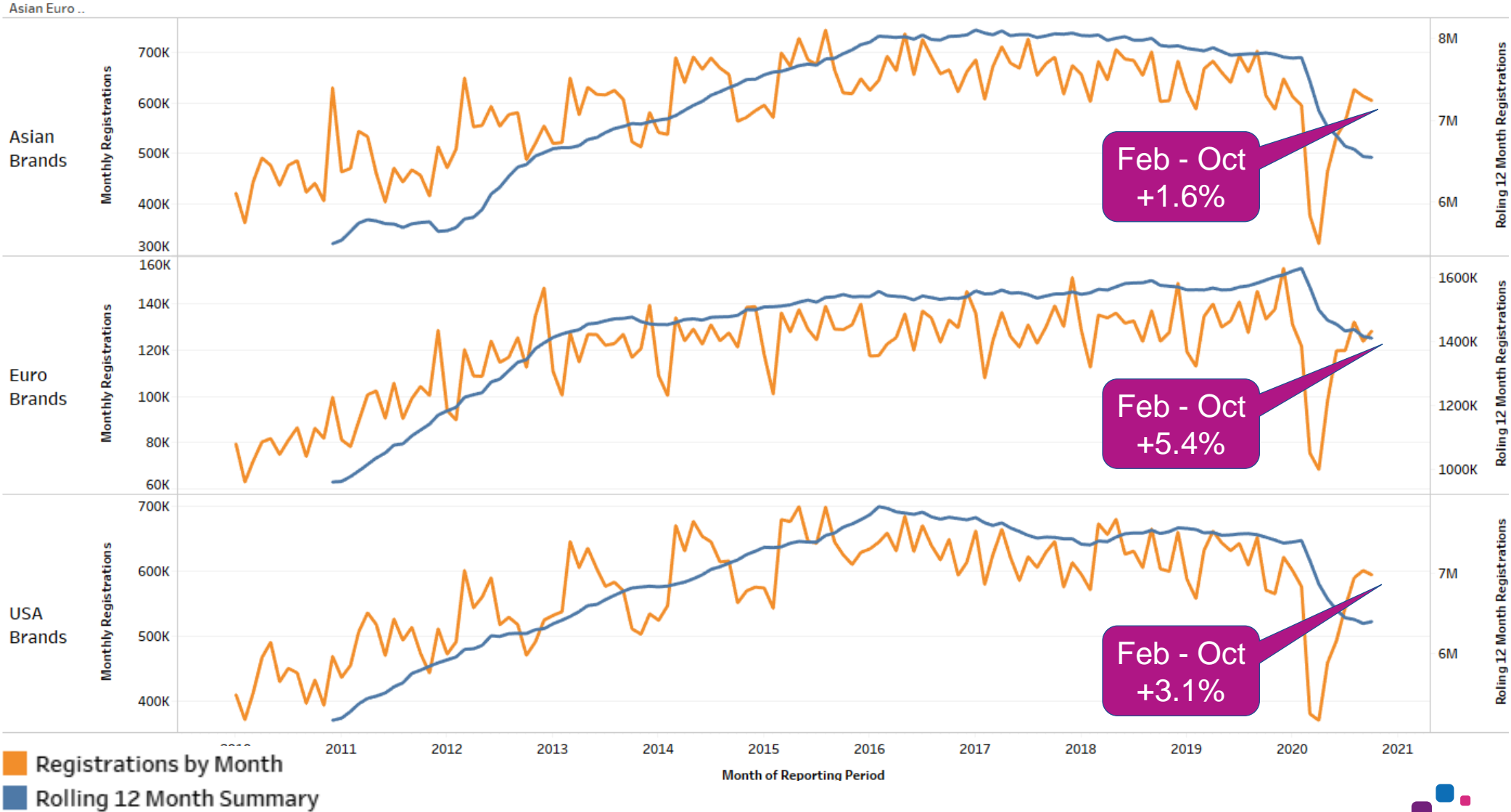


COVID-19 Where are we today? New registrations



COVID-19 New registrations by brand groups

New Regs Luxury vs Non-Luxury



Source: Experian Automotive New registrations (light duty registered vehicles only)



Vehicle Analysis

A stylized magnifying glass icon in a dark purple color, positioned to the right of the title text.

Spotlight on Loyalty within the vehicle market



Loyalty – what does this mean?

Loyalty uses methodologies to measure the rate of vehicle purchasers at various levels, such as the brand name, the vehicle model, the dealer, etc. when a vehicle owner returns to market (RTM) to acquire another vehicle.

The metric can be applied when the purchaser acquires a direct vehicle replacement or when matched to the entire household (garage) level.

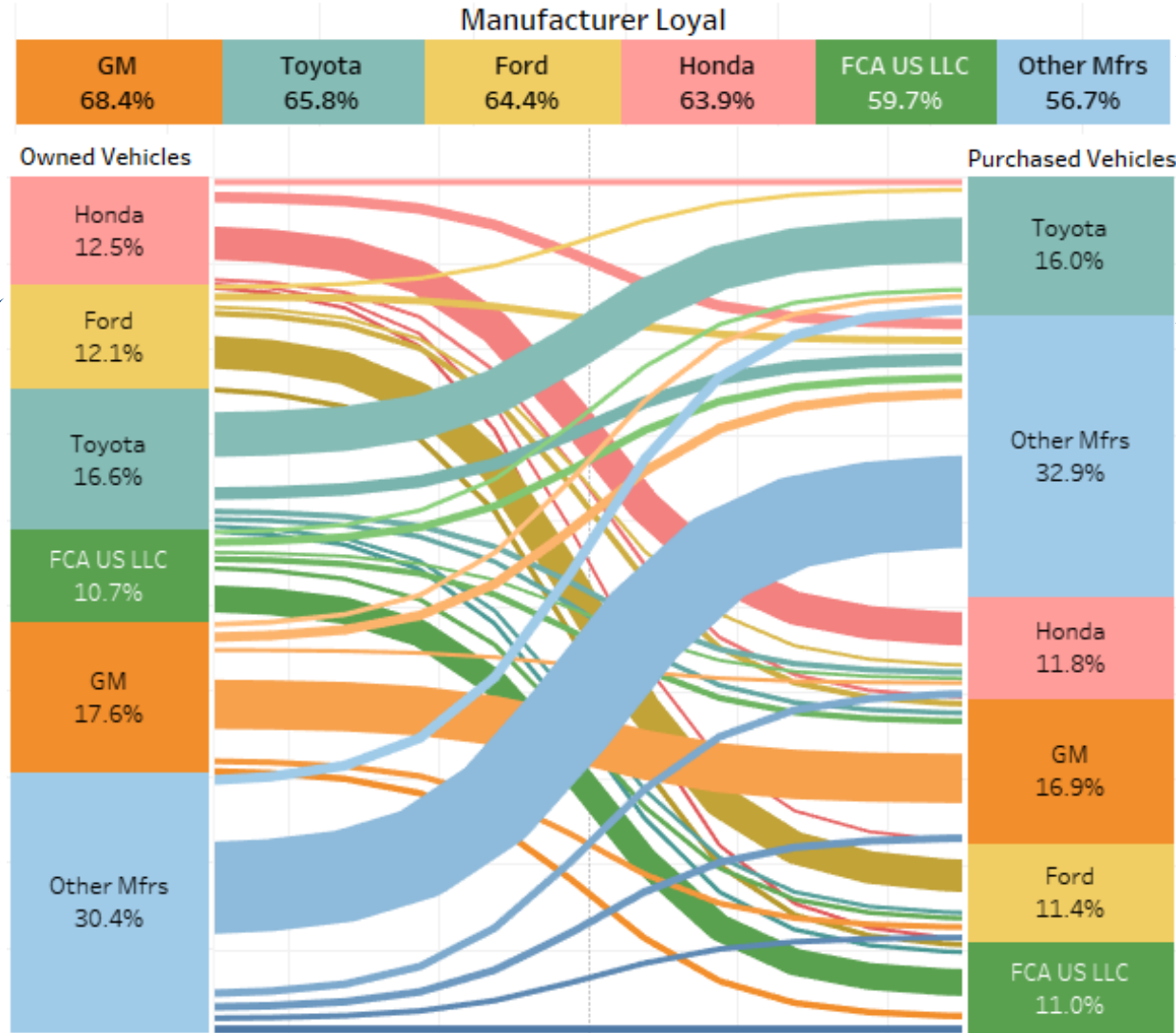
OEM manufacturers use this information to determine how well their owners stay with them (measures marketing) and how well their dealers are performing for their customers.

Loyalty – Examples

For example, if I owned a 2015 Honda Civic sedan and traded it in and purchased/leased a new 2021 model year vehicle:

- If I purchased a 2021 Honda Accord, I'm loyal to the Honda brand, but not loyal to the Honda Civic Model (change in Model type)
- If I purchased the 2021 Honda Accord from the same dealer where I bought my 2015 Honda Civic, I'm loyal to the same dealer and to the Honda brand.
- If I purchased a 2021 Lexus RX350 SUV, I have 'defected' from Honda and Lexus has 'conquered' me from another brand. Therefore, I was not loyal to Honda in any way.

Loyalty by Manufacturer



Loyalty by top Mfrs

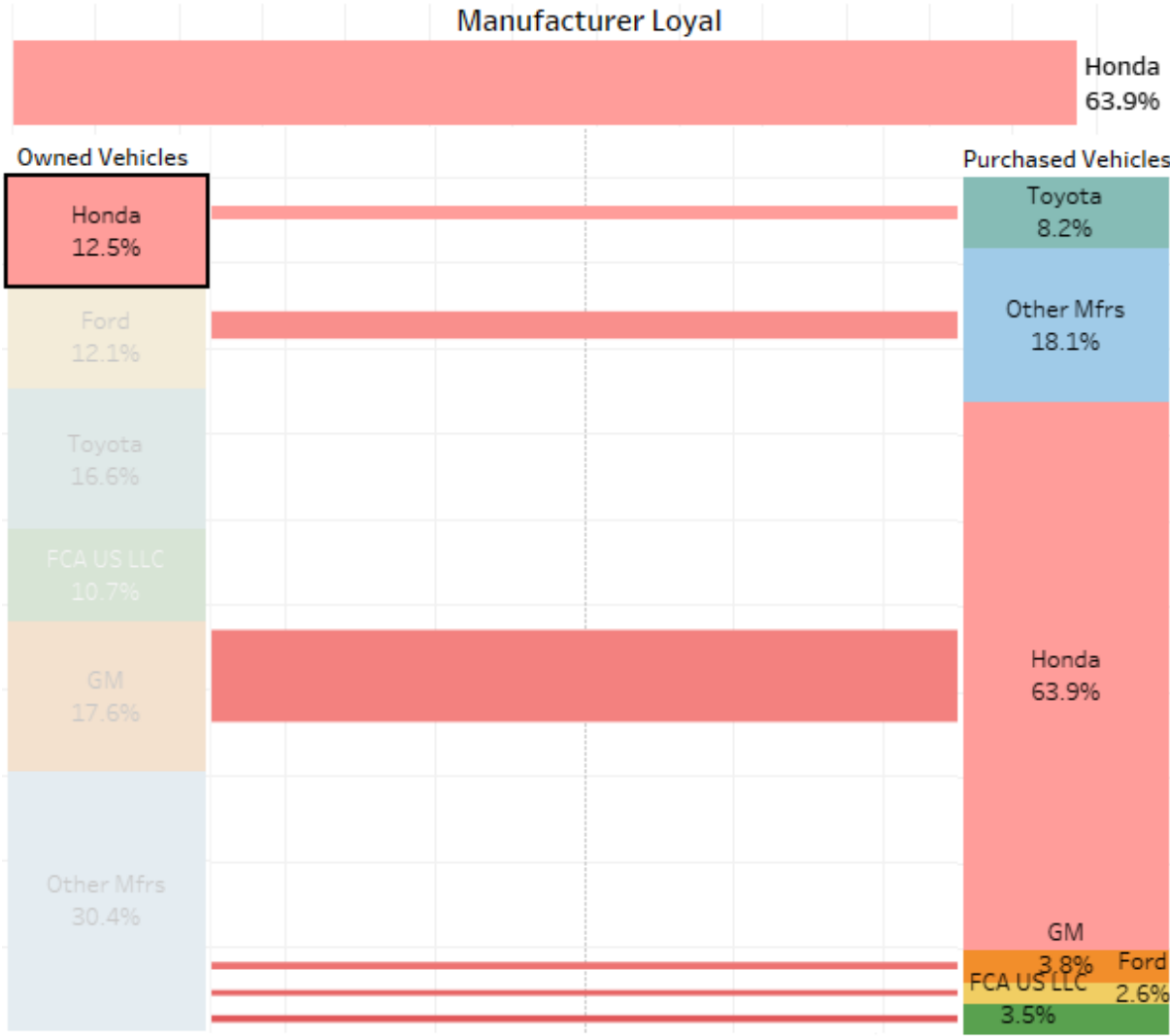
Market share of those returning to market

Market share of those of those same owners after new purchases

© Experian Public. Experian Loyalty Disposal methodology, New to New; August 2019 – July 2020.



Loyalty - Honda

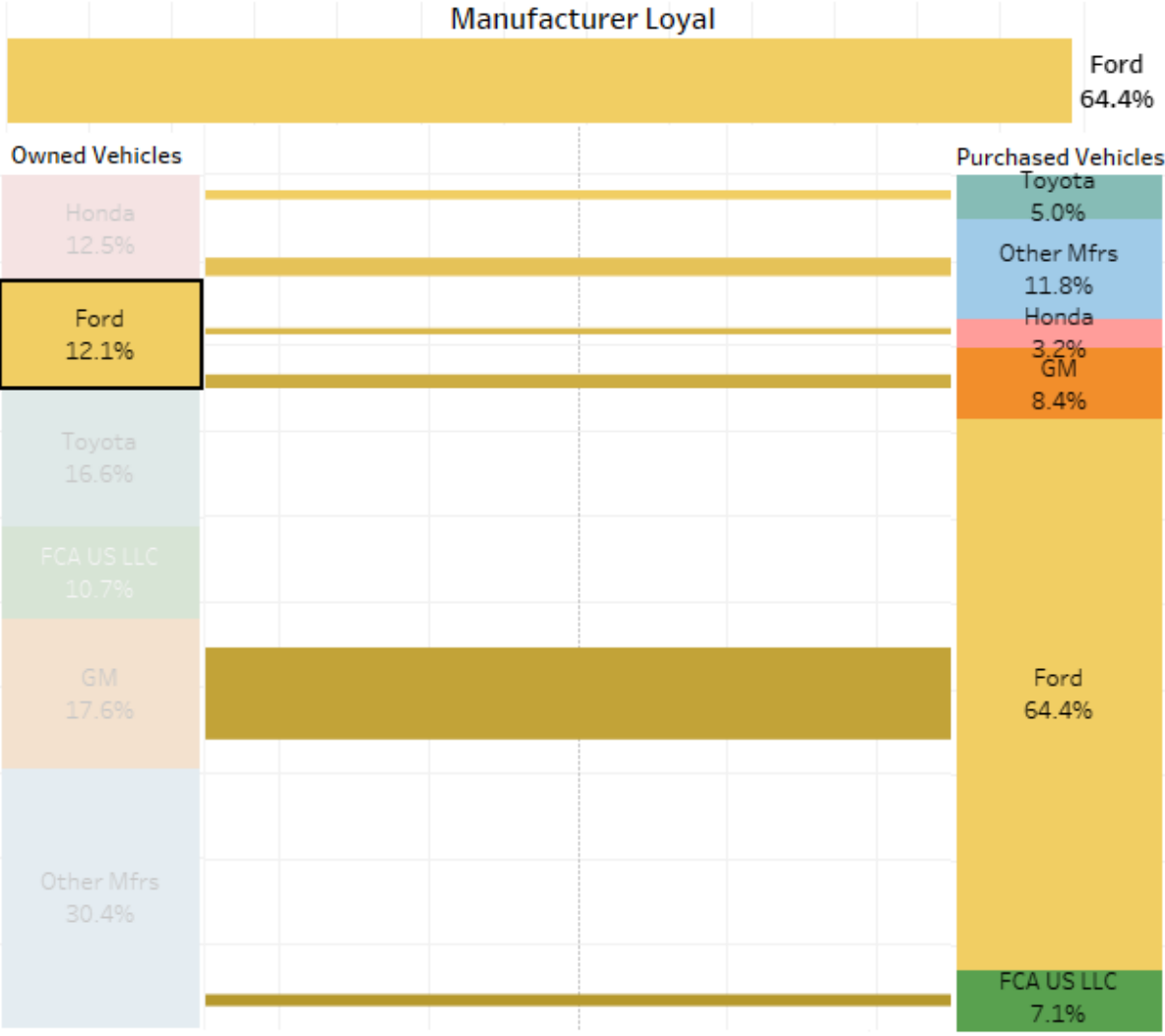


Where Honda/Acura owners went for new purchases (Defectors)

© Experian Public. Experian Loyalty Disposal methodology, New to New; August 2019 – July 2020.



Loyalty - Ford

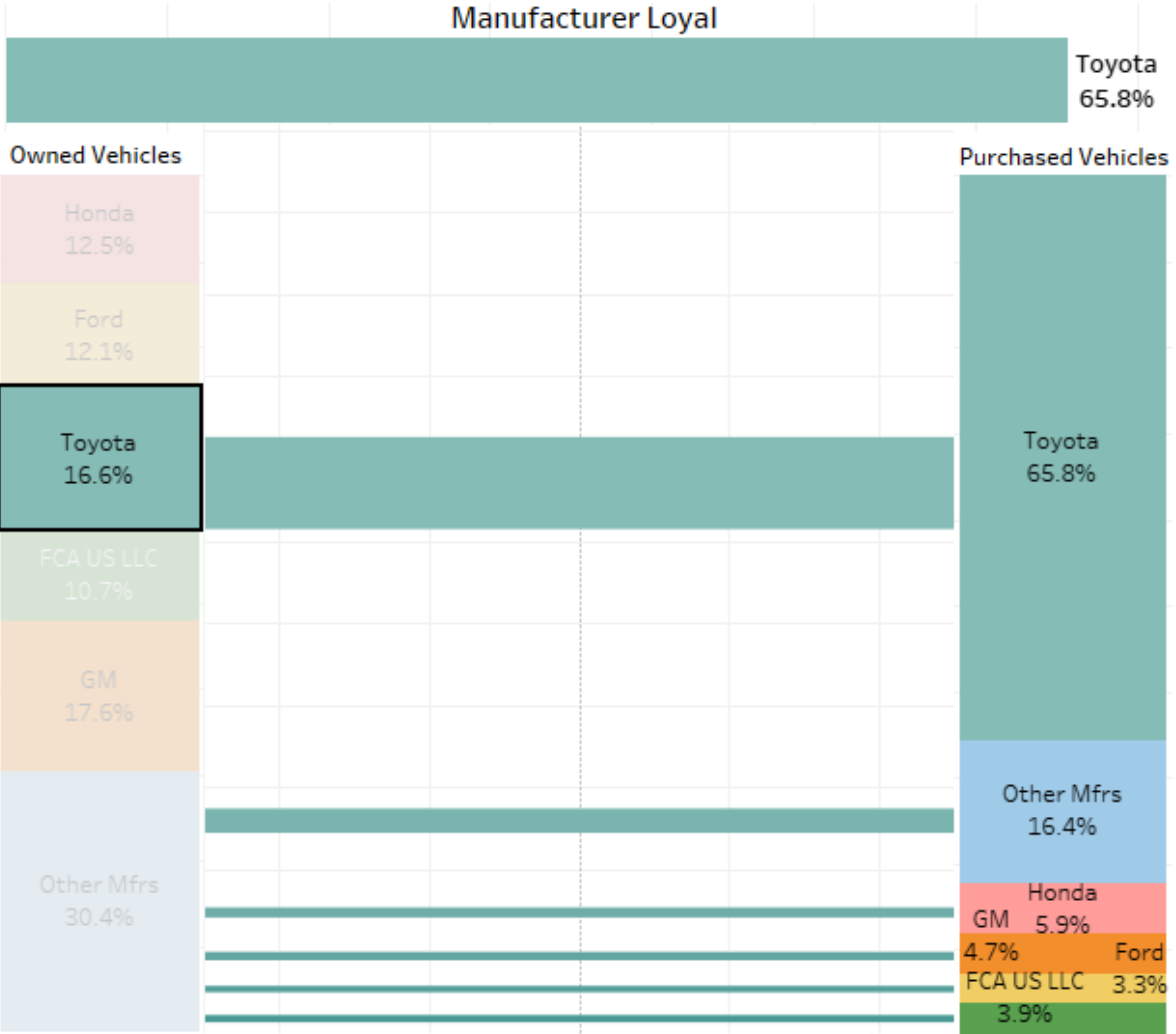


Where Ford/Lincoln owners went for new purchases (Defectors)

© Experian Public. Experian Loyalty Disposal methodology, New to New; August 2019 – July 2020.



Loyalty - Toyota

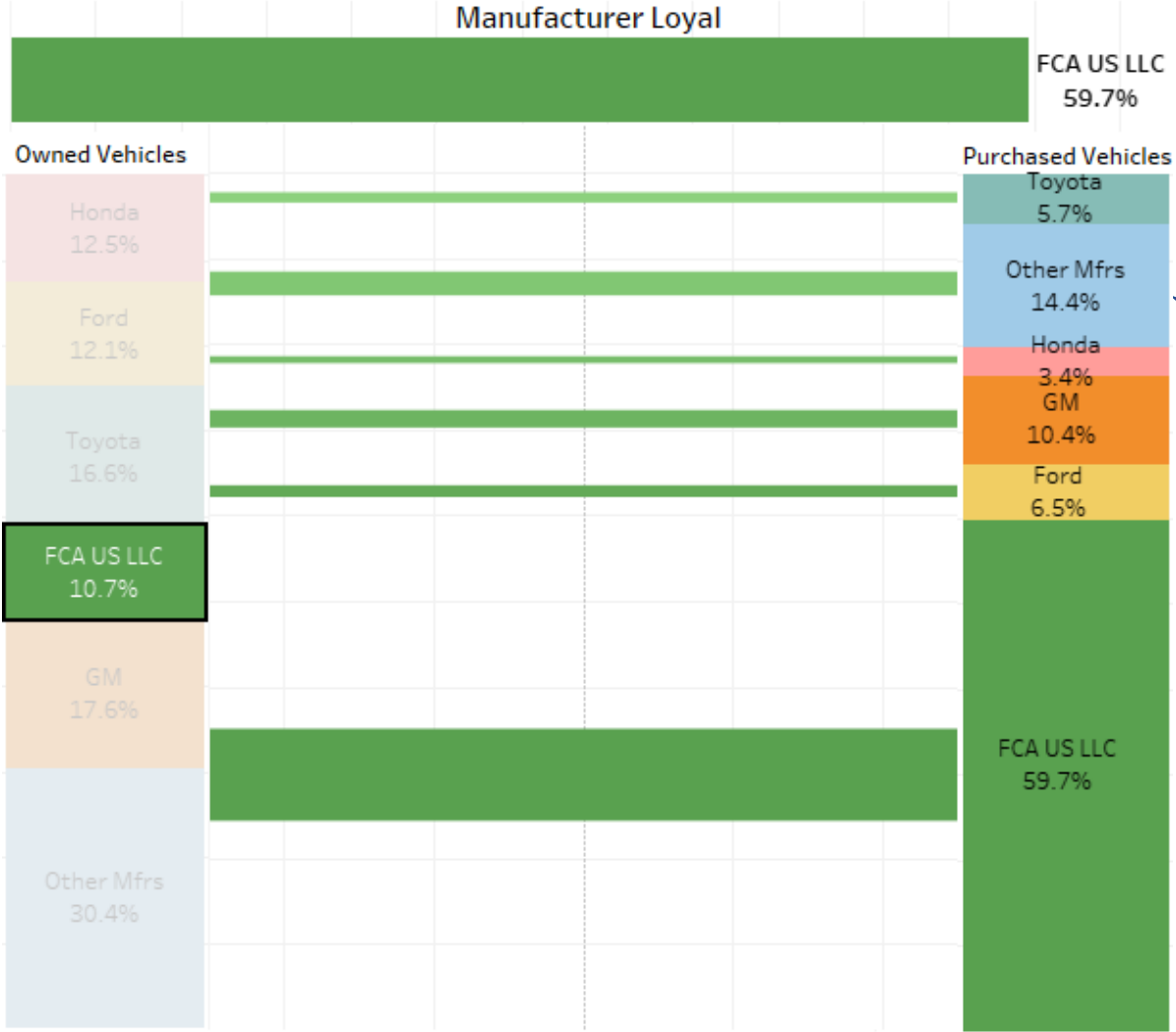


Where Toyota/Lexus owners went for new purchases (Defectors)

© Experian Public. Experian Loyalty Disposal methodology, New to New; August 2019 – July 2020.



Loyalty – FCA (Chrysler)

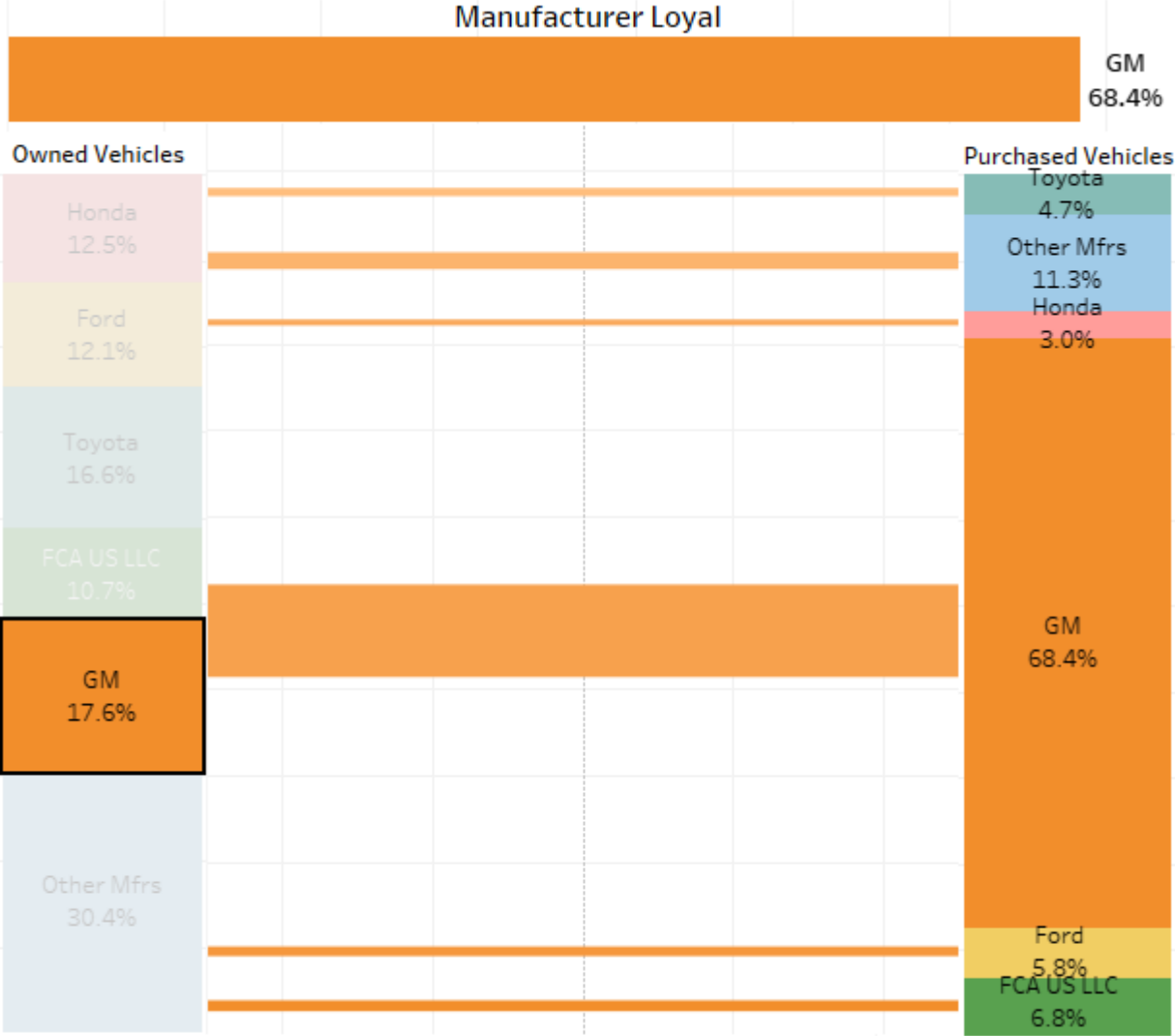


Where Chrysler/Dodge/Jeep/Ram/Fiat owners went for new purchases (Defectors)

© Experian Public. Experian Loyalty Disposal methodology, New to New; August 2019 – July 2020.



Loyalty – General Motors



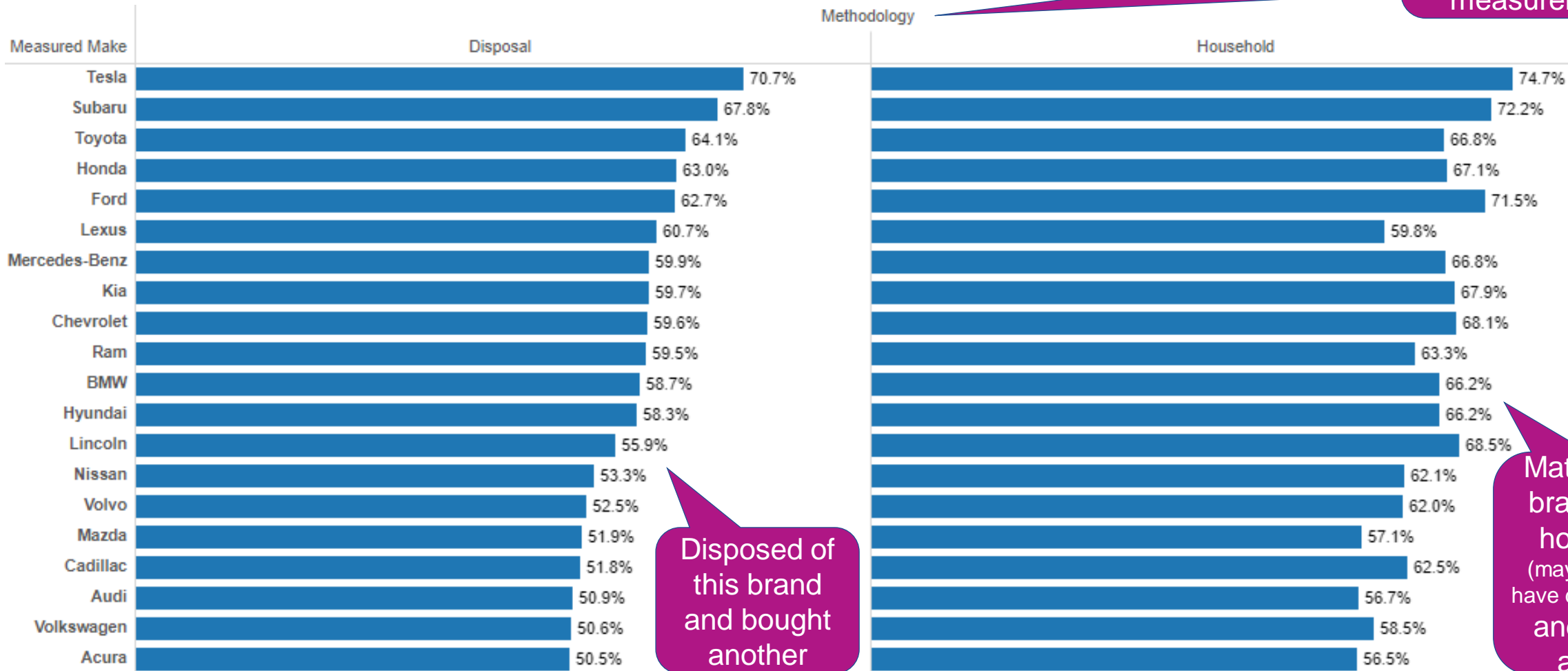
Where Chevy/Buick/Cadillac/GMC owners went for new purchases (Defectors)

© Experian Public. Experian Loyalty Disposal methodology, New to New; August 2019 – July 2020.



Loyalty – Top 20 brand names by methodology

Different Loyalty methodologies offer direct vs household measurements



Disposed of this brand and bought another

Matched this brand to the household (may or may not have disposed of it) and bought another

Q3 2020 Summary

- Total light duty VIO is currently at **281.6 million** in the U.S. market. GM leads in over VIO share, but that rate has been dwindling each quarter for years. Ford is ranked 2nd and Toyota 3rd. Will Toyota overtake Ford soon?
- The aftermarket **Sweet Spot** continues to grow and is up 3.7% over last year, but will COVID-19's impact the Pre-Sweet Spot vehicle volumes come back to haunt us 5 years from now?
- The top 5 volume **Antiques** are pickups, with 12 of the top 25 models also being pickups. Is that the new trend for collectors?
- **COVID-19 has taken a toll on registration volumes during the early spring**, yet it seems that we have "V" recovered and both New and Used registrations volumes are matching last year, but will it last?
- Vehicle **Loyalty** is a metric to measure devotion of your customers, and GM leads over Toyota, Ford, Honda and FCA. At the brand detail, Tesla and Subaru are the top 2.



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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