

CNW Research on August 2014 Used Vehicle Sales



Used car sales in August '14 were off 6.52 percent vs. a year ago and more than 15 percent vs. July of this year. The month over month decline is not surprising as it is a regular August slip vs. the previous year. The month-over-month decline, however, is somewhat distressing because the usual pre-Labor Day sales tend to be for students returning to school and likely needing more reliable transportation. There was, however, a slight surge on the First of September used-floor-traffic which may result in September numbers offsetting much of that decline.

In all:

Franchised dealers: Down 5.6 percent vs. year ago, but as a share of total sales, franchised dealers took about a percentage more than in August of 2013.

Independent dealers: Down 13.7 percent vs. year ago, and lost 7.6 percent in terms of used-car-sales share.

Private Party (Casual): Up 1 percent vs. year ago with share gaining 8 percent of total sales.

With somewhat higher asking prices and the ability to get customers to pay closer to that asking price, **total value of used-car sales rose 7.3 percent in August** vs. year ago to nearly \$41 billion. The average transaction price, including "economy" lots, about \$10,740 per unit, up 14.6 percent vs. year ago.

The total number of used-car shoppers in August was off more than 20 percent which explains the lower sales. 8.5 million in August of this year vs. 10.8 million a year ago.

On a share-of-sales basis, financing gained a quarter percent over July and 1.2 percent vs. year ago.

A significant increase in people shopping and buying within their marketing area: Within the DMA -- up 5.1 percent on a share basis.

The Internet continues to be the growing source of motivation to shop for a used car. As the primary cause of used-car shopping, the Internet was up more than 50 percent vs. year ago and 11 percent vs. July of this year. Print newspapers, on the other hand, dropped 35 percent vs. August of last year and 23 percent vs. year ago.

More people (as a share of buyers) had a pre-approved used-car auto loan before making the acquisition -- up 2.5 percent vs. year ago and spent more time looking for their vehicle (3.3 weeks vs. 2.9 weeks a year ago).

Historic Big Three Brands lost about 5 percent of their market share (to 55.3 percent from 58.2 percent) in August vs. last year with **Asian brands** gaining 0.6 percent (to 34.6 percent from 35.8 percent). **European brands** were up nearly 67 percent.

Sub-550 FICO customers make up roughly 18.3 percent of total sales, a gain of more than 16 percent vs. year ago.