



# Market Trends Review Q1 2021

Presented by  
**Marty Miller**

*Senior Automotive Industry Consultant*

June 2021

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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 March 31, 2021

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

- *Debunking the Average Age myths*
- *2021 vehicles in review*

# 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 powered by Velocity
  - 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>



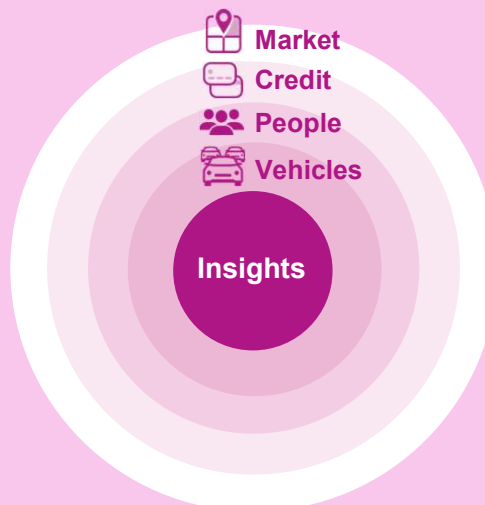
# The power of Experian data

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



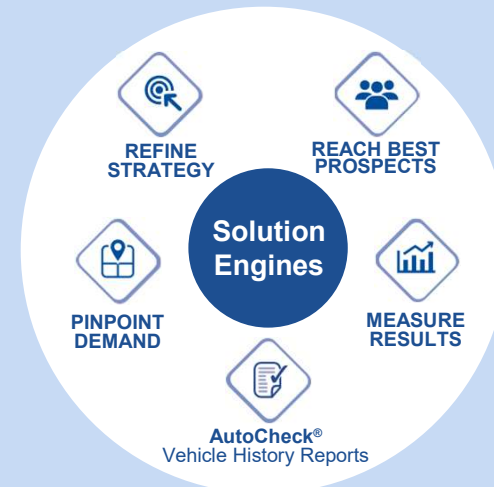
## Best-in-class data, unified and enhanced

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.

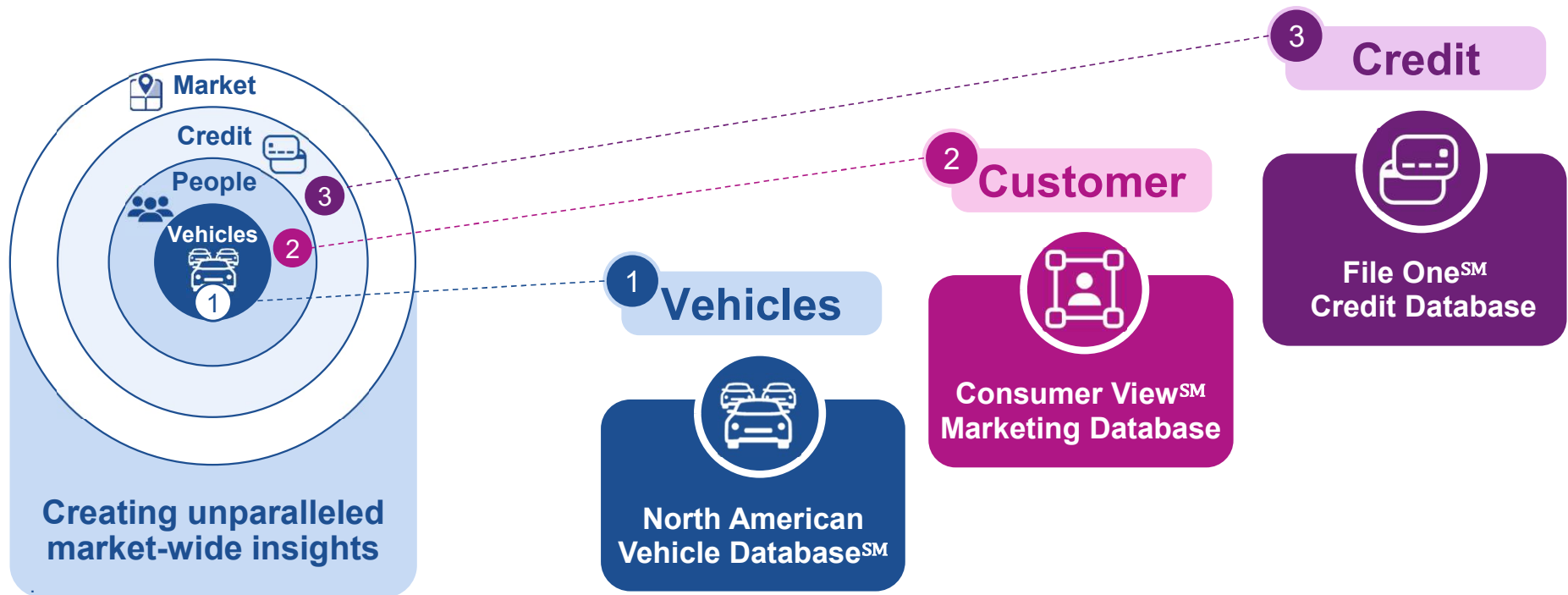


## Powering innovative solution engines that drive results

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. & Canada total Vehicles in Operation (VIO) = 327.1M

## 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.



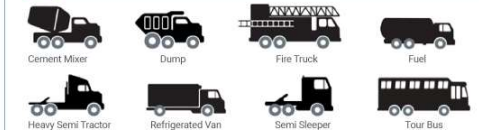
#### CLASS 7

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

Q1 2021 Total\*

**280.6**  
MILLION

Vehicles on the road

Q1 2020 Total\*

**279.2**  
MILLION

Vehicles on the road

Q1 2021 VIO changes



**14.9**  
MILLION

**NEW** Vehicles  
Registered



**13.5**  
MILLION

Vehicles went  
out of operation



**41.6**  
MILLION

**USED** vehicles  
changed owners

=



**29.9%**

Total VIO  
changes<sup>1</sup>

\*U.S. Vehicles in Operation data as of March 31, 2021 sourced from Experian Automotive, including U.S. and Puerto Rico (U.S. light duty vehicles only).

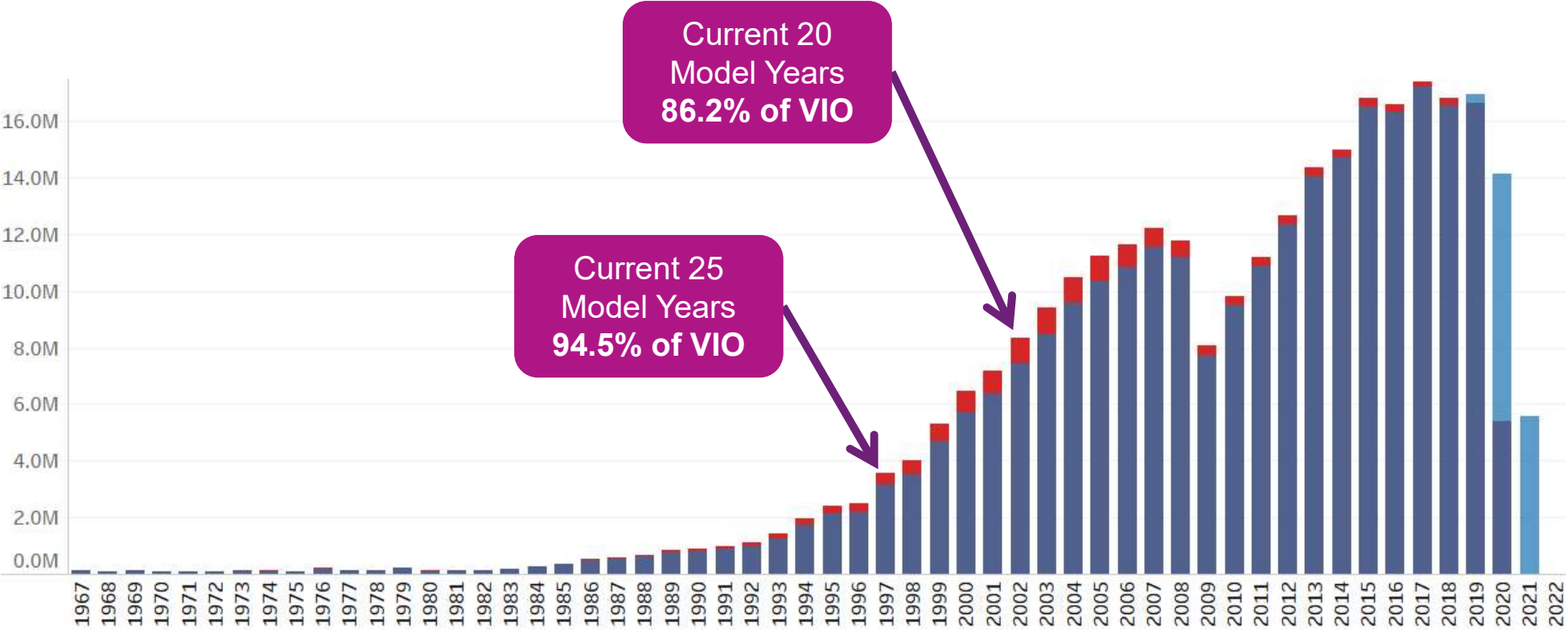
1 – includes estimated annual households that relocated with the same vehicle(s)



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

Q1 2020 to Q1 2021

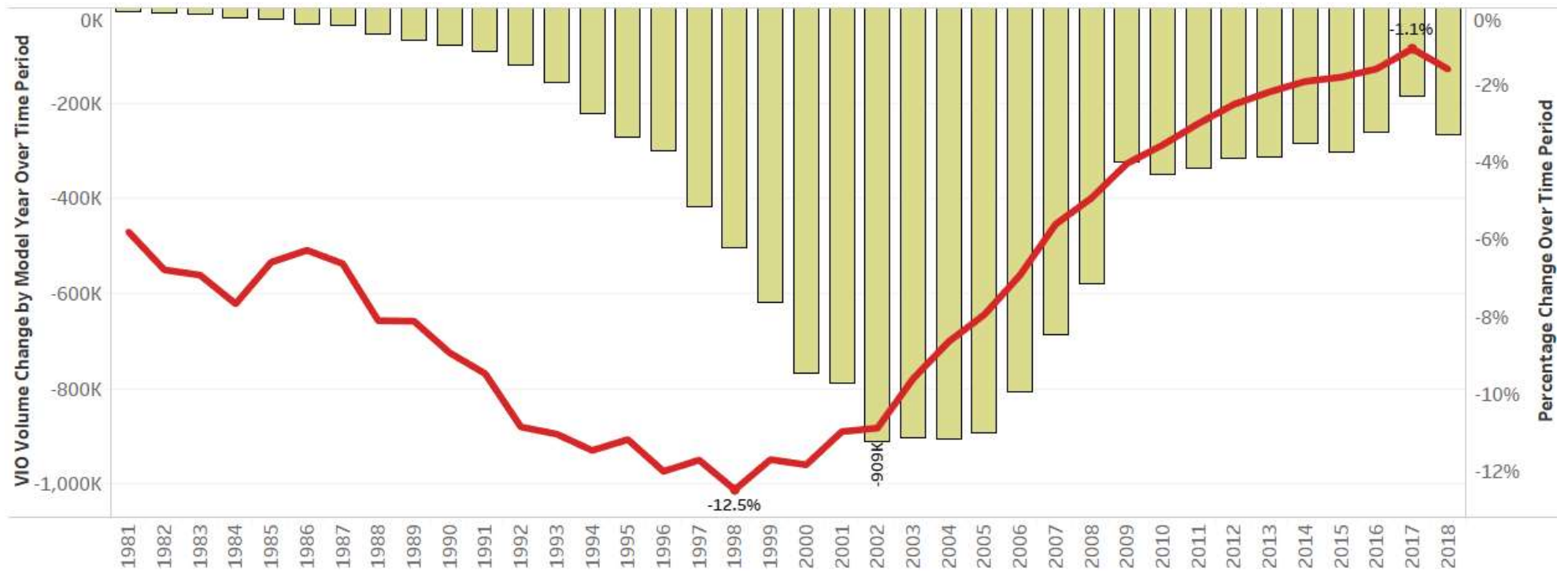
Out of operation  
New vehicle sales  
Carryover vehicles



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

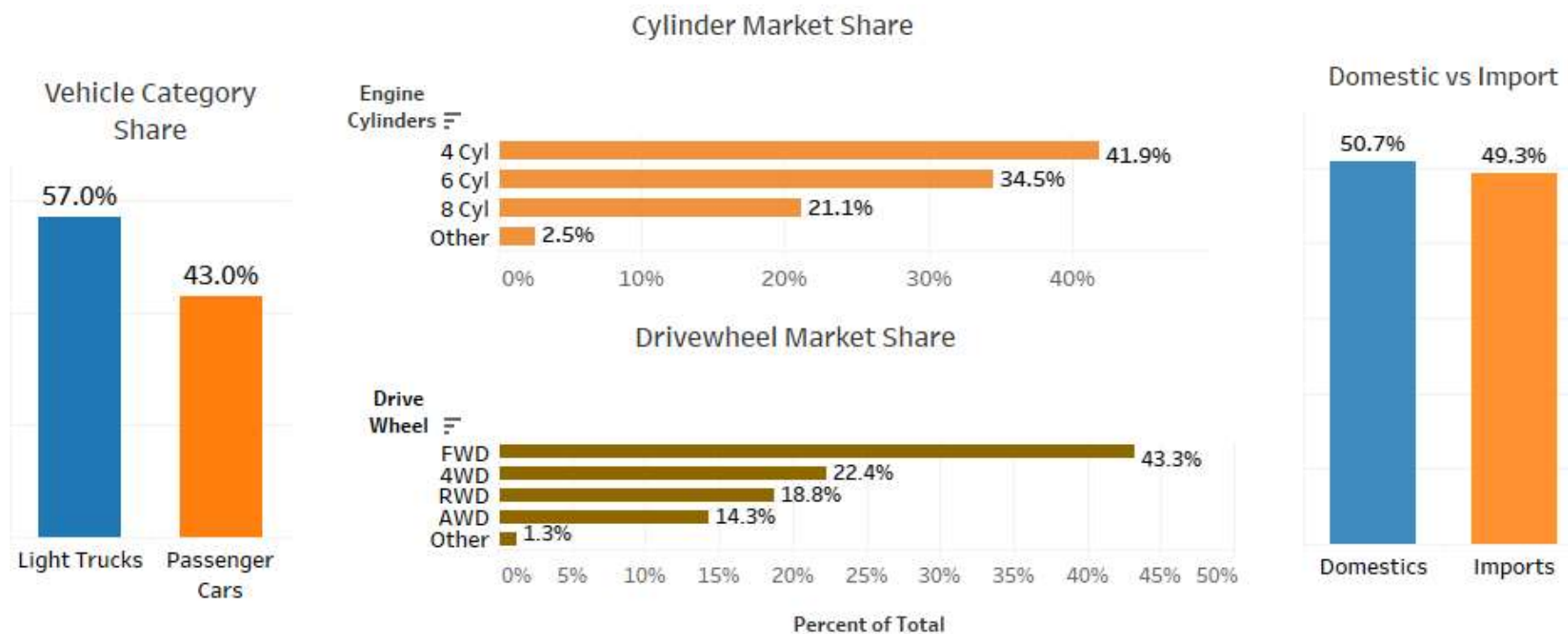
Q1 2020 to Q1 2021

Volume vs Share of Model Year

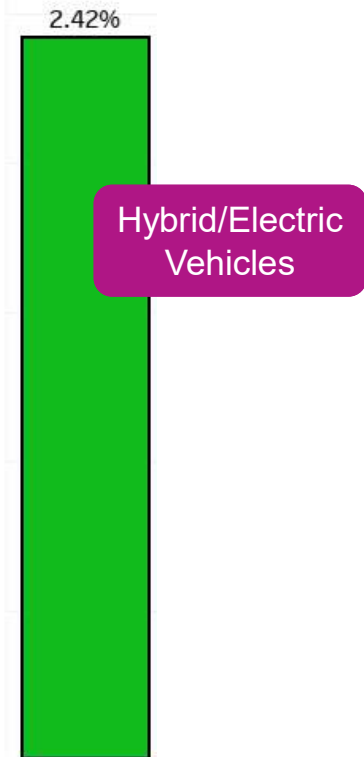
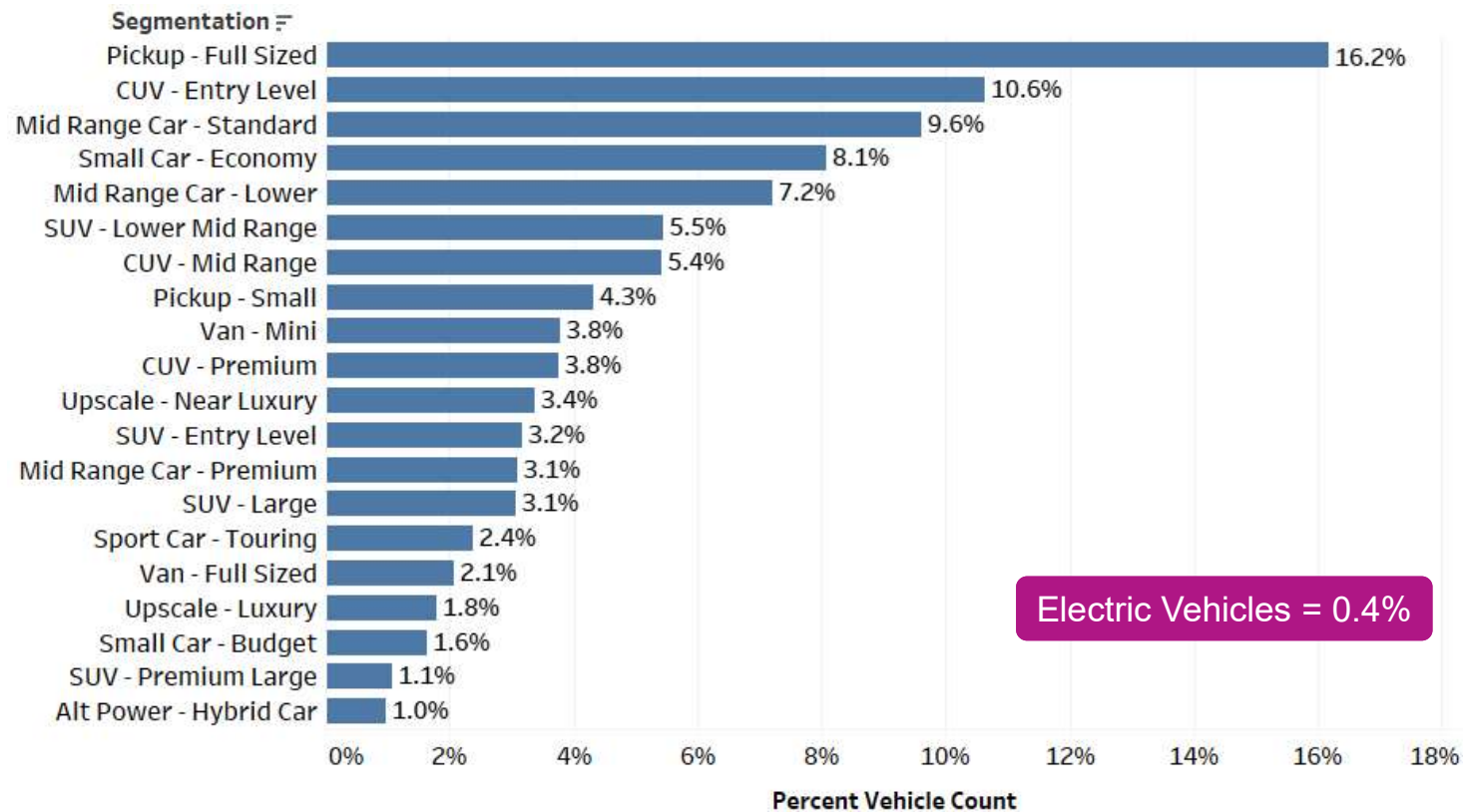


# U.S. Summary Stats – for all light duty VIO

as of Q1 2021



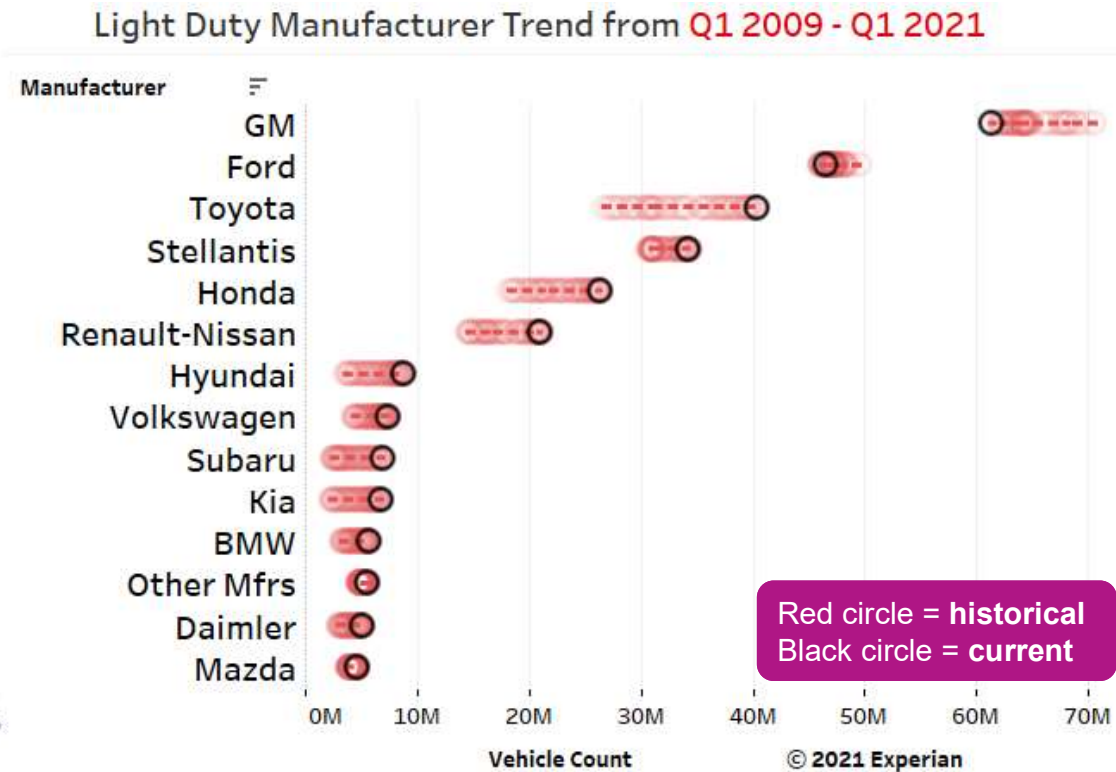
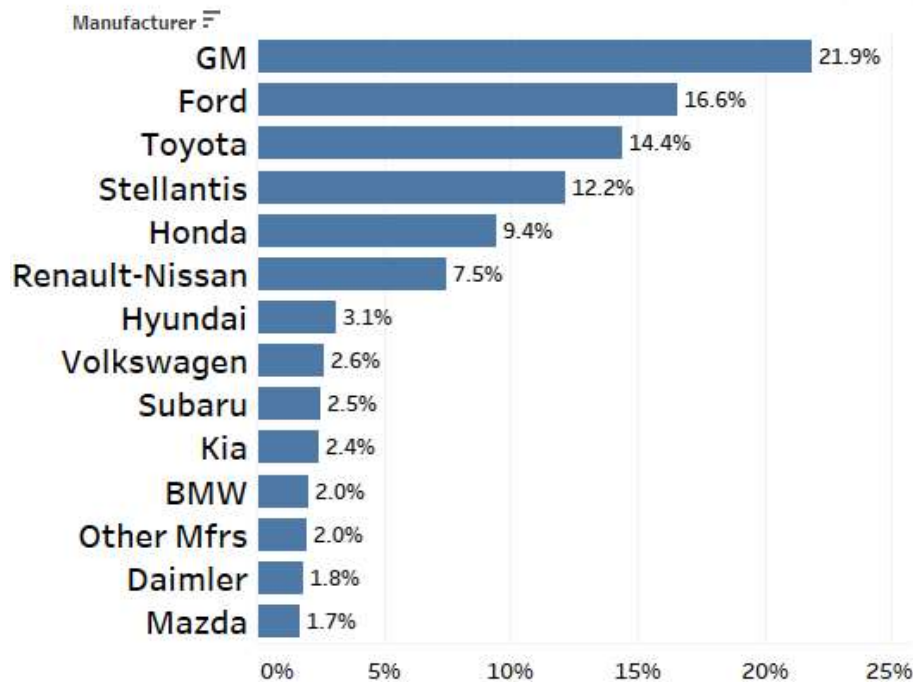
# U.S. VIO Top 20 segments on the road market share



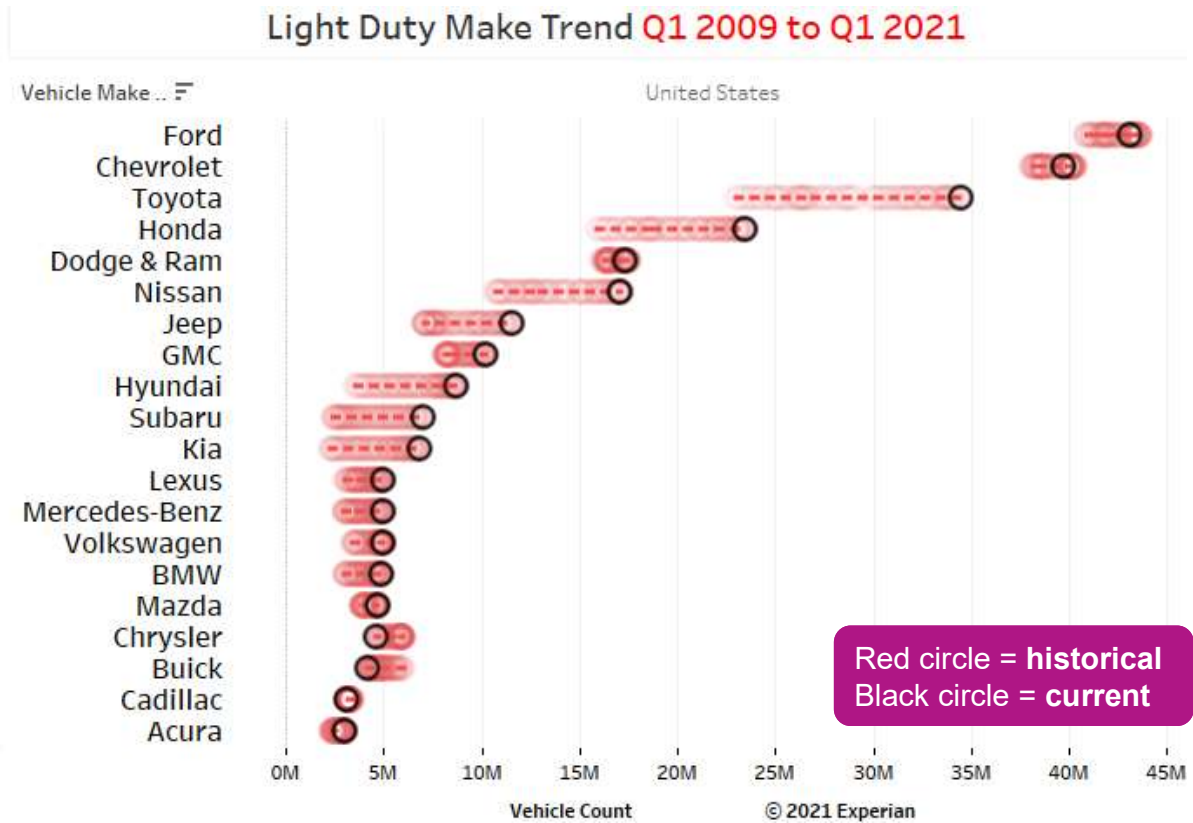
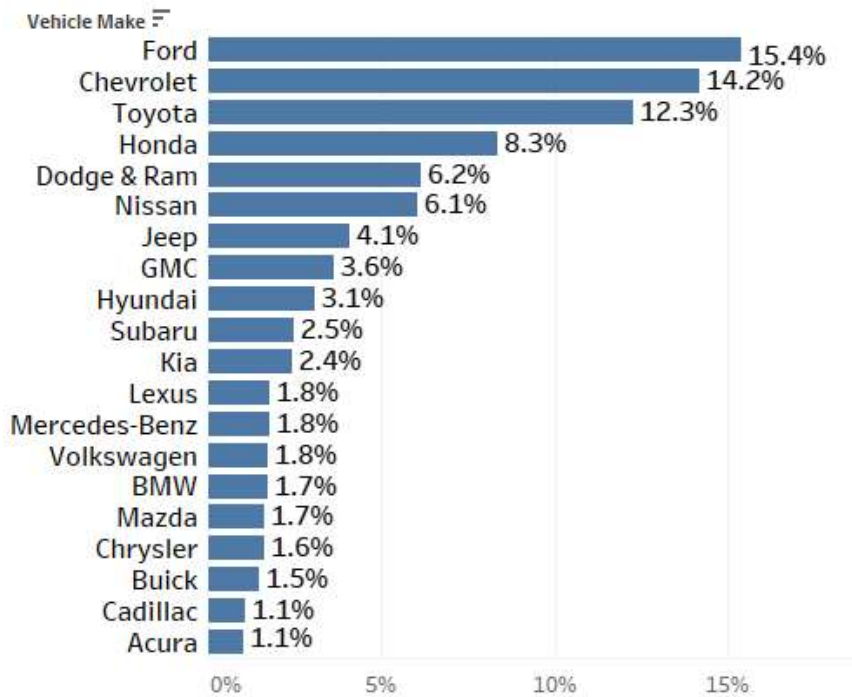
Electric Vehicles = 0.4%



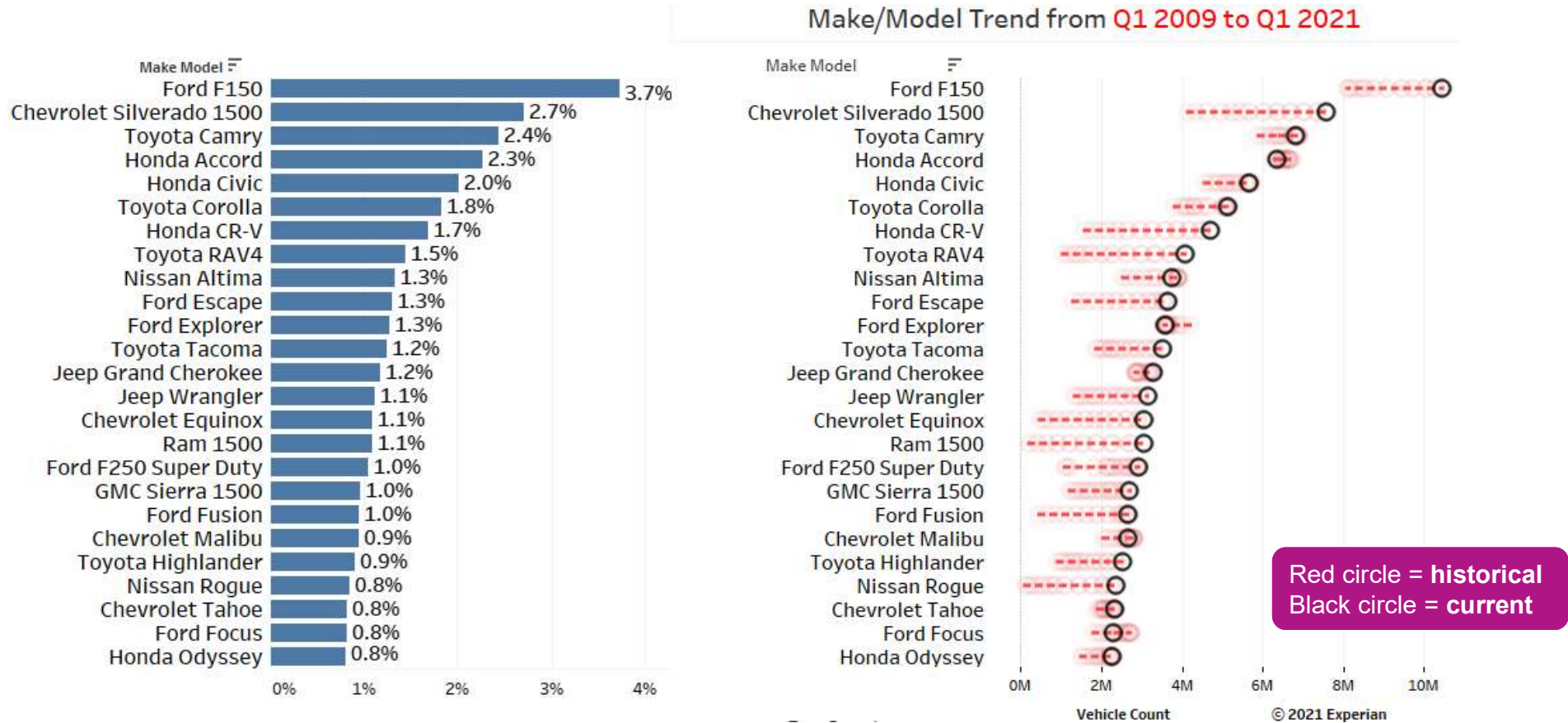
# U.S. VIO by manufacturer market share vs volume trend



# 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

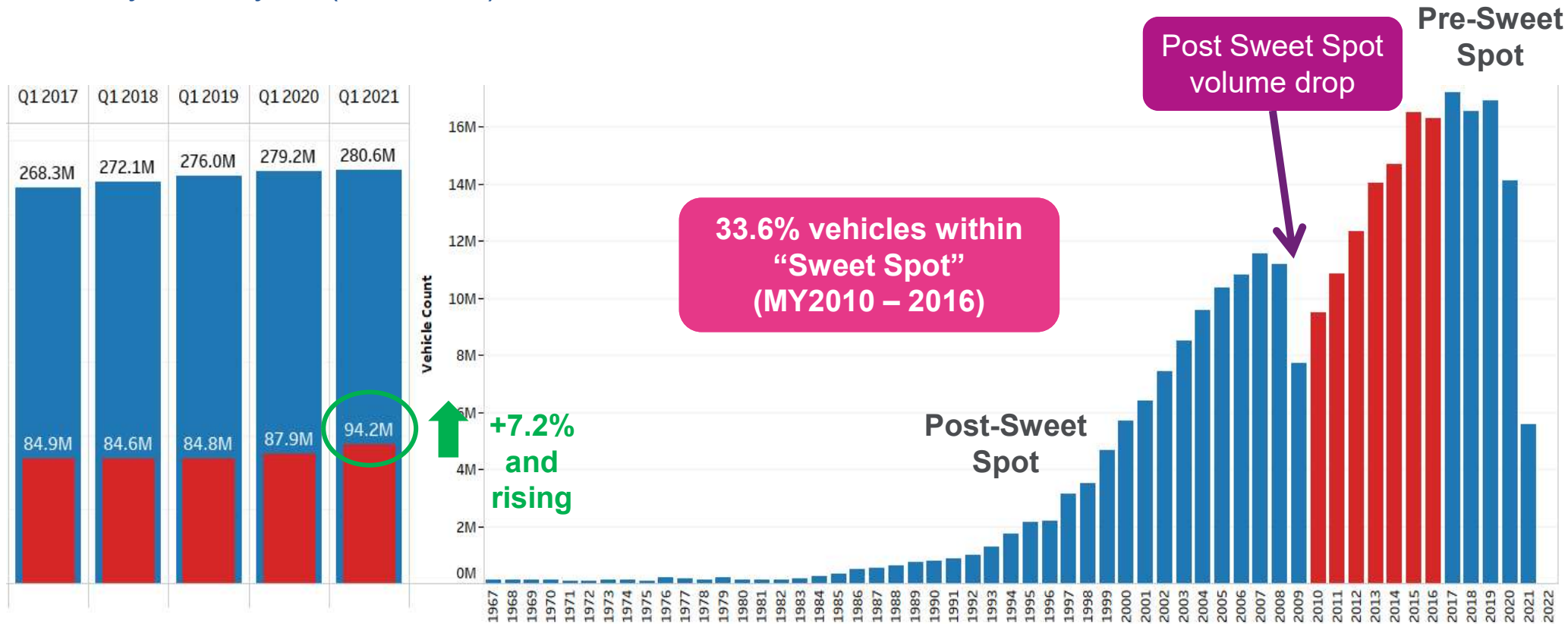
## “Pre Sweet Spot” vehicles

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



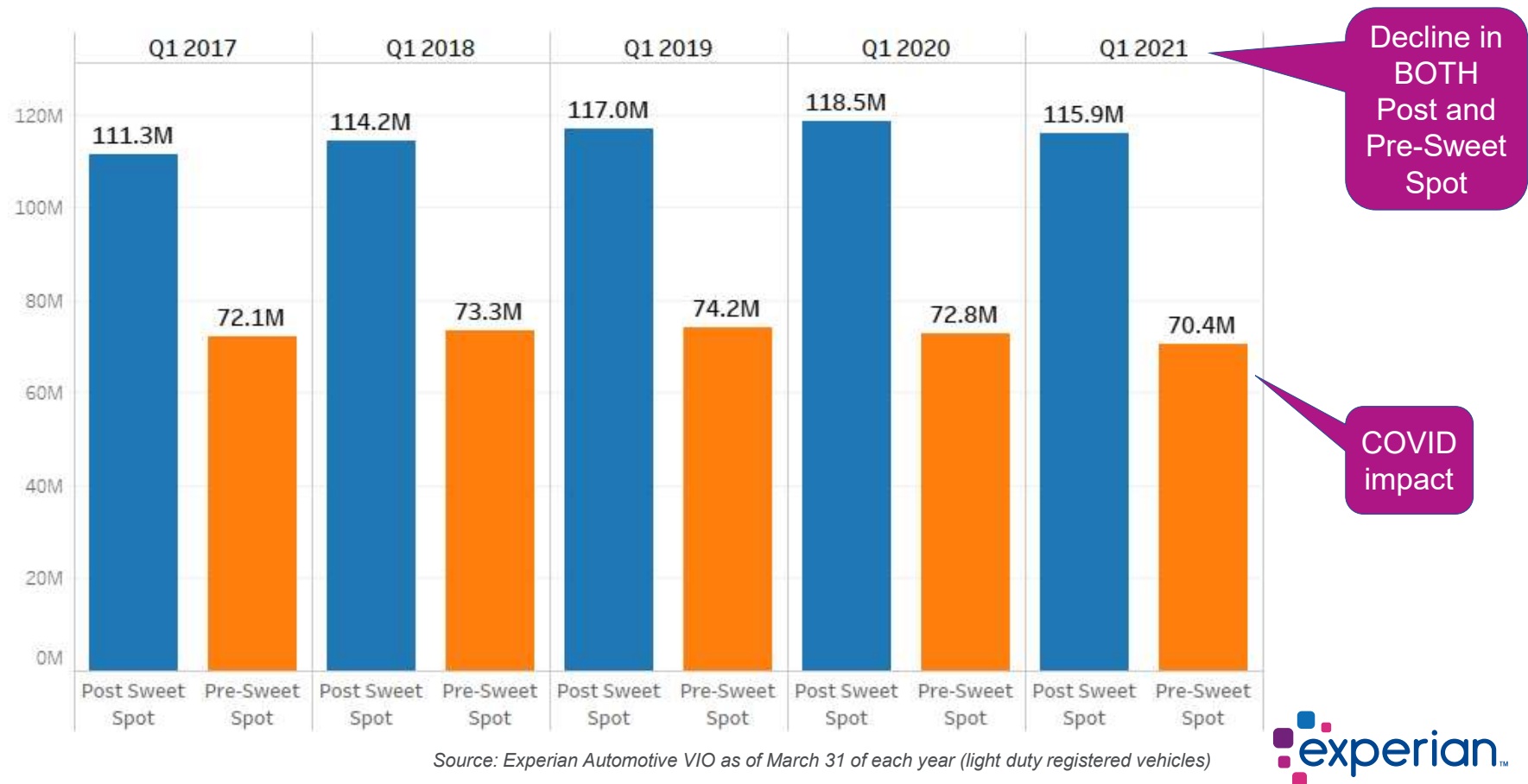
# U.S. trend of total VIO compared to sweet spot volumes

VIO by model year (in millions)



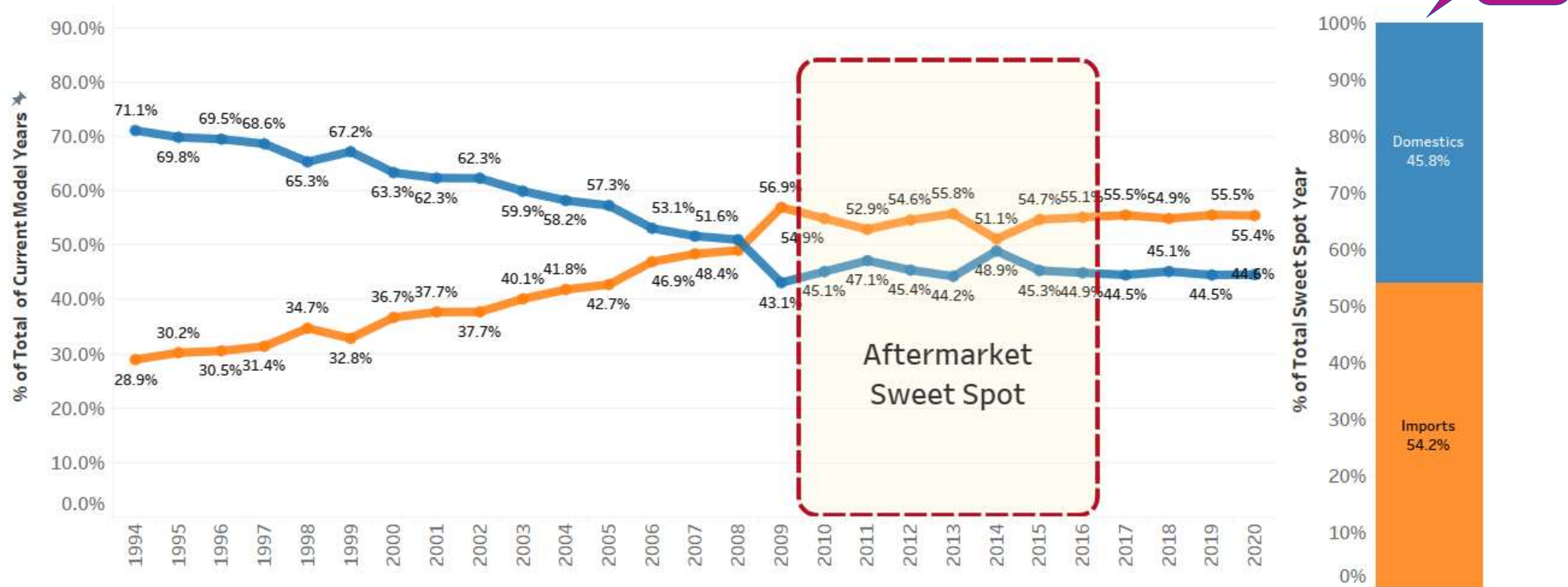
# U.S. trend - total VIO in Post and Pre-Sweet Spot volumes

VIO by model year (in millions)



# U.S. trend - total Domestic vs Import volumes

VIO by model year (in millions)



# U.S. Average Vehicle Age – What is it?

## Myths

### What it is...

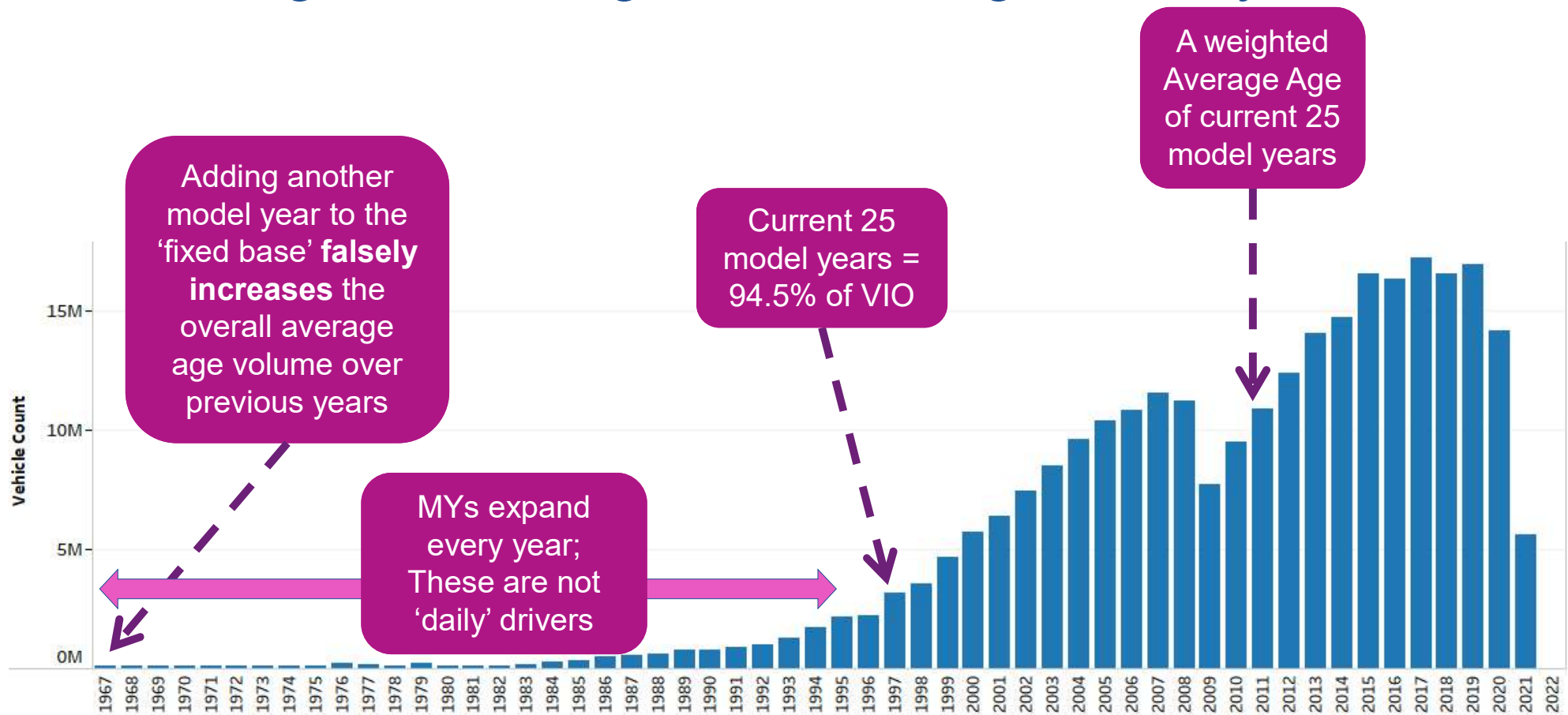
- A metric that shows the overall mean (average) age of vehicles based on a calculation of the age times the volume of the vehicles in operation
- The metric is affected by an increase or decrease in the new vehicle registrations over time
  - A decrease in new vehicles increases the average age initially, and then may decrease it years later
- The overall **average age will naturally increase** every year as more model years and vehicles are added to the base of vehicles on U.S. roads

### What the Average Age does not indicate...

- Vehicles are **lasting longer or more durable**
- People are owning or **keeping their vehicles longer**
- Signals potential growth or decline for **Aftermarket service dollars**



# U.S. Average Vehicle Age – measuring the ‘daily’ drivers



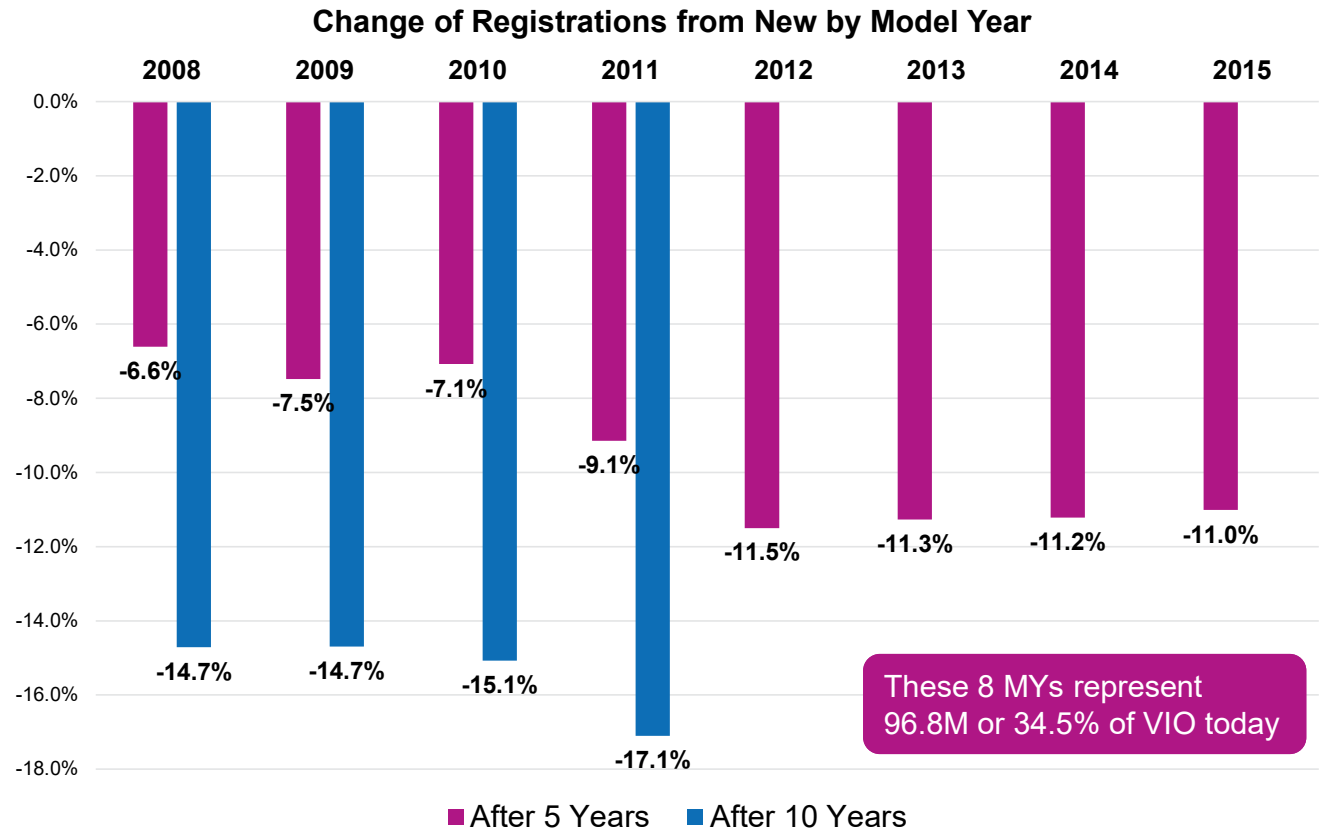
# U.S. Vehicle Life Change After 5 & 10 Years by Model Year

## Occurrences:

- U.S. “Great Recession” occurred in 2008-2009
- Did people drive less in certain periods
- High gas prices until ~2016
- Number of drivers increased from 209.6M (2009) to 218M (2015) to 231.6M (2020)
- Millennials not driving initially

## What does this show?

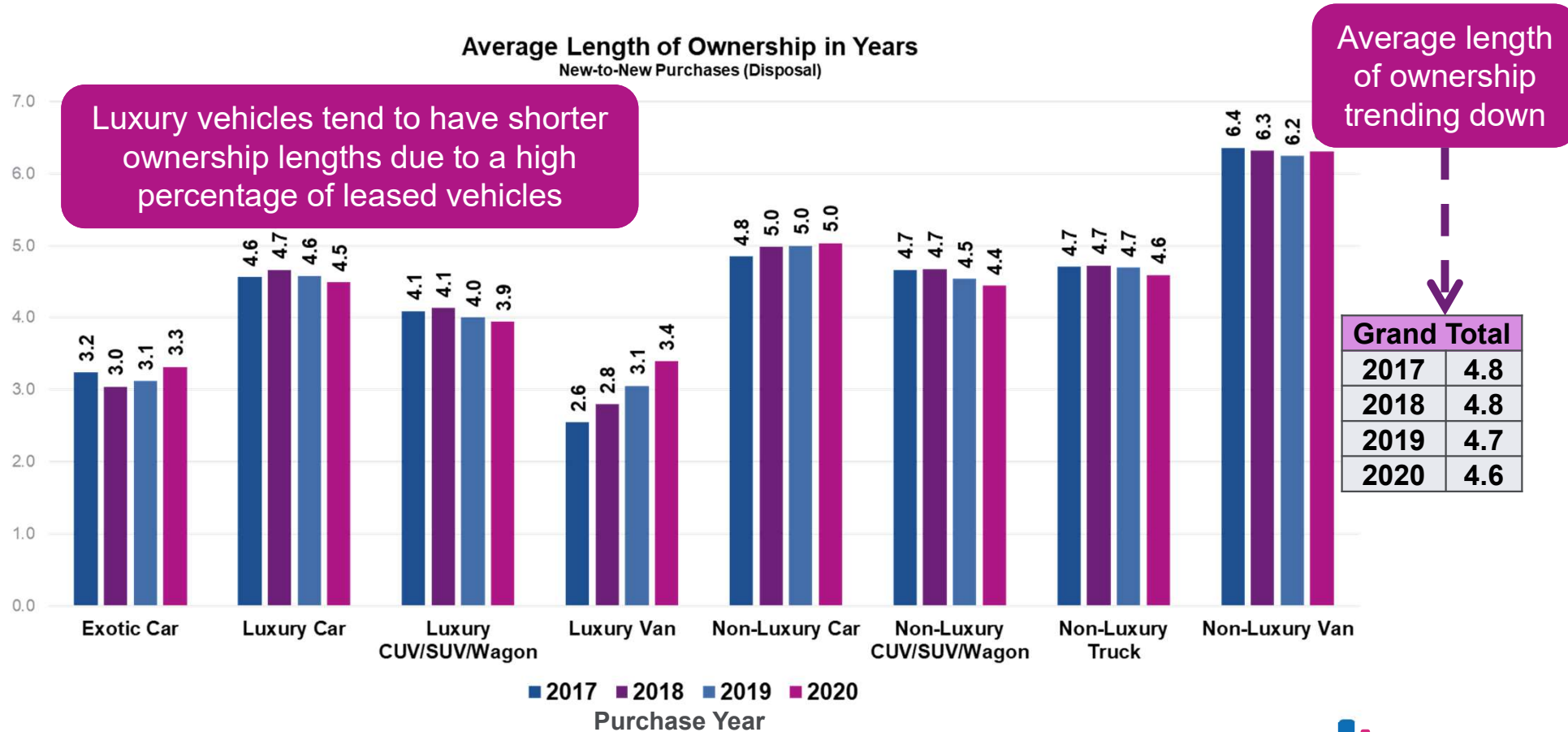
- Less vehicles were taken out-of-operation for the 2008 MY after 5 and 10 years. Does not indicate ‘*more durable*’ or ‘*better built*’ vehicles, just more vehicles registered on U.S. roads
- MY 2012 had the highest out-of-operation (scrappage) after 5 years for these selected MYs
- Negligible improvement from 2013 – 2015 over 2012 MY after 5 years



## Notes:

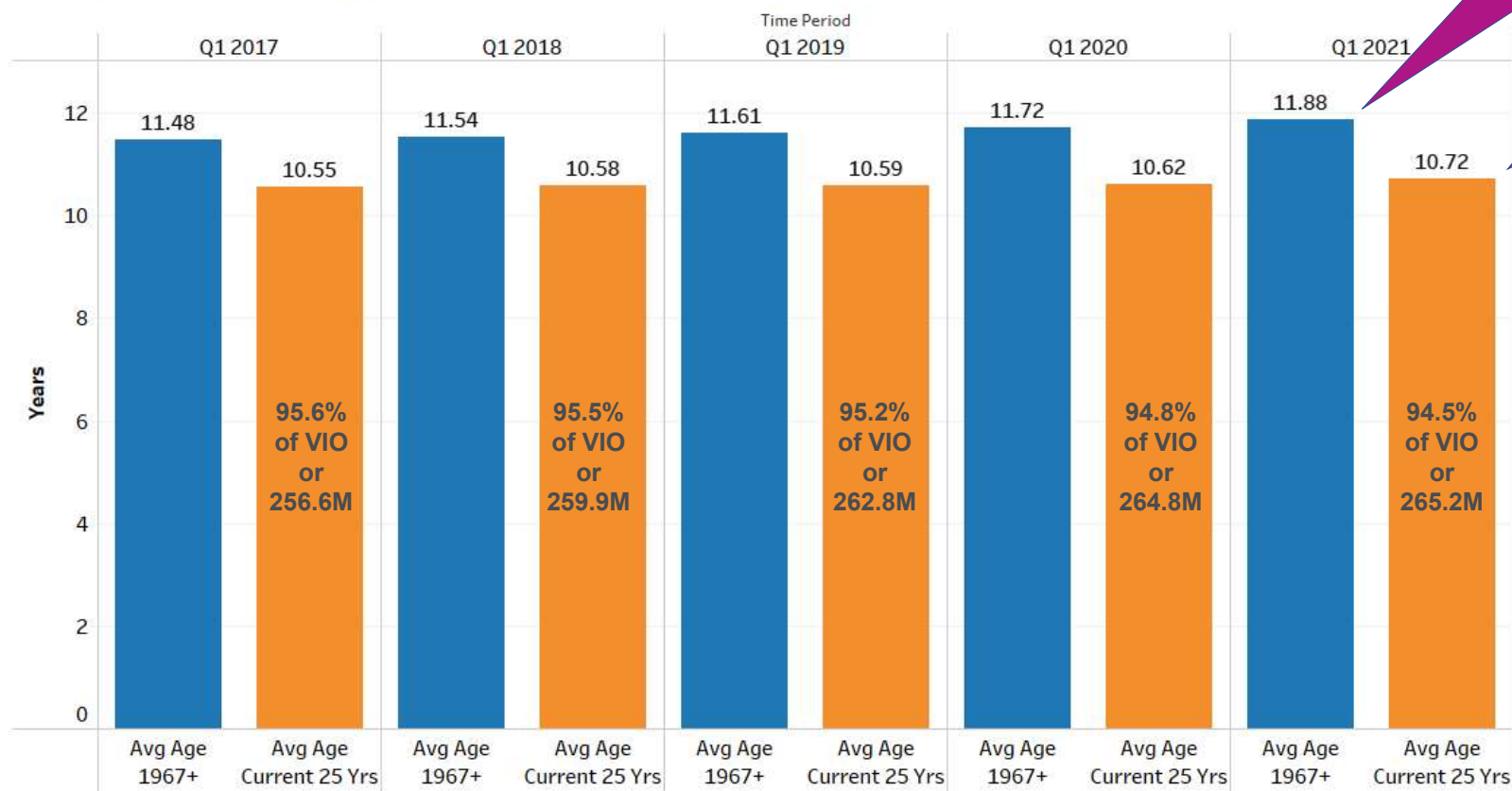
- Model Years are sold over a 3-year period on average
- Measured total New registrations of Model Year vs Q2 VIO of the change year

# U.S. Average Vehicle Length of Ownership



# U.S. Average Vehicle Age

Average Age and Average Age for Rolling 25 years  
(1967 to maximum model year for each time period)



**FALSE POSITIVE**  
– larger vehicle  
base than prior  
years

Apples-to-  
Apples  
comparison

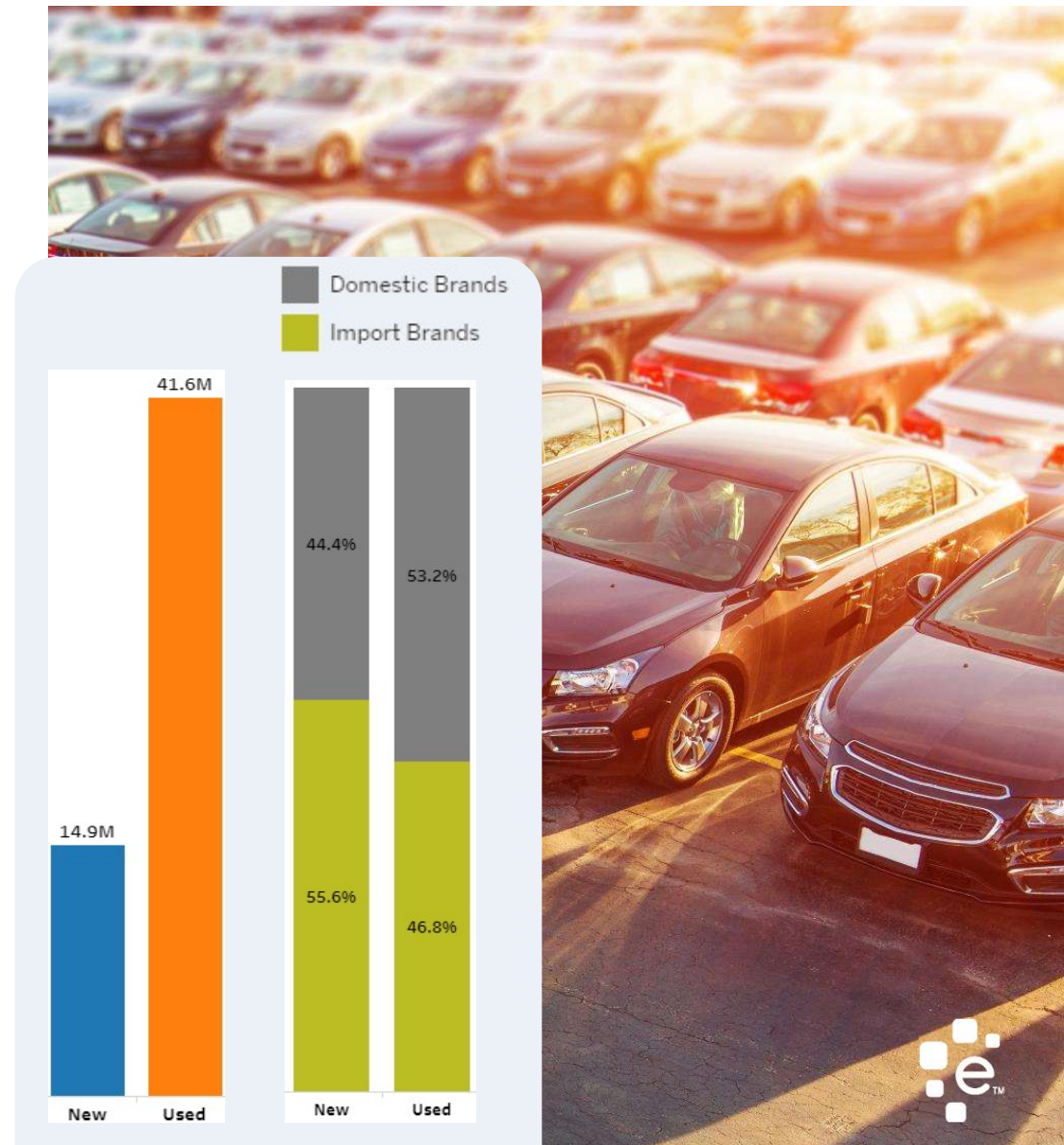
Lower new  
registration  
volumes,  
especially in  
2020, is driving  
the average  
age up

# New & Used Vehicles

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

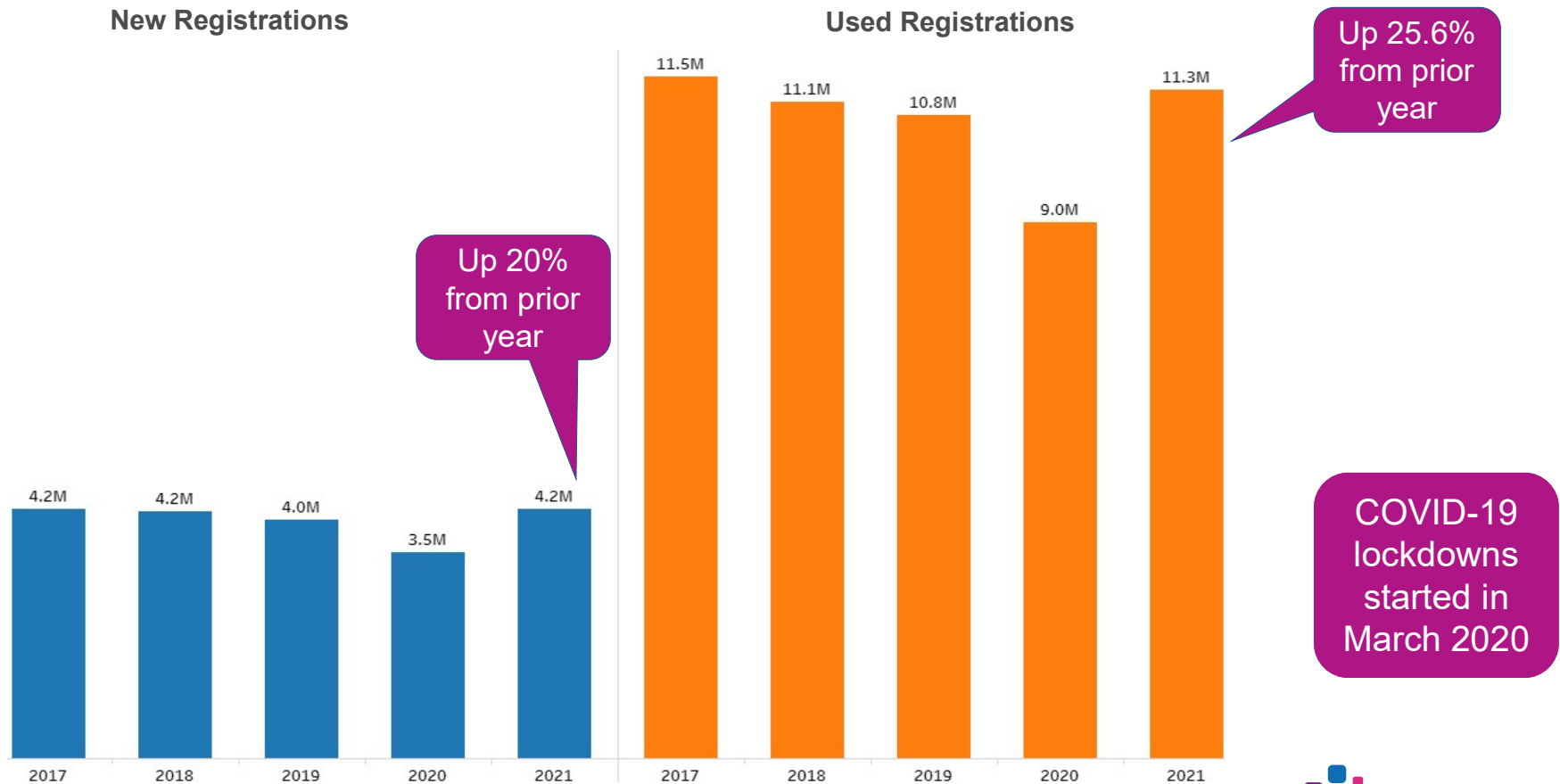
Market analysis through the 1st quarter

Chip shortages cause leader changes and scrambles for Used vehicles drives up market prices

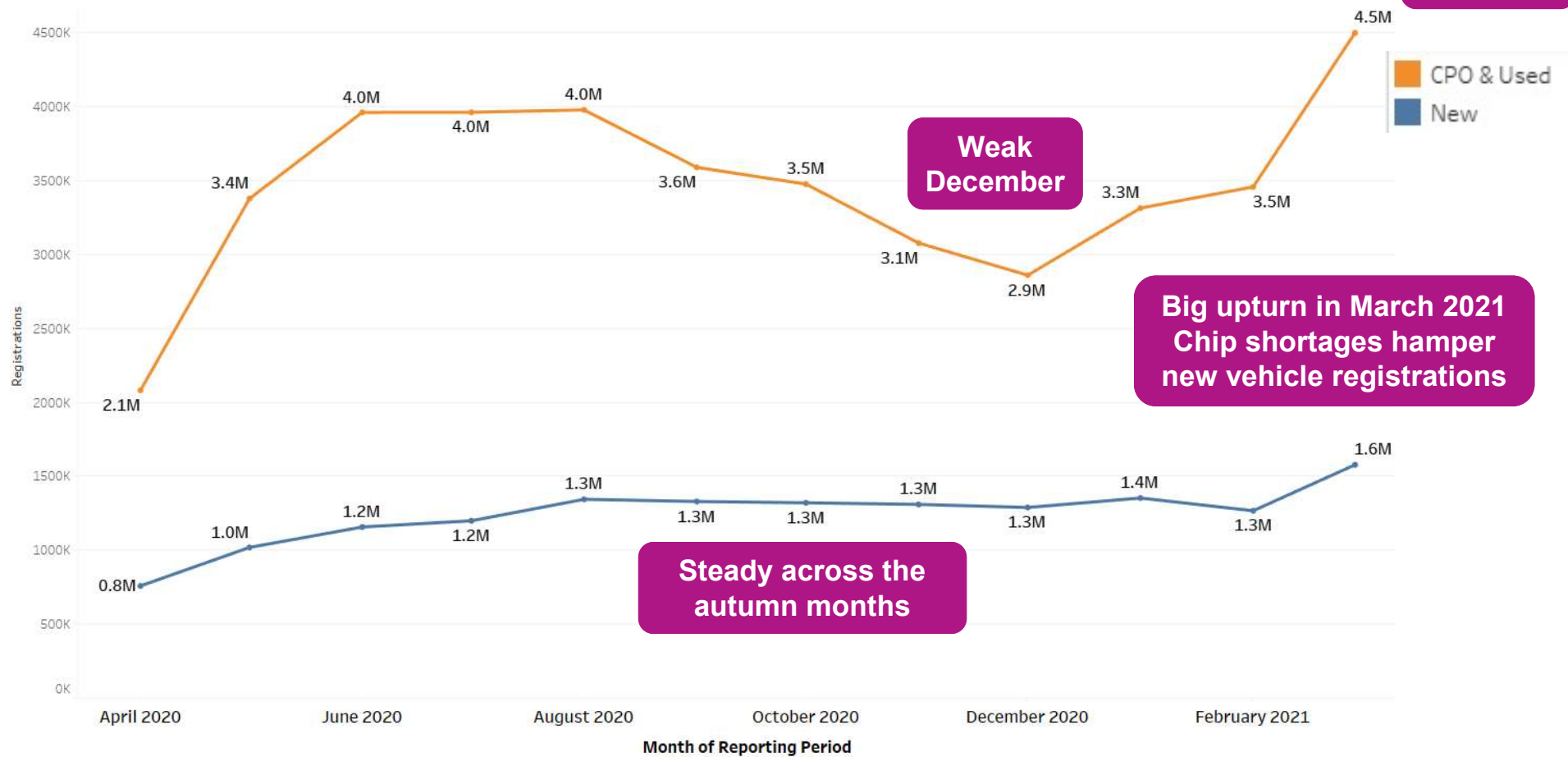




# New and Used vehicle registrations through the 1st quarter

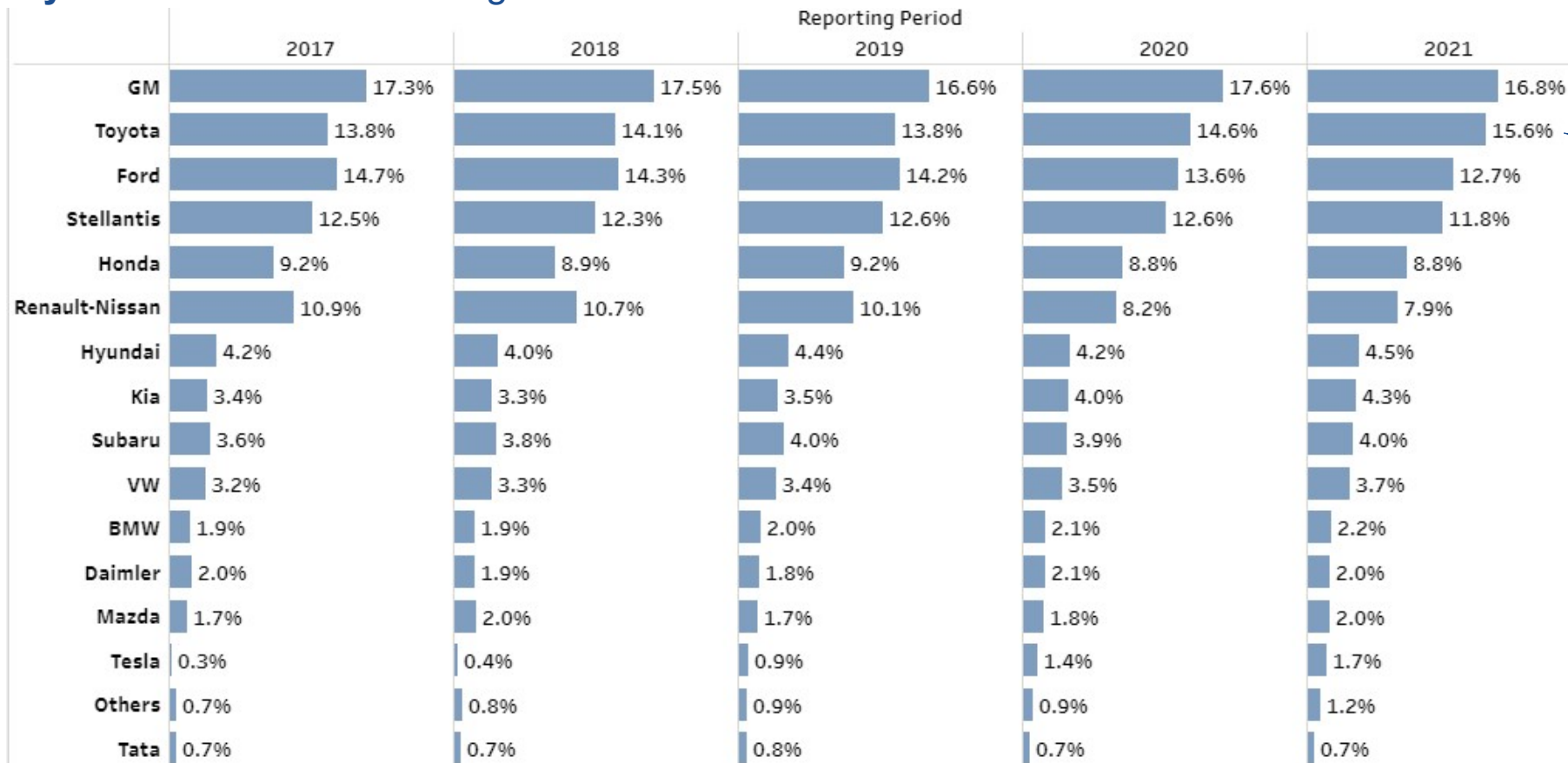


# The wild COVID-19 ride of Registrations



# New vehicle registrations through the 4th quarter

## By manufacturer – Total registrations

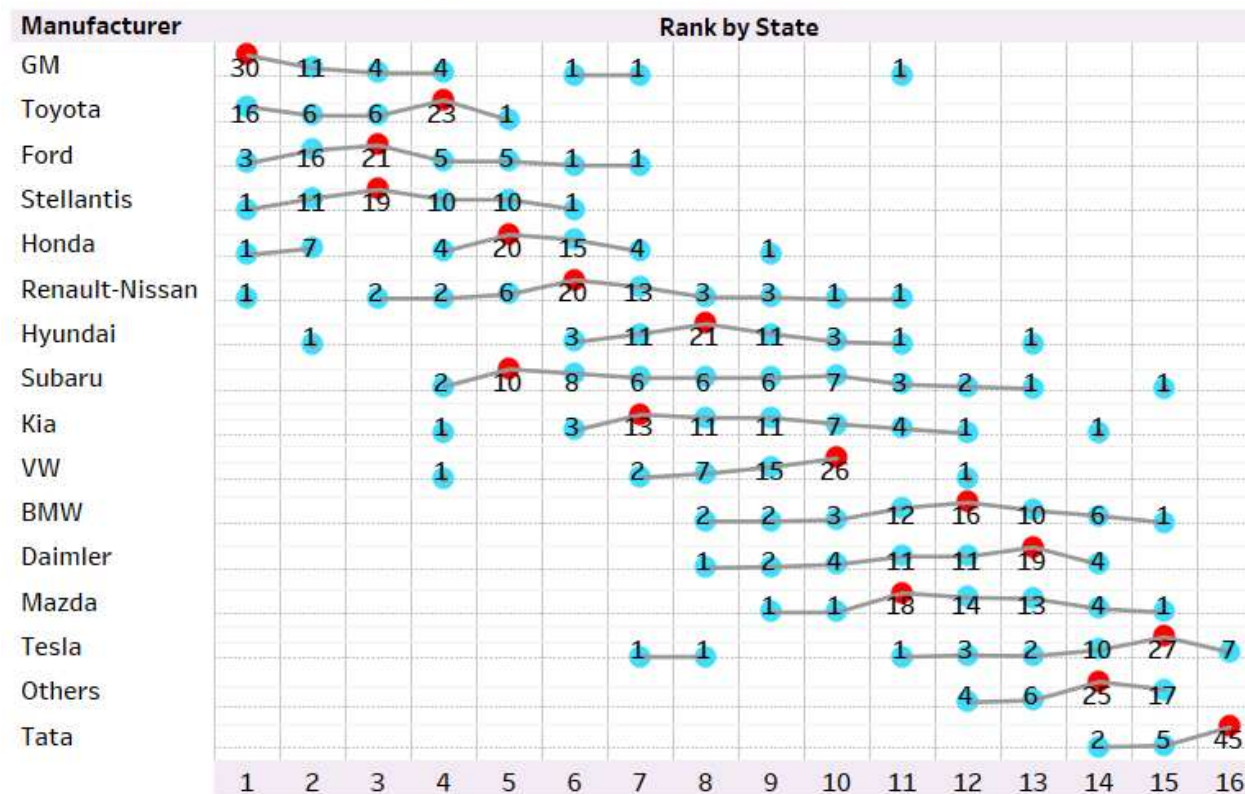


Toyota is closing in on GM

# New vehicle registrations - Manufacturer state rank

Number of times the manufacturer ranked per state (GM ranked # one 30 times; peak with red dot)

50 States + DC and Puerto Rico

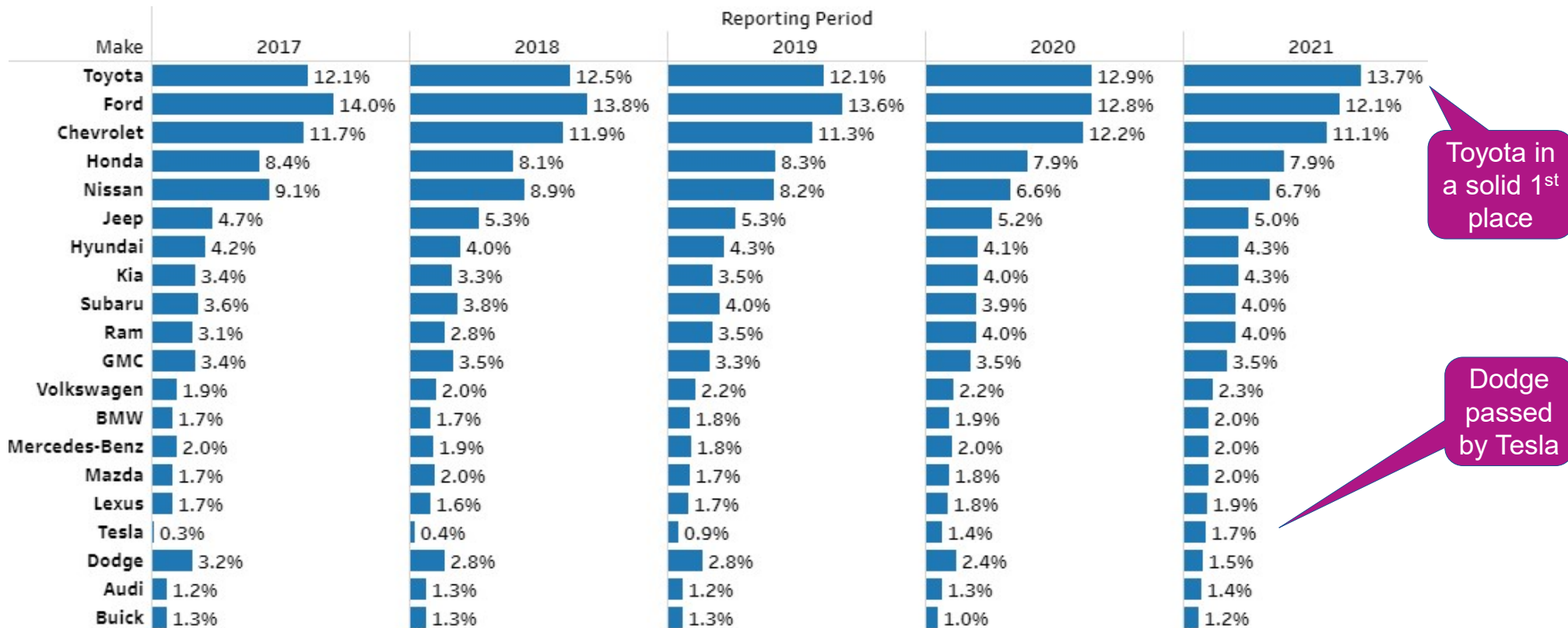


Manufacturer	Rank Range	Peak
GM	1 to 11	1st
Toyota	1 to 5	4th
Ford	1 to 7	3rd
Stellantis	1 to 6	3rd
Honda	1 to 9	5th
Renault-Nissan	1 to 11	6th
Hyundai	2 to 13	8th
Subaru	4 to 15	5th
Kia	4 to 14	7th
VW	4 to 12	10th
BMW	8 to 15	12th
Daimler	8 to 14	13th
Mazda	9 to 15	11th
Tesla	7 to 16	15th
Others	12 to 15	14th
Tata	14 to 16	16th

Tesla was ranked 7<sup>th</sup> in California, but ranked 15<sup>th</sup> in 27 other states among 16 Mfrs

# New vehicle registrations through the 1<sup>st</sup> quarter

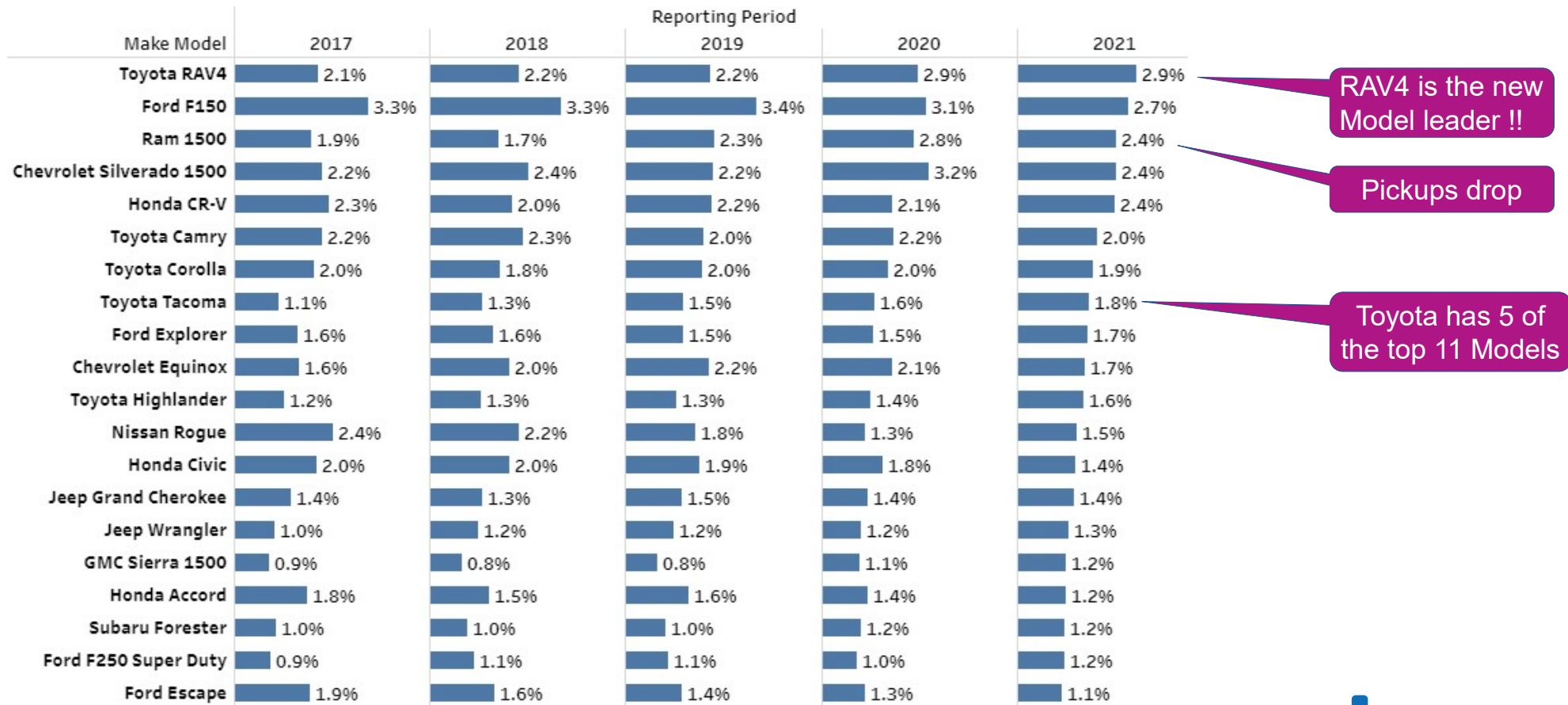
## Top 20 brands – Total Share





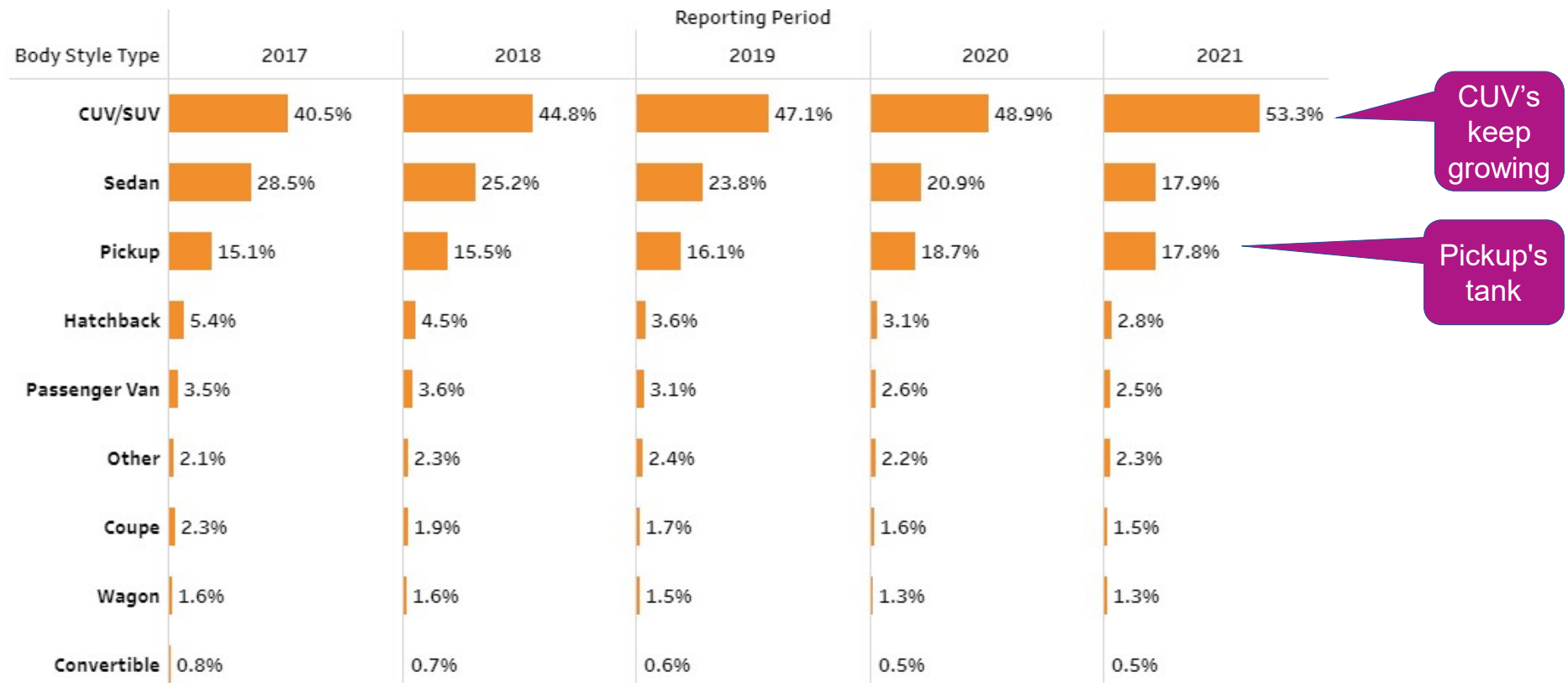
# New vehicle registrations through the 1<sup>st</sup> quarter

## By top 20 make/models – Total Registrations



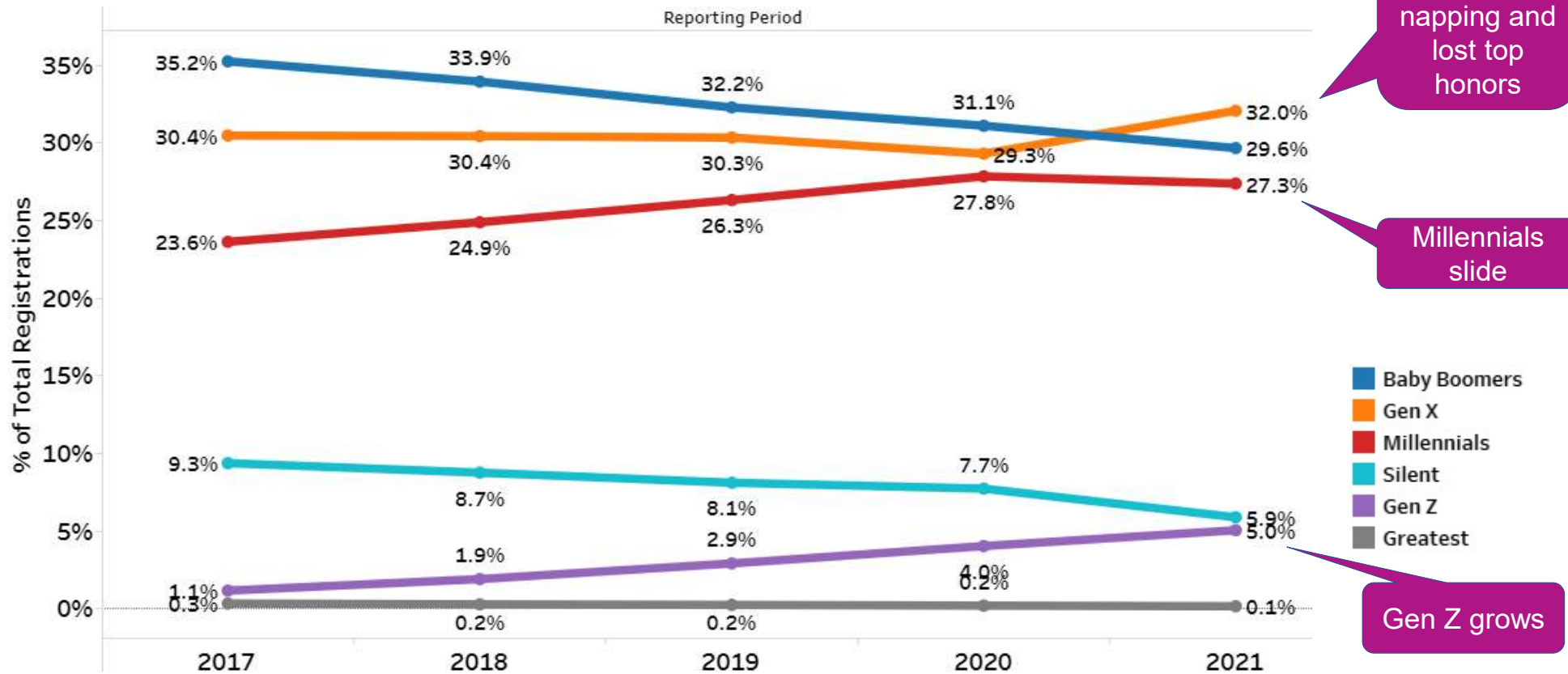
# New vehicle registrations through the 1<sup>st</sup> quarter

## By body style type – Total Registrations



# New vehicle registrations through the 1<sup>st</sup> quarter

## By generation – Retail only



# Vehicle Analysis



Spotlight on electric vehicle market



# Fuel Type total new vehicle registration share

Fuel Type Summary	Reporting Period										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Electric	0.07%	0.09%	0.29%	0.37%	0.39%	0.44%	0.57%	1.21%	1.28%	1.68%	2.22%
Other Fuel Types	99.93%	99.91%	99.71%	99.63%	99.61%	99.56%	99.43%	98.79%	98.72%	98.32%	97.78%

2.2% of new registrations

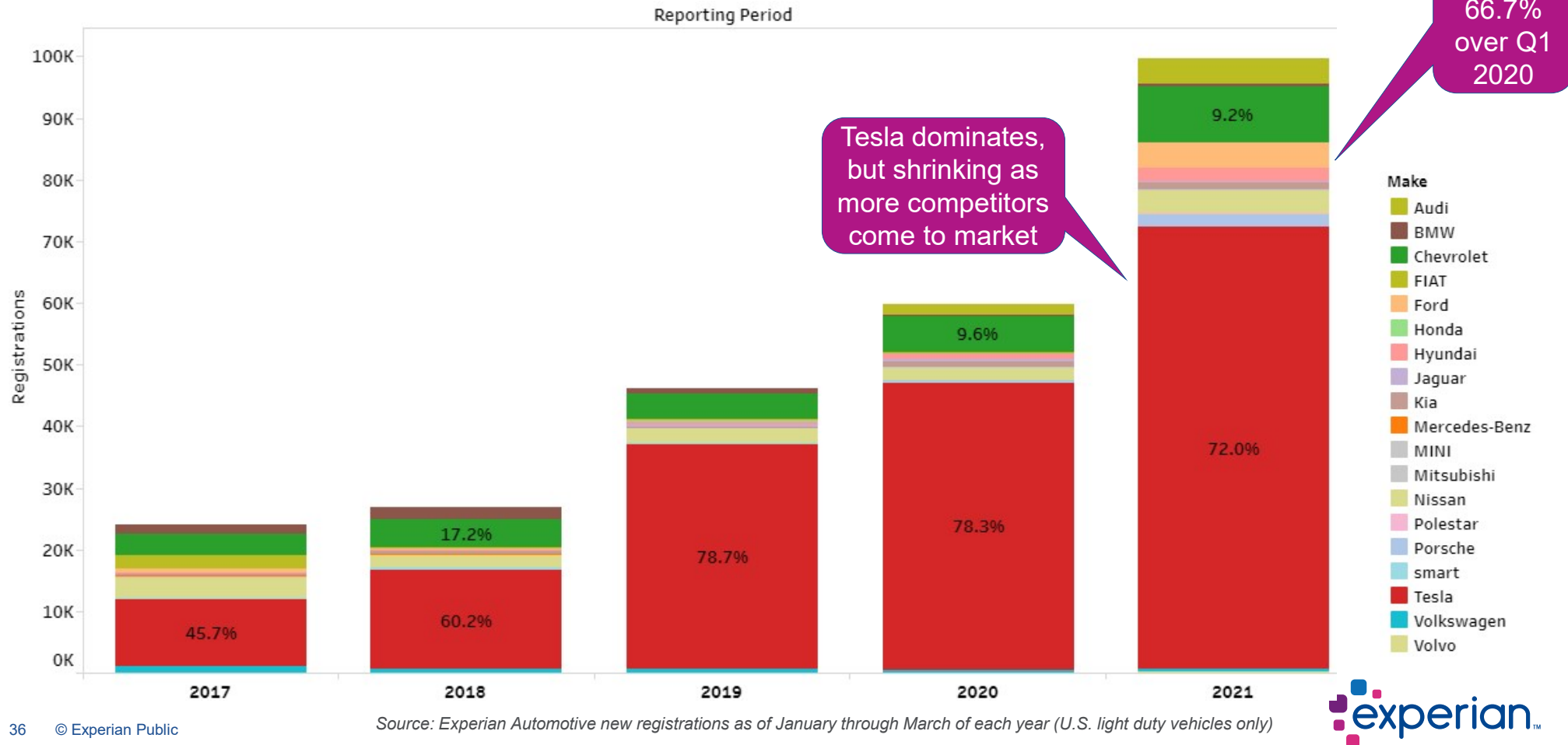
All other States			California		
	Electric	Other Fuel Types		Electric	Other Fuel Types
2011	0.04%	99.96%		0.37%	99.63%
2012	0.06%	99.94%		0.37%	99.63%
2013	0.18%	99.82%		1.16%	98.84%
2014	0.22%	99.78%		1.57%	98.43%
2015	0.21%	99.79%		1.79%	98.21%
2016	0.23%	99.77%		1.97%	98.03%
2017	0.30%	99.70%		2.48%	97.52%
2018	0.73%	99.27%		4.91%	95.09%
2019	0.85%	99.15%		4.70%	95.30%
2020	1.18%	98.82%		5.85%	94.15%
2021	1.60%	98.40%		7.53%	92.47%

Jan – Dec  
of each year

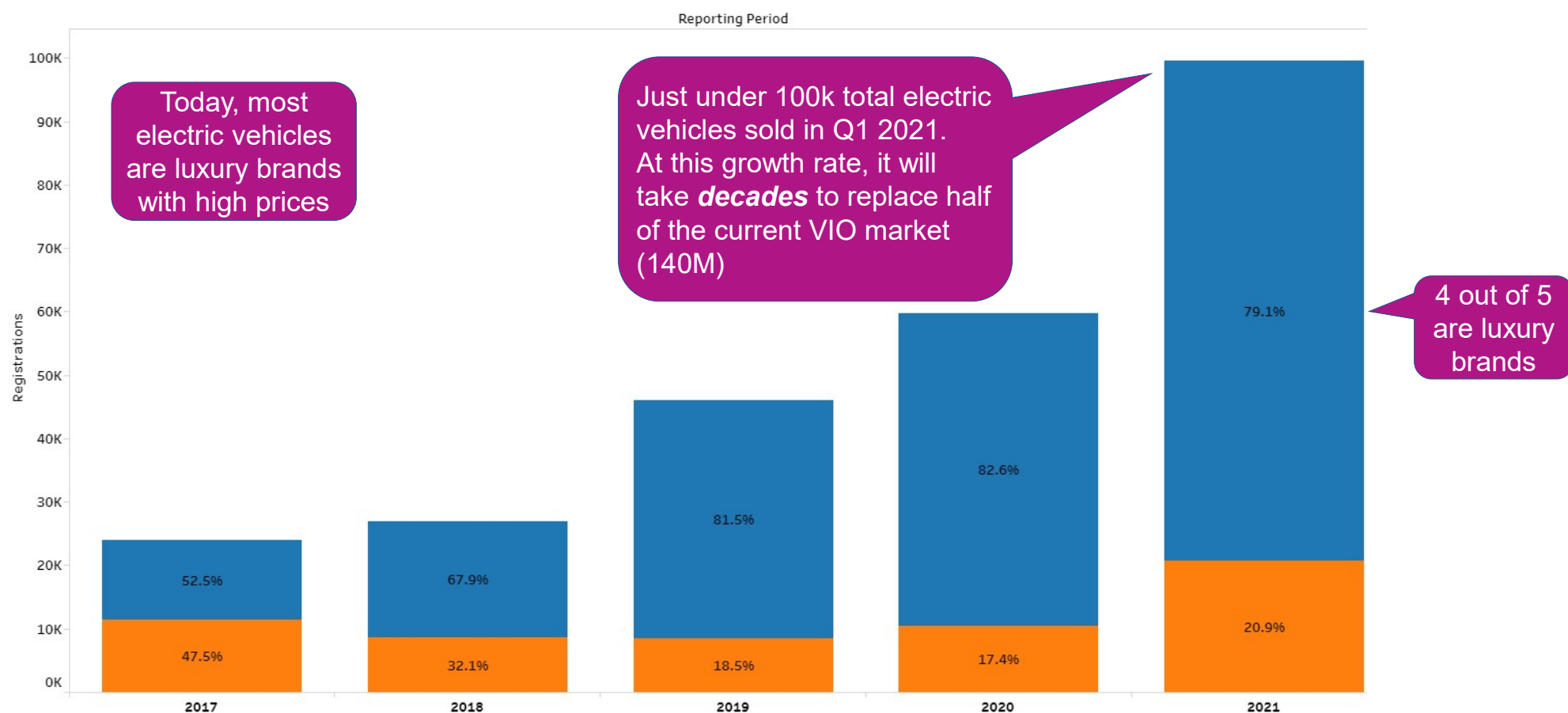
Jan – Mar  
2021 only



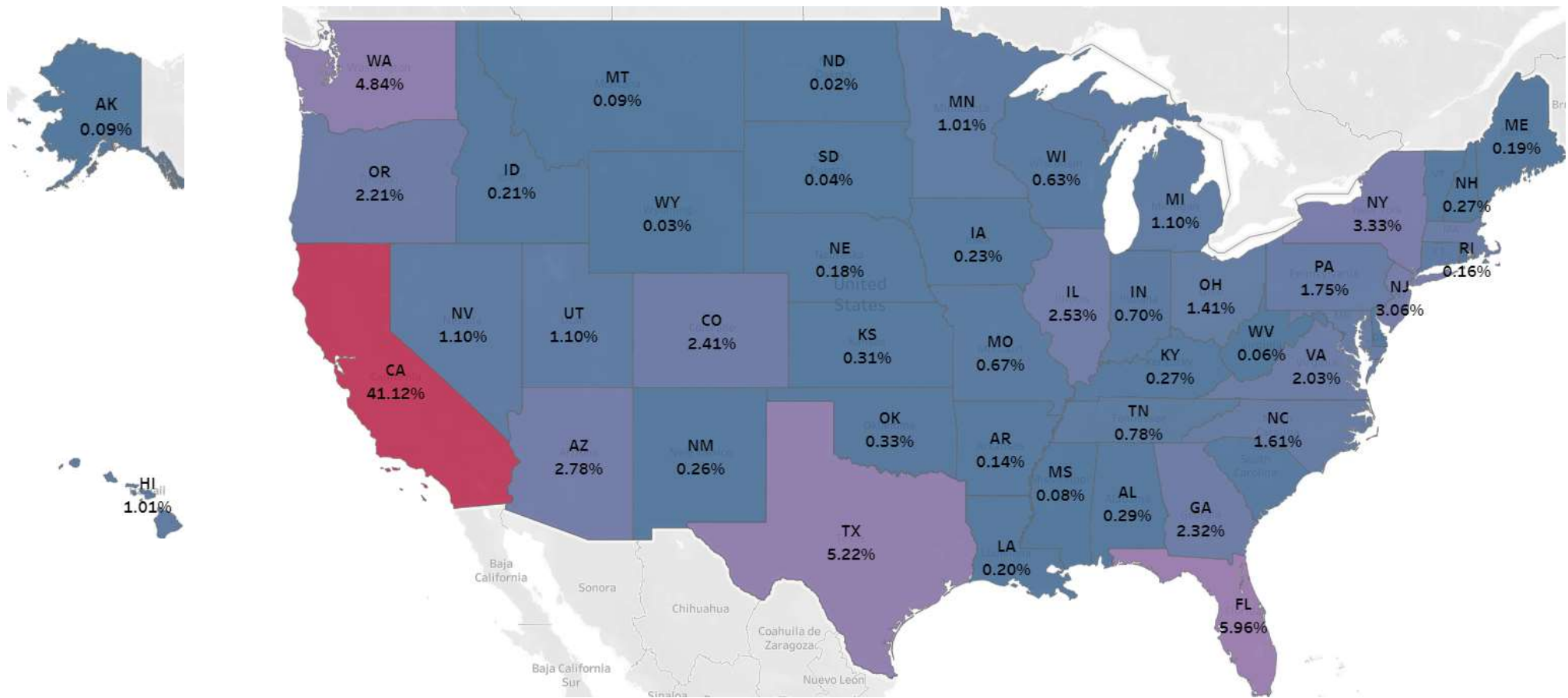
# Electric vehicle registration share by brand



# Electric vehicle registration share – Luxury vs Non-Luxury

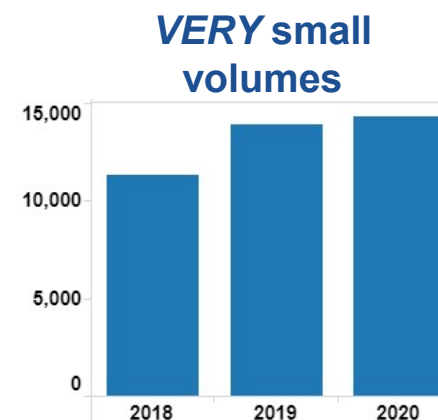
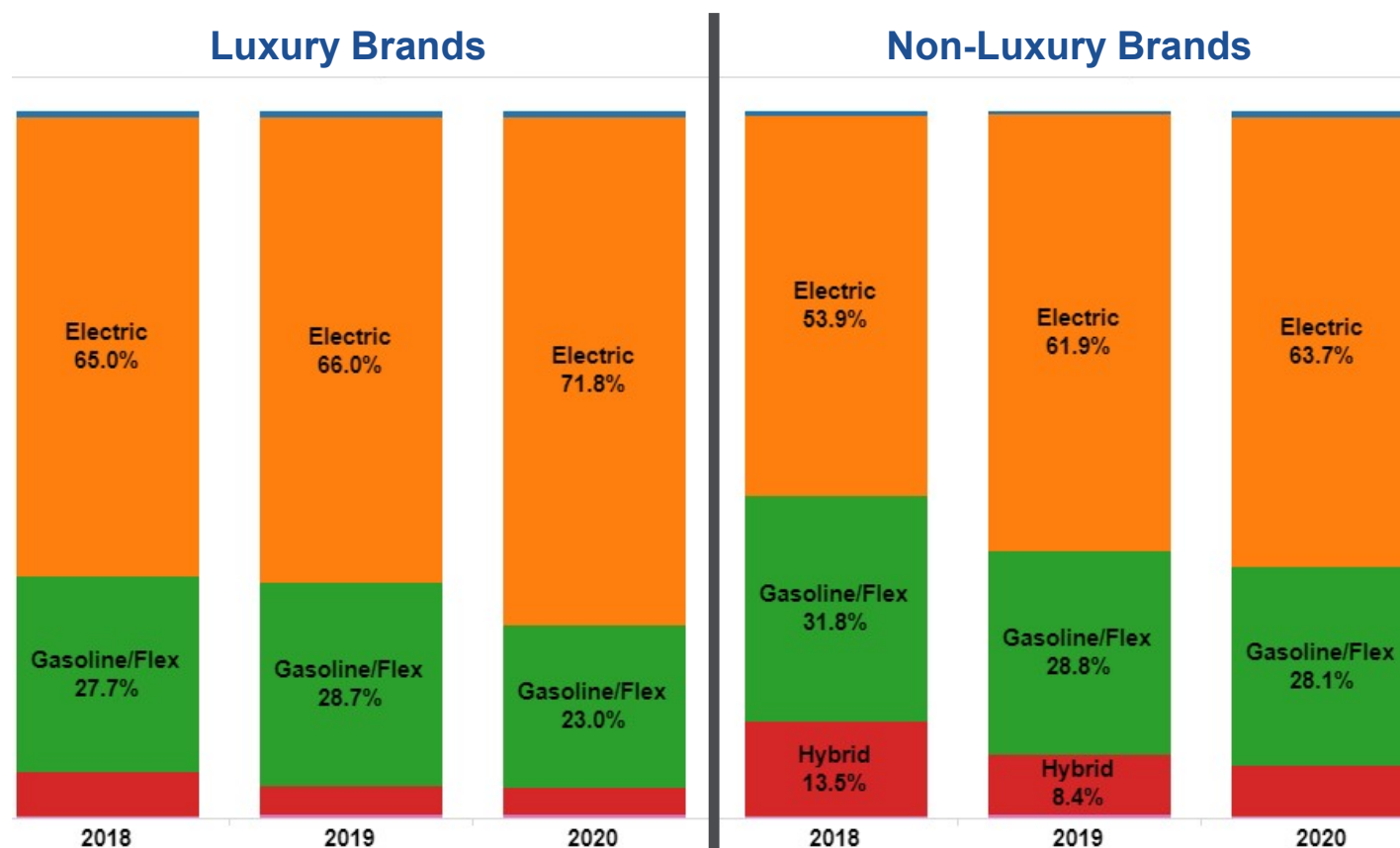


# Electric registrations by state VIO – where are the 0.4%?



# Loyalty Review – Sellers of electric vehicles in 2018 - 2020

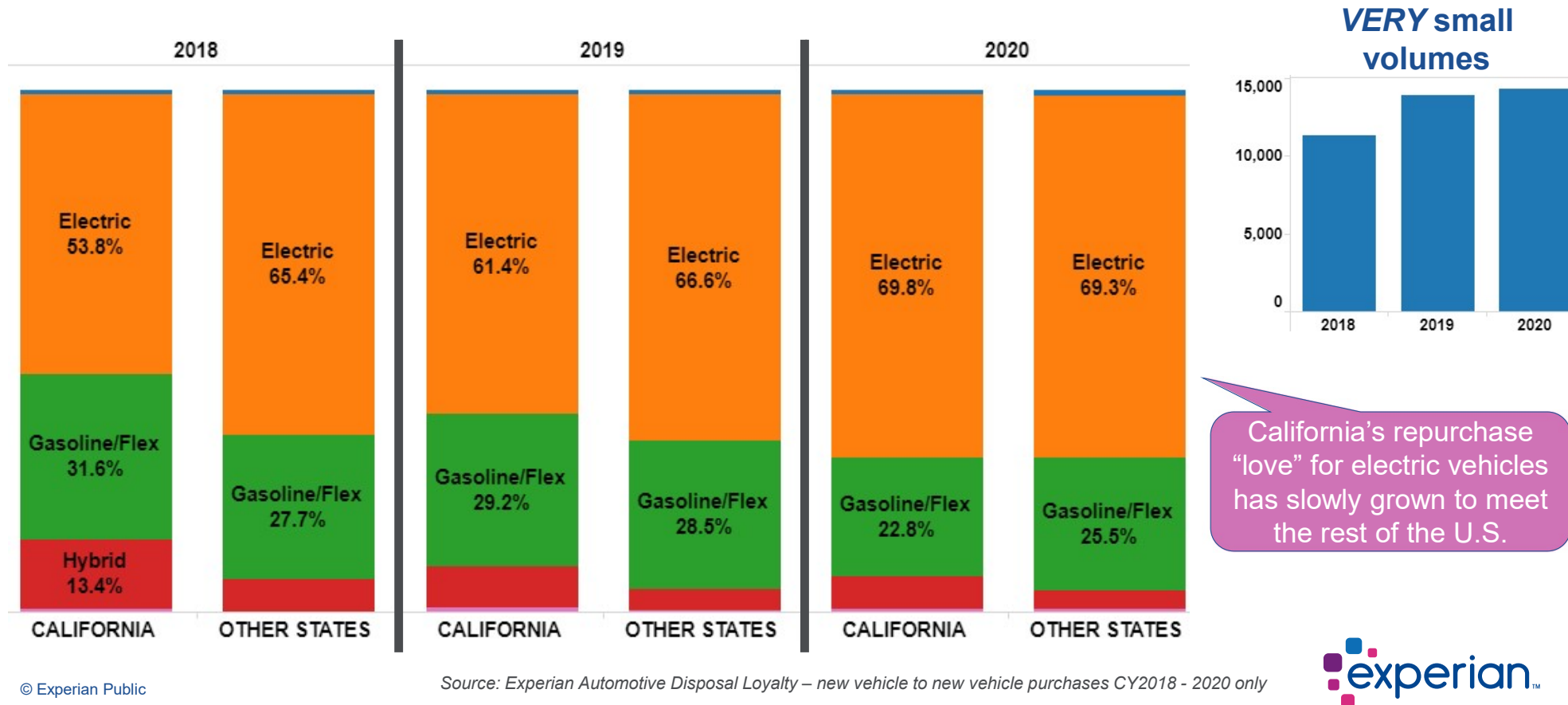
## What fuel type vehicle did they purchase?



3 out of 5  
Non-Luxury electric  
brand owners replaced  
it with another electric  
vehicle

# Loyalty Review – Sellers of electric vehicles in 2018 - 2020

## What fuel type vehicle did they purchase in California?

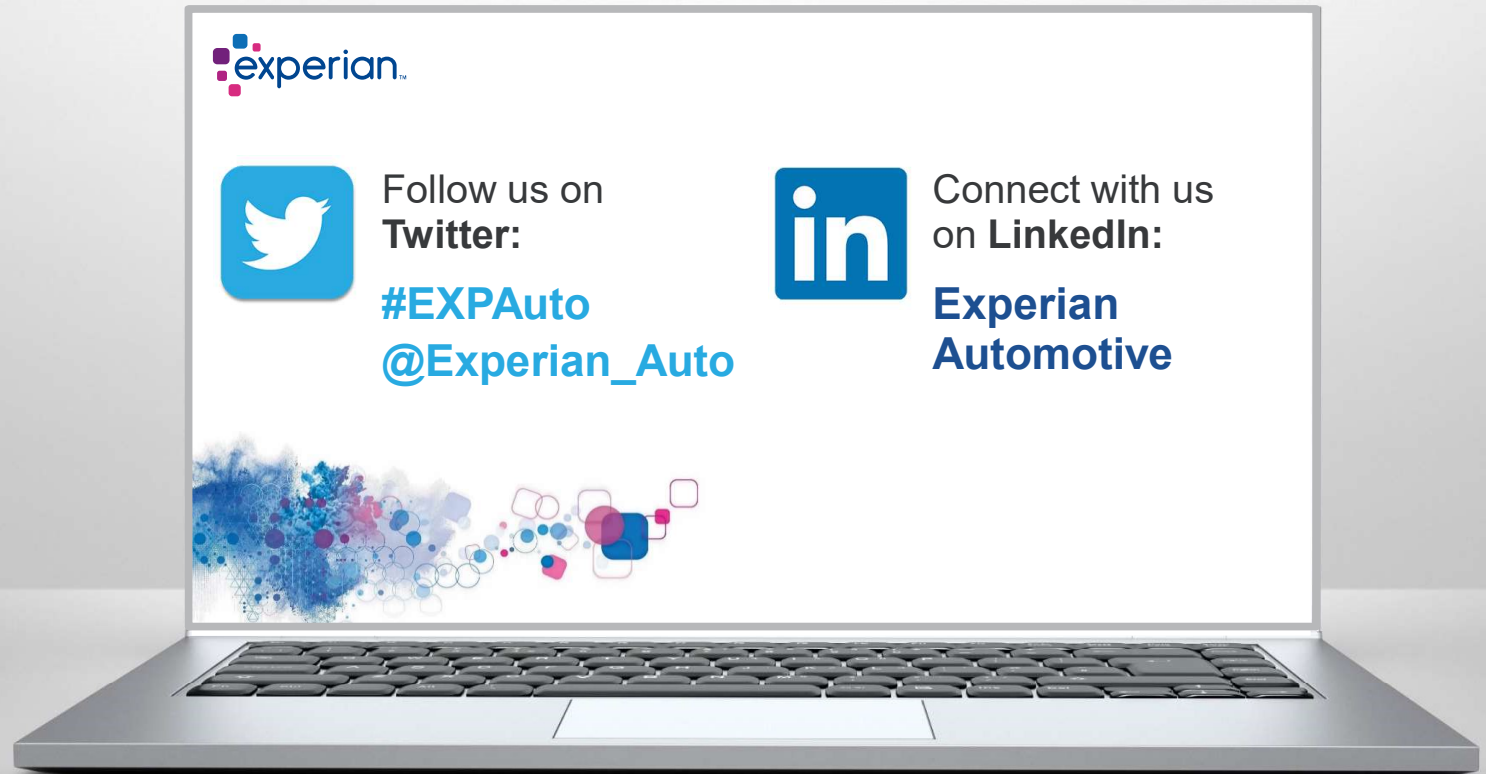




# Q1 2021 Summary

- Total light duty VIO is currently at **280.6 million** in the U.S. market. GM leads in over VIO share, but that rate has been dwindling each quarter for years. Ford Motor Company is currently ranked 2<sup>nd</sup> and Toyota Motor Sales is 3<sup>rd</sup>.
- **Toyota is the dominate light duty brand leader** of new registrations in Q1 2021, taking over the spot held by Ford for many years. With 5 of the top 11 new model registrations, it may be hard to unseat Toyota for a while.
- The aftermarket **Sweet Spot** continues to grow and is up 7.2% over last year. And we **debunked the Average Age myths** of more durable vehicles, longer ownership and aftermarket sales. 🙌
- **COVID-19 and the chip shortage has taken a toll on registration volumes during the early spring**, and the wild ride has shaken up the top models, the top generations who buy them and the availability of certain models. When things settle down, could we see a big change again?
- **Electric** vehicles continue to increase in registrations, hitting 2.22% of all registrations in Q1 2021. With more models and new brands on the horizon, it should be an interesting year of new registrations.

# Today's presentation



# Thank You!

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