

# TVB

Local Media  
Marketing Solutions

## **MAY AUTOMOTIVE UPDATE**

*Trisha Ripperger, EVP, Chief Client & Communications Officer*

# MAY 2026

- The May jobs report delivered a genuine upside surprise, with nonfarm payrolls rising 172,000 against expectations of 88,000. **For auto dealers, the headline is a positive note:** A healthier labor market supports consumer confidence and big-ticket purchase intent.
- **Sales volume was 1.47 million** units, slightly higher than year-ago levels but up 7% from April.

*For dealers, the picture heading into summer is one of genuine crosscurrents. New-vehicle demand at the higher end of the market remains. Used-vehicle demand and trade-in values continue to benefit from substitution effects. Credit availability remains near multi-year highs. But gas prices near \$4.25 nationally, rising Treasury yields, and consumers increasingly cautious on discretionary spending are creating real headwinds for volume in the mid-market.*

# MAY NEW CAR SALES REVIEW

|                     | 2026   | 2025   | % Change |
|---------------------|--------|--------|----------|
| <b>Total Sales</b>  | 1.466m | 1.461m | +0.4%    |
| <b>Retail Sales</b> | 1.203m | 1.186m | +1.4%    |
| <b>SAAR</b>         | 16.1m  | 15.6m  | +3.2%    |
| <b>Retail SAAR</b>  | 13.4m  | 12.7m  | +5.5%    |

# INVENTORY & DAYS SUPPLY

**Dealers ended May with more cars in stock than they started.**

- Car brands started May with an average of 67 days. They ended it with 70.
- The traditional target is 75 — *60 days' worth on the lot and 15 more in transit* — so they're slightly below where they'd like to be.
- Inventory remains 12.2% lower than a year ago, but each brand is in a unique situation.

# INVENTORY & DAYS SUPPLY



# INVENTORY & DAYS SUPPLY

## Things Could Change Fast

- Dealers may be in no hurry to restock, as lower inventories give them some negotiating leverage, and constant changes to tariff policy have some hoping to wait out the White House.
- Several brands are holding thousands of cars at port warehouses because they don't pay the tariff until they remove them from port. If the White House lowers tariffs as part of ongoing negotiations with several countries, we expect a **flood of new cars delivered to dealerships quickly.**
- The industry is also waiting on more information about a purported deal on rare earth metals. **China had interrupted supplies of the metals, which automakers use in every car.** That move paused at least one factory and threatened wide-scale disruptions.

# AVERAGE TRANSACTION PRICE

**Industry ATP:** The ATP for a new vehicle, according to Kelley Blue Book, was **\$49,220**, down from April's \$49,461.

**March 2026** \$49,275

**April 2026** \$49,461

Manufacturers eased off the pricing discipline recorded in April, leaning on incentives to support stronger May volume.

# ATP BY SEGMENT

|                         | ATP (\$) | YoY Change |
|-------------------------|----------|------------|
| <b>Midsized SUV</b>     | \$50,185 | +2.9%      |
| <b>Compact SUV</b>      | \$37,757 | +3.4%      |
| <b>Full-Size Pickup</b> | \$66,288 | +2.4%      |
| <b>Subcompact SUV</b>   | \$31,122 | +4.2%      |
| <b>Compact Car</b>      | \$27,443 | +0.7%      |

# ATP BY BRAND | Mainstream

| <i>Mainstream Brands</i> | <b>ATP (\$)</b> | <b>YoY Change</b> |
|--------------------------|-----------------|-------------------|
| <b>Toyota</b>            | \$46,686        | +3.7%             |
| <b>Ford</b>              | \$56,316        | +3.8%             |
| <b>Chevrolet</b>         | \$48,884        | -1.2%             |
| <b>Honda</b>             | \$37,772        | +1.0%             |
| <b>Hyundai</b>           | \$37,219        | +2.4%             |
| <b>Kia</b>               | \$39,160        | +9.1%             |
| <b>Nissan</b>            | \$36,018        | +1.8              |

# ATP BY BRAND | Luxury

| <i>Luxury Brands</i> | <b>ATP (\$)</b> | <b>YoY Change</b> |
|----------------------|-----------------|-------------------|
| <b>Cadillac</b>      | \$84,650        | +5.8%             |
| <b>BMW</b>           | \$73,011        | +0.3%             |
| <b>Mercedes</b>      | \$72,763        | -2.5%             |
| <b>Lexus</b>         | \$62,961        | +2.6%             |
| <b>Lincoln</b>       | \$74,301        | +7.1%             |
| <b>Infiniti</b>      | \$72,614        | +8.6%             |
| <b>Cadillac</b>      | \$84,650        | +5.8%             |

# MSRP | \$51,595

May pricing data shows a market that remains disciplined at the sticker-price level, while incentives increased modestly to support sales volume.

Average **MSRP** was **\$51,595** essentially unchanged from April, while **ATP** eased to **\$49,220**, leaving an average **gap of \$2,375** between asking price and actual transaction price. That gap reflects **incentive spending equal to 7.1% of ATP** - up from 6.9% in April.

# KEY OPPORTUNITY FOR MARKETING

Dealers are operating in a market where headline sticker prices remain firm, but purchase support is doing more of the work.

**That creates a strong opportunity to market:**

- Value
- Payment flexibility
- Available incentives

# FIXED OPS PERFORMANCE TRENDS

## Service remains a major profit driver

- Service Departments entered May operating near peak revenue levels continuing strong performance from Q1/Q2 trends

## Demand is strong – but share is slipping

- Shops were busy, but dealers continued losing some traffic to independents
- Strong revenue ≠ full market capture

## Aging vehicles are driving service volume

- Consumers keep cars 5+ years - driving vehicles to 10 years old on average which means **more repair frequency and higher ticket values**

## Higher repair order value = key growth driver

- Customers receiving digital inspections (photos/video) spend **\$640 per RO vs \$410 without**

## Missed opportunities remains significant

- Each lost service encounter = **12K+ lifetime value lost**

# TALK TRACKS WHEN SPEAKING WITH DEALERS

## Pricing Environment Has Shifted → *Lead with Value*

- MSRP holding steady (~\$51.6k) while **incentives rise**
- ATP softened slightly → buyers are more deal-sensitive

### **Talk Track:**

*“Today’s buyers aren’t just looking for price – they’re looking for value. Strong messaging helps you capture that demand without giving away margin.”*

# TALK TRACKS WHEN SPEAKING WITH DEALERS

## Demand is Still There – *But More Selective*

- Sales holding near **15.8M annually** (normalized, not declining sharply)
- Market is **more fragmented by income and affordability**

### **Talk Track:**

*“Shoppers are still active – but you have to reach the right audience faster.  
Mass reach plus targeting wins in today’s market.”*

# TALK TRACKS WHEN SPEAKING WITH DEALERS

## Inventory + Incentives = *Marketing Opportunity*

- Incentives increasing to help move specific vehicles
- Mix imbalance (high supply in some segments)

### **Talk Track:**

*“When you have inventory to move, media is the fastest way to generate demand without relying solely on price cuts.”*

# TALK TRACKS WHEN SPEAKING WITH DEALERS

## Leasing Down → *Payments Matter More*

- Lease penetration down to **~21%**
- Fewer leases = **higher perceived monthly payments**

### **Talk Track:**

*“Messaging that emphasizes affordability, payments, and financing is more important than ever.”*

# TALK TRACKS WHEN SPEAKING WITH DEALERS

## Used + Fixed Ops Are Stability Drivers

- Used market holding steady (~38M units)
- Fixed ops delivering **record revenue levels** (Cox Study)

### **Talk Track:**

*“Dealers aren’t just selling new cars – service and used vehicles are critical growth engines that need consistent visibility.”*

# TALK TRACKS WHEN SPEAKING WITH DEALERS

## Visibility = Market Share in a Flat Market









- Lower overall growth means **shares battles intensify**

### **Talk Track:**

*“When demand flattens, the dealers who stay visible are the ones who gain share – while others fall behind.”*

# 2026 FORECASTS

Updated End of Q1 2026

|  |   |  |
|--|---|--|
| <br><b>15.8M</b><br><i>(-1.3% versus 2025)</i><br><b>UPDATED 5/2026<br/>NEW SALES</b> | <br><b>13.1M</b><br><i>(-2.3% versus 2025)</i><br><b>NEW RETAIL SALES</b>  | <br><b>2.8M</b> <br><i>(-4.2% versus 2025)</i><br><b>FLEET SALES</b> |
| <br><b>2.8M</b><br><i>(-12.7% versus 2025)</i><br><b>NEW LEASE VOLUME</b>             | <br><b>22%</b> <br><i>(-2% versus 2025)</i><br><b>LEASE PENETRATION</b>         | <br><b>2.6M</b><br><i>(-0.8% versus 2025)</i><br><b>CPO SALES</b>   |
| <br><b>38.3M</b><br><i>(-1.0% versus 2025)</i><br><b>USED SALES</b>                 | <br><b>20.4M</b> <br><i>(-0.8% versus 2025)</i><br><b>USED RETAIL SALES</b> | <br><b>2.0%</b><br><i>(+1.7% versus 2025)</i><br><b>DEC 2026 Y/Y MANHEIM<br/>USED VEHICLE<br/>VALUE INDEX</b>   |

Source: Cox Automotive

