

UAW Strike: Impact on U.S. Automotive Dealers



Impact 01

New car supplies decline starting 15 days into the strike.

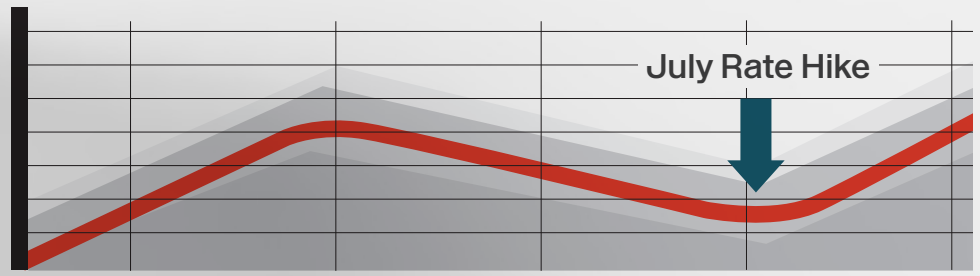
Consumers with limited choices will shift preferences to used vehicles or other brands.



Impact 02

Supply to sales ratios for new vehicles over \$50,000 are negatively trending.

As a result of the July interest rate hike there is a hockey stick pivot in consumer behavior. Consumers are rapidly shifting from new luxury vehicles to used vehicles and lower priced new vehicles.



Impact 03

Consumers are unlikely to shift to brands with lower days supply and will instead shift to used vehicles.

Supply for brands like Toyota, Kia, Honda and Lexus are well below normal levels and above normal for brands like Ram, Ford, Jaguar, Audi and Chrysler. Supply for used vehicles is slightly down, and is expected to lead to higher prices as the strike constrains new car supply.



Steps to take now

01

Run VIN-specific campaigns to ensure days supply does not exceed 60 days.

Carefully monitor days supply of luxury vehicles, high-end pickups, full-size SUVs and other vehicles in the \$50-80k price point.



02

Focus on fresh inventory and use the strike as an opportunity to reduce aged units.

Compare your performance to local key competitors, the local market, and the national market to fully attribute changes in sales or margins.



03

Aggressively deplete inventory levels of vehicles in the \$50k-80k range through VIN-specific advertising.

Leverage the rapid shifts in consumer demand and aggressively promote vehicles that are clearly trending with higher days supply. Maintain sales volume by acquiring smaller and midsize vehicles.



04

Take advantage of lower inbound supplies by aggressively moving aged inventory through VIN-specific advertising.

Even if you don't feel you will be impacted, take proactive steps with conquest advertising of comparable vehicles impacted by the strike and keep inventory levels manageable.



Just because the industry is continuing to shift, it doesn't mean your dealership can't grow and move inventory.

If you'd like to join the thousands of dealerships prepared to take control of their inventory, go to [Lotlinx.com/risk](https://lotlinx.com/risk) to sign up to discuss your dealership strategies.

The Lotlinx Platform provides automobile dealers and manufacturers with enhanced operational control over their retail business. Leveraging state-of-the-art real-time data and machine learning technology, Lotlinx provides a Precision Retailing solution that enables dealers to automatically adapt to market dynamics, mitigating inventory risk through VIN-specific strategies. Dealers benefit by optimizing their profitability per vehicle retailed with machine-enabled increases in volume, turnover, gross, and market share.