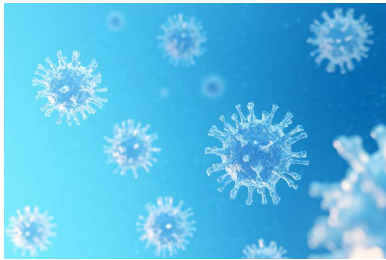

PANDEMIC-ERA TRENDS IN THE COMMERCIAL VEHICLE INDUSTRY

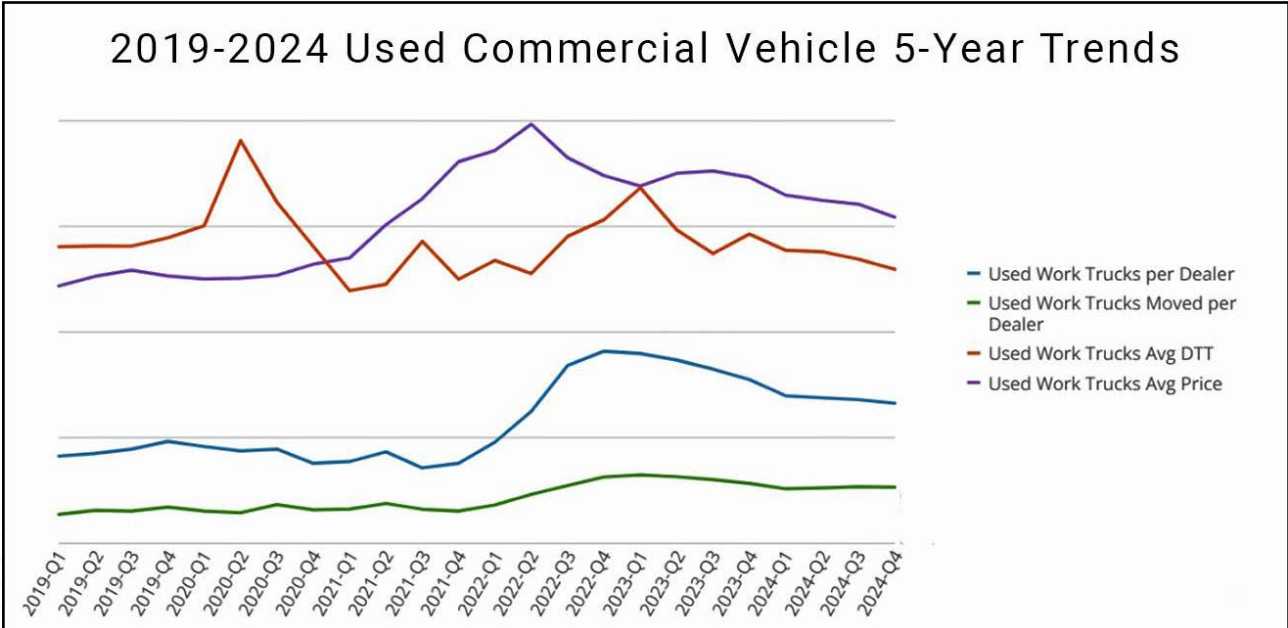
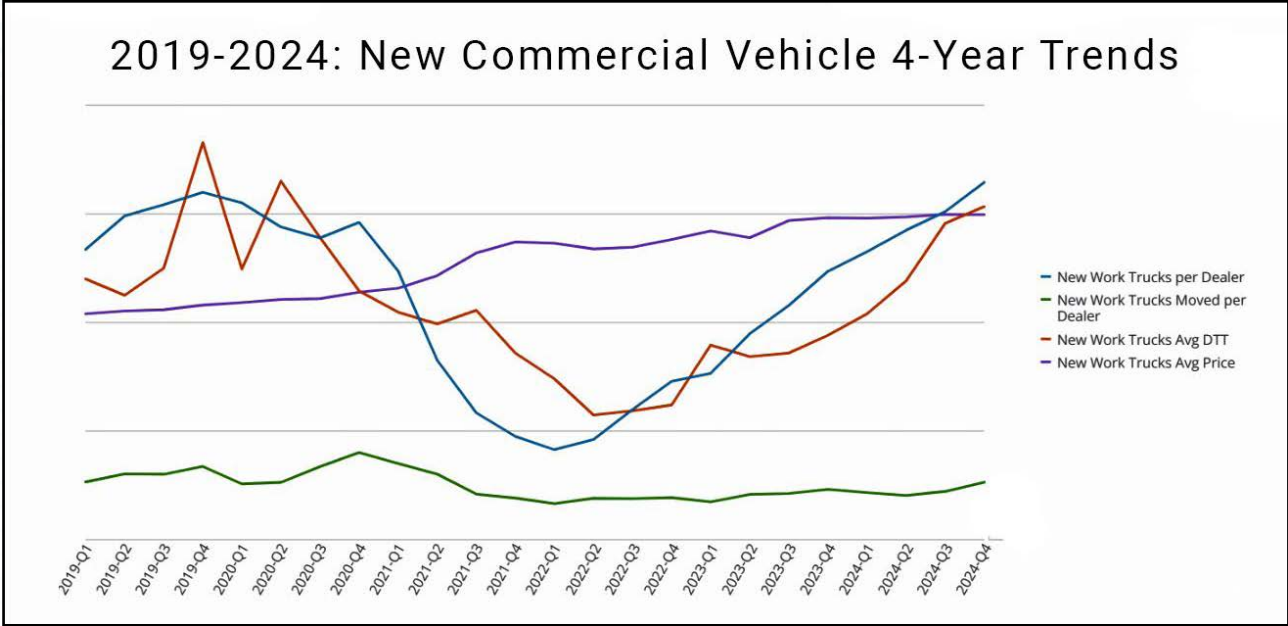


The four years from 2020 to 2024 represent a unique era in the commercial vehicle market, a period indelibly marked by the COVID-19 pandemic. From the initial shock of lockdowns to the lingering effects of supply chain bottlenecks in a shifting economic landscape, the pandemic became a crucible, forging new trends and accelerating existing ones. The crises also put an international spotlight on the essential nature of work trucks and vans.



This whitepaper examines this pivotal four-year span, dissecting how the work truck and van market weathered the storm. We'll trace the ripple effects of the pandemic across key metrics, from production and sales to pricing and inventory, revealing how businesses adapted, consumer needs evolved, and the industry itself was transformed in the wake of a global crisis.

The charts below provide a visual overview of the basic trends underpinning our analysis of this dire period for the commercial vehicle industry.



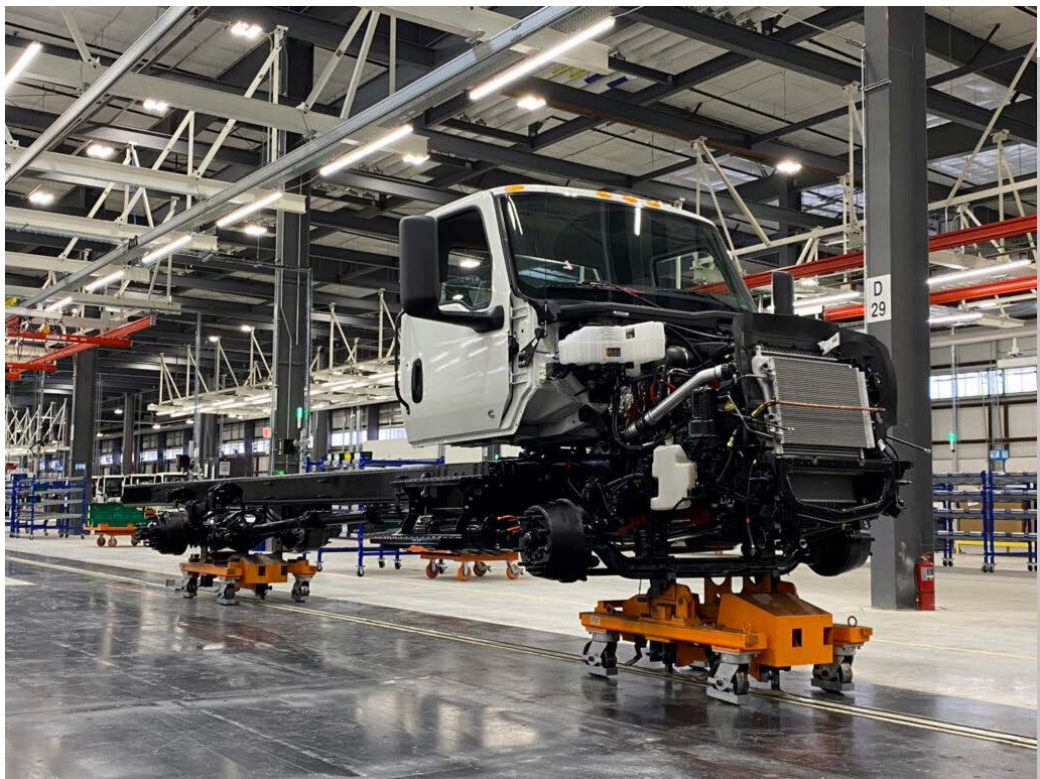
2019

THE COMMERCIAL VEHICLE MARKET EXHIBITS STABILITY BEFORE DISRUPTION

Before the COVID-19 pandemic reshaped global supply chains and consumer demand, the commercial vehicle market in 2019 was marked by relative stability and steady growth.

According to [Automotive Fleet](#), the nine major manufacturers sold 722,937 truck segment vehicles, reflecting a healthy demand across industries such as construction, logistics, and transportation. The market benefited from strong economic conditions, with businesses investing in fleet expansions and replacements at a consistent pace.

Manufacturers maintained stable production levels, and supply chain disruptions were minimal, ensuring predictable inventory availability. This period of normalcy set the stage for the dramatic shifts that would follow in 2020, as the pandemic introduced unprecedented challenges to vehicle production, sales, and fleet management.



COVID-19 HITS THE COMMERCIAL VEHICLE INDUSTRY'S RADAR

2020

Initial Shock and Resilience: The work truck and van market faced unprecedented challenges in 2020 due to the COVID-19 pandemic. Lockdowns, factory closures, and supply chain disruptions led to an initial decline in inventory in Q2. Although the market demonstrated resilience, new vehicle prices continued to increase throughout the year with a substantial uptick in sales in Q3 and Q4. This indicates that demand for work trucks and vans remained relatively strong, driven by essential businesses' need to continue to deliver services.

Inventory and Production Challenges: The pandemic exposed vulnerabilities in the automotive supply chain, particularly the reliance on just-in-time manufacturing. The decline in new inventory in Q2 2020 highlights the disruptions caused by factory closures and component shortages.

DTT Fluctuations: The significant fluctuations in Days to Turn (DTT) throughout 2020 reflect the uncertainties and adjustments in the market due to the pandemic. The initial increase in DTT between Q1 and Q2 shows the lag time for buyers to realize the severity of the situation. However, by the end of the year, DTT was in freefall as buyers caught on and began buying just about everything available.



The past few years have reshaped the way industries think about supply chains, inventory management, and market stability. What we once considered reliable systems, including just-in-time ideology, were strained by global disruptions, forcing businesses to reevaluate their strategies. Manufacturers and suppliers are now facing new pressures—not just from shifting demand but also from geopolitical uncertainties, raw material constraints, and evolving regulatory policies. The companies that will thrive in this environment are the ones that remain agile, leveraging technology and diversified sourcing to mitigate risk while still meeting customer needs. The ability to balance efficiency with resilience is now more critical than ever.

Jim Press, Senior Advisor, Work Truck Solutions and former COO of Toyota North America, Co-President, Vice-Chair, and Deputy CEO at Chrysler

2021

COMMERCIAL VEHICLE DEALERS IN A LIFE-OR-DEATH BATTLE

- **Strong Price Growth Amidst Supply Constraints:** The strong price growth observed for both new and used commercial vehicles throughout 2021 reflects the continued high demand for work trucks and vans, coupled with persistent supply chain challenges. The pandemic's impact on manufacturing and logistics continued to be felt, leading to inventory shortages and constrained sales, particularly in the latter half of the year.
- **Inventory Shortages and Production Bottlenecks:** The significant decline in new on-lot inventory throughout 2021 highlights the ongoing struggle to meet demand. New vehicles were in short supply due to a combination of factors, including steady demand outpacing supply, production challenges related to component shortages (especially semiconductors), and the lingering effects of the pandemic on global supply chains. Used vehicle inventory declined as customers purchased them in the absence of new stock, and businesses began holding on to their vehicles for longer, starving the used vehicle pipeline.
- **Used Market Strength:** The strong performance of the used vehicle market in 2021, with prices increasing throughout the year, can be directly attributed to the shortage of new vehicles pushing buyers who needed to continue to deliver their business services towards the used market.
- **DTT Improvement Despite Shortages:** In 2021, the commercial new-vehicle market experienced a notable decline in DTT, largely due to dwindling inventory levels coupled with steady demand. As supply chain disruptions constrained vehicle production, availability tightened across the industry. However, business owners and fleet managers remained in need of reliable transportation to maintain operations, ensuring that demand stayed consistent despite the shrinking supply. With fewer vehicles on the market, buyers had limited options, prompting quicker purchasing decisions. The scarcity-driven urgency meant that vehicles spent less time on lots, naturally driving DTT downward. Rather than reflecting shifts in market behavior or purchasing patterns, this trend underscored the widening gap between supply and demand—a dynamic that shaped the commercial vehicle landscape throughout the year.

NOT A YEAR FOR WEAK-HEARTED COMMERCIAL VEHICLE DEALERS

2022

- **Price Stabilization:** New vehicle prices showed signs of stabilization in 2022, with moderate QoQ increases in Q1 and Q4, and a slight decrease in Q2. This suggests that the rapid price growth seen in 2021 was starting to moderate as supply chain constraints eased and production increased.
- **Inventory Recovery:** Although on-lot inventory for new vehicles increased throughout 2022, indicating an improvement in the supply of work trucks and vans, inventory levels remained below pre-pandemic levels, and the market had no confidence that this moderate increase was a true trend.
- **Movement Growth:** Movement (sales) of new vehicles showed positive QoQ growth in Q2 and Q4 of 2022, indicating that demand remained relatively strong.
- **Used Market Strength:** With the ongoing shortage of new vehicles, the used market continued to perform well in 2022. Although YoY prices dipped due to higher average unit mileage, movement (sales) showed significant increases.
- **DTT Increase in 2022 Due to Growing Inventory:** Days To Turn for new vehicles increased in 2022 as inventory levels rebounded, allowing buyers more flexibility in their purchasing decisions. With a broader selection available, consumers could take more time to find vehicles that better matched their needs rather than feeling pressured to secure whatever was in stock before it was gone.

2023

COMMERCIAL VEHICLE DEALERS STILL FIGHTING, BUT THERE'S LIGHT AT THE END OF THE TUNNEL

- **Improving Supply Chain:** In 2023, it was becoming clear that the acute phase of the pandemic was subsiding, and market indicators pointed to a recovery. The global supply chain was still not totally recovered, but was definitely trending in that direction. The year was a mix of increasing inventory and rising sales numbers, but also increasing DTT as buyers had more work trucks and vans to choose from, with new vehicle prices remaining historically high.
- **Shifting Demand Patterns:** The pandemic significantly influenced demand patterns in the work truck and van market. The rise of e-commerce and delivery services contributed to the increased demand for vans, while changes in vocations like construction and landscaping might have affected the demand for certain truck types. These shifts in demand, coupled with the ongoing supply chain issues, created a dynamic market environment in 2023.
- **Used Market Dynamics:** The used vehicle market continued to be influenced by the pandemic's lingering effects in 2023. While new vehicle inventory was certainly recovering, it was not back to pre-pandemic levels, and when coupled with the increasing age and mileage of used vehicles, these factors contributed to the price fluctuations and inventory shifts observed throughout the year.
- **BEV Market Growth:** Despite the overall challenges, the growth of the commercial BEV market grew sufficiently to offer enough information to report on. The increasing availability of electric work trucks and vans, along with potential government incentives and growing environmental awareness contributed to this growth. However, supply chain constraints for batteries and other components likely impacted the pace of BEV adoption.



RECOVERING COMMERCIAL VEHICLE SUPPLY CHAIN BRINGS OVERSUPPLY AND MARKET ADJUSTMENTS

2024

- **Inventory Build-up and Potential Oversupply:** The significant new inventory build-up observed in 2024 is a result of both the increased supply of work trucks and vans, returning to or even surpassing 2019 levels, and the slowing of demand due to the inventory availability return in 2023. It is possible that the COVID-19 pandemic played a role in accelerating the adoption of digital technologies and automation in manufacturing, potentially leading to increased production efficiency.
- **Price Stabilization and Potential Adjustments:** The stabilization of new vehicle prices in 2024, after the consistent increases in previous years, suggests that the market was approaching a leveling point. The over-stocked situation may put downward pressure on prices in the future if demand doesn't keep pace.
- **Used Market Softening:** The softening of the used vehicle market in 2024, with declining prices and relatively flat movement, could be attributed to several factors, including the increased availability of new vehicles, and the stable prices of new vehicles, making used options less attractive. Many businesses buying used in the previous years were only doing so because of the lack of new inventory, and so likely shifted back to a preference towards newer models.
- **BEV Price Competitiveness:** Increased competition and improvements in battery technology prompted a decline in BEV prices in 2024. There was also the looming presidential race that held the possibility of massive changes in government incentives. In fact, the outcome and consequences of the election accentuated the need for commercial-centric educational resources to assist fleet managers and business owners on how to fully research/understand all options when considering an alternative fuel transition. Work Truck Solutions responded to this need by collaborating with JD Power to create, and launch on Comvoy.com, their [Commercial EV Hub](#).



The commercial vehicle industry is always evolving, and 2024 was no exception. With inventory levels rebounding beyond pre-pandemic numbers, businesses had more choices, enabling them to be strategic about their vehicle acquisitions. While an oversupply created pricing shifts, this transition also opened opportunities for companies to align fleet purchases more closely with long-term needs rather than reacting to shortages. The key moving forward will be adapting to this new landscape with data-driven decisions that optimize both cost and efficiency.

Kathryn Schifferle, founder/CVO, Work Truck Solutions

2020- 2024

FOUR-YEAR SUMMARY OF WORK TRUCK AND VAN PANDEMIC-ERA TRENDS

The work truck and van market experienced significant volatility and transformation from 2020 to 2024, driven by the COVID-19 pandemic, supply chain disruptions, and evolving demand patterns. Now, let's focus on overall key trends, cyclical patterns, and market stability over these four years, providing insights into the sector's resilience and potential future developments.

- **Price Evolution:** The market experienced a period of significant price growth in both new and used work trucks/vans in both 2020 and 2021, fueled by strong demand, pandemic-related supply chain disruptions, and government incentives. Price growth for new vehicles moderated in 2022 as supply chains began to recover and production increased. Overall new vehicle prices continued to increase in 2023, and then stabilized in 2024, suggesting a potential turning point with a possible shift towards oversupply.
- **Inventory Dynamics:** Dealer's inventory levels experienced significant fluctuations throughout the period. In the latter half of the year a short recovery followed the initial new work truck and van decline in 2020 that was due to the first pandemic-related disruptions. Significant new vehicle inventory shortages persisted throughout 2021, reflecting ongoing supply chain challenges. Inventory levels gradually recovered in 2022, but remained below pre-pandemic levels. In 2023, inventory continued to grow, approaching pre-pandemic levels. The significant inventory build-up in 2024 raised concerns about potential oversupply, and many dealers overstocked as a knee-jerk reaction to the lack of inventory previously.
- **New Vehicle Movement (Sales) Trends:** In 2020, we saw buyers reacting to the prospect of extended pandemic-induced inventory shortages with preemptive purchasing while there were still work trucks on dealers' lots. But 2021 saw sales plummet simply because there were fewer and fewer vehicles to be had. Sales in Q2 and Q3 of 2022 showed slow, steady growth as inventory was just beginning to increase. Movement in 2023 and 2024 grew with vehicle availability, although growing emissions regulations and uncertainties about election-cycle ramifications kept the recovery from full bloom.
- **Used Market Dynamics:** The used vehicle market experienced strength in 2020 and 2021, due to the consistent business needs and lack of new inventory, with increasing prices driven by that shortage of new vehicles. However, a gradual softening of the used market was observed in 2022-2024, with declining prices and relatively flat movement, matching the increased availability of new vehicles and businesses once again seeking new vs. used.
- **BEV Market Growth:** Although commercial BEV data for 2020-2022 was not robust enough for definitive analysis, the BEV market experienced the same manufacturing and supply chain disruption as the rest of the world. Data for 2023, and especially 2024, revealed fluctuating availability of electric work trucks and vans, and an overall drop in prices. While businesses continued to demonstrate interest in electric work vehicles, this interest was somewhat tempered, particularly in 2024, by uncertainties in an upcoming election and potential impacts on incentives.

Cyclical Patterns:

Despite the significant impact of the COVID-19 pandemic, some potential cyclical patterns were observed, including inventory cycles of shortage followed by oversupply and corresponding price cycles.

MITIGATING CYCLICAL SWINGS IN THE COMMERCIAL VEHICLE MARKET

In any phase of a market cycle, commercial vehicle dealers need access to accurate, real-time data and efficient digital tools. Work Truck Solutions provides precisely this advantage, empowering dealers to thrive whether the market is booming or facing headwinds.

From streamlining both inventory acquisition and management, optimizing online visibility, to facilitating seamless customer interactions and providing data-driven insights, our suite of tools enables dealers to adapt quickly and capitalize on opportunities;

- During periods of high demand, these tools help manage order flow effectively.
- When the market softens, commercial-specific tools become even more crucial, enabling dealers to target specific customer segments, manage pricing strategically, and optimize inventory to minimize carrying costs.

By leveraging the Work Truck Solutions suite of offerings, commercial vehicle dealers can navigate market fluctuations with greater agility and confidence and be well-positioned for success regardless of where the cycle leads.



After years of supply chain disruptions, unpredictable inventory swings, and extreme interest rate fluctuations, 2025 marks a turning point where stock levels have stabilized, but new challenges—including shifting demand patterns—are reshaping how businesses approach acquisitions. Companies that once scrambled to secure any available vehicle must now navigate an environment where supply has caught up and strategic purchasing considerations have taken center stage. However, new challenges have emerged—most notably, the impact of tariffs on imported parts and vehicles, adding pressure to pricing and supply dynamics. As businesses navigate these complexities, strategic fleet planning and adaptability will be more crucial than ever. Success in this new era will depend on how well companies leverage data-driven insights to optimize costs and keep operations moving efficiently.

Aaron Johnson, CEO, Work Truck Solutions