

Full-Size Pickup Trucks Still Most Prevalent Vehicle on American Roads

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With gas prices hovering near \$4 per gallon and President Obama announcing CAFE standards of 56.2 miles per gallon by 2025, it would be understandable to have small, fuel-efficient cars top of mind. However, the aftermarket doesn't quite work that way. With more than 242 million vehicles on the road as of March 31, 2011, there are no seismic shifts in the types of vehicles seen. Rather, there are smaller, incremental changes that materialize over a period of years.

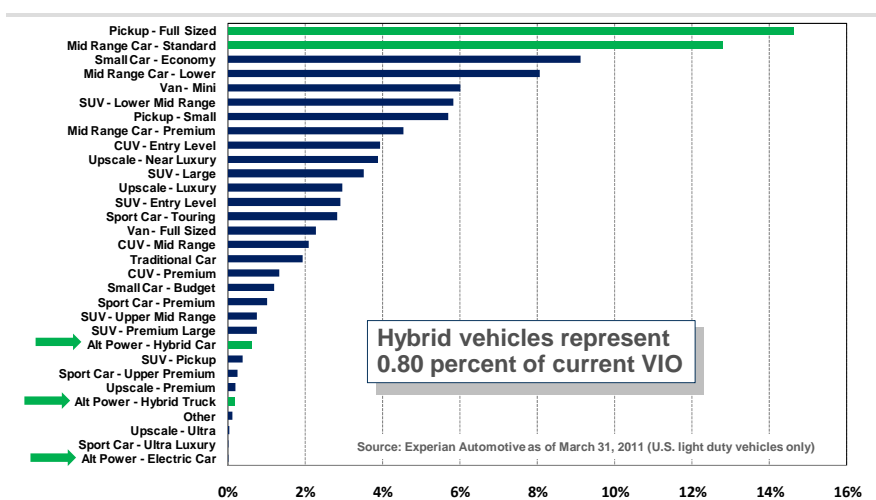
So, while the world readies itself for a slew of fuel-efficient vehicle introductions over the next several years, there is a different reality for the aftermarket. Overall, trucks account for 50.4 percent of vehicles in operation (VIO), compared with 49.6 percent for passenger cars.

Full-size pickup trucks are still the top segment on the road at nearly 14.5 percent of VIO, which is more than a full percentage point higher than the next most prevalent segment, midsize cars or passenger cars. Small-car economy is a full five percentage points behind full-size pickup trucks.

While they have grabbed a large share of headlines in recent years, alternative power trains such as hybrids and electric vehicles are still just a small sliver of the overall VIO. Currently, hybrids are just 0.8 percent of VIO.

What are the implications for the aftermarket industry? While there very well could be long-term shifts in consumer vehicle preferences, the foreseeable future in the aftermarket still will be heavily influenced by pickup trucks, SUVs and minivans.

Current VIO – Vehicle Segment



Domestic Manufacturers at Nearly 61 Percent Market Share; Foreign Brands Showing Gains

While foreign manufacturers have made significant inroads in market share in recent years, the overall VIO count is still weighted toward traditional domestic manufacturers. In fact, domestic manufacturers continue to account for 60.9 percent of VIO.

However, this number is down from 62.1 percent just nine months ago. All three domestic manufacturers lost VIO share in the nine months from June 30, 2010, to March 31, 2011. General Motors fell from 28.9 percent to 28.3 percent, Ford fell from 20.2 percent to 19.8 percent, and Chrysler fell from 13 percent to 12.8 percent.

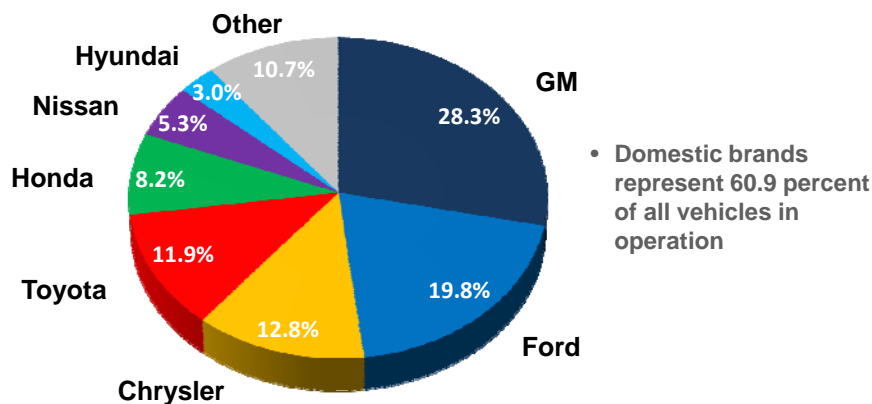
Several foreign manufacturers picked up VIO share as well. Hyundai moved from 2.8 percent of total VIO to 3 percent, Nissan went from 5.0 percent to 5.3 percent, Toyota from 11.6 percent to 11.9 percent, and Honda from 7.9 percent to 8.2 percent.

Ford remained the top nameplate, followed by Chevrolet, Toyota and Honda.

As with segment planning, manufacturer market share tends to change glacially rather than seismically. However, that glacier seems to have picked up some speed in recent years. For example, while GM's VIO share is currently 28.3 percent, its Q1 2011 share of current registrations was 19.1 percent. Overall, the domestic's share was 49.4 percent in Q1 2011. So, while the next several years will see VIO heavily weighted to domestics, foreign manufacturers continue to make headway, which will cause gradual changes to VIO over the next several years.

Current VIO – Percent Share

Vehicles In Operation: Share by Manufacturer



Source: Experian NVDB as of March 31, 2011 (U.S. light duty vehicles only)

It's easy to get caught up in the daily headlines in the auto industry, which focus on the most recent sales data and speculate on future trends. However, as the two examples above show, this can be dangerous for the aftermarket industry. Yes, fuel-efficient vehicles are in the headlines; yes, foreign brands have gained market share. However, to make critical planning decisions in the automotive aftermarket, it is important to take a disciplined approach to understanding the realities of the future. Taking a data-driven approach to better understand manufacturer, segment and regional trends is the best way to achieve success in the aftermarket.

With this in mind, the Automotive Aftermarket Industry Association (AAIA) is looking forward to Experian Automotive's comprehensive overview of aftermarket trends at the 2011 Automotive Aftermarket Products Expo (AAPEX) this fall. We hope you can join us for this informative and insightful presentation.