

Incentive Spending, New Car Transaction Prices Increase in March

CHICAGO, March 31, 2014 /PRNewswire/ -- Cars.com, the leading online resource for buying and selling new and used cars and a comprehensive digital marketing resource for car dealerships and manufacturers, estimated today that the average transaction price (ATP) this month for light-vehicles in the United States was \$29,488, up \$73 (0.3 percent) from February and \$614 (2.1 percent) from March 2013.

Similarly, incentive spending is projected to be up this month. Cars.com reports the average incentive in March for light vehicles was \$2,714, up \$118 (4.5 percent) from February and \$204 (8.1 percent) from March 2013.

"Weak first quarter sales caused inventory levels to swell, and manufacturers have had to be more generous with their incentive spending in order to accelerate sales, as evidenced by the 8 percent year-over-year increase," said Jesse Toprak, chief analyst for Cars.com. "The good news is that consumers continue to prefer well-equipped models, which has helped keep transaction prices up despite the larger incentives. We expect incentive spending to continue to increase into the summer in a controlled manner – not with an all-out incentives war - and ATPs to stay mostly flat."

The forecast indicates Volkswagen and GM experienced the greatest increases in transaction prices this month, each up 2.2 percent over February. The two manufacturers also lead the charge in incentive spending, with GM up 9.8 percent and Volkswagen up 8.2 percent over February.

Manufacturer	March 2014 Forecast Transaction Price	February 2014 Transaction Price	March 2013 Transaction Price	Percent Change March 2013 to March 2014	Percent Change February 2014 to March 2014
Chrysler Group	\$30,396	\$30,382	\$29,684	2.4%	0.0%
Ford	\$31,507	\$31,694	\$31,539	-0.1%	-0.6%
GM	\$34,256	\$33,515	\$32,498	5.4%	2.2%
Honda	\$25,762	\$26,018	\$25,901	-0.5%	-1.0%
Hyundai/Kia	\$22,485	\$22,506	\$22,396	0.4%	-0.1%
Nissan	\$24,896	\$24,647	\$24,127	3.2%	1.0%
Toyota	\$28,201	\$28,025	\$28,168	0.1%	0.6%
Volkswagen	\$36,486	\$35,718	\$34,592	5.5%	2.2%
Industry	\$29,488	\$29,415	\$28,874	2.1%	0.3%

Manufacturer	March 2014 Forecast Incentives	February 2014 Incentives	March 2013 Incentives	Percent Change March 2013 to March 2014	Percent Change February 2014 to March 2014
Chrysler Group	\$3,294	\$3,204	\$3,373	-2.3%	2.8%
Ford	\$3,238	\$3,197	\$2,980	8.7%	1.3%
GM	\$3,568	\$3,249	\$3,642	-2.0%	9.8%
Honda	\$1,854	\$1,756	\$1,568	18.2%	5.6%
Hyundai/Kia	\$2,078	\$2,040	\$1,351	53.8%	1.9%
Nissan	\$2,509	\$2,562	\$2,852	-12.0%	-2.1%
Toyota	\$1,956	\$1,878	\$1,607	21.7%	4.2%
Volkswagen	\$2,541	\$2,349	\$2,788	-8.9%	8.2%
Industry	\$2,714	\$2,596	\$2,510	8.1%	4.5%

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