

Why GM Underperformed in Q1: Sales Insights and Analysis



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As the dust settles on the first quarter's vehicular combat, a surprising storyline emerges from the battlefield of American roads: General Motors (GM), a titan of the auto industry, has stumbled. With a 1.5% dip in U.S. vehicle sales, GM's performance sparks curiosity and concern in equal measure. Why did GM underperform, especially amidst an industry-wide resurgence? This article peels back the layers, offering insights not just on GM's setbacks, but also on the shifting dynamics of the automotive sector.



The Heart of the Matter

General Motors, the Detroit colossus, disclosed a slight 1.5% sales dip in the first quarter of 2023, translating to 594,233 vehicles rolling off the lot. This stumble was

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primarily pinned on a steep 22.9% sales plummet to fleet customers, though it wasn't all gloom—retail sales actually saw a 6% uptick.

Despite this, GM's performance seemed to align with Cox Automotive's predictions, though it still lagged behind broader industry expectations. The market was poised for a 5.5% increase, but GM could not fully ride this wave.

The Silver Lining: Buick and Beyond

Buick emerged as GM's beacon of hope, charting a 16.4% sales hike. However, this was a solitary win, as GMC, Cadillac, and Chevrolet found themselves in a 2-5% sales slip. Notably, GM's full-size pickups and the electric avenue painted a mixed picture:

- **Pickup Prowess:** Full-size pickup sales revved up by 3.6%, hitting the 197,000 mark, their best since early 2020.
- **Electric Ventures:** Electric vehicle (EV) sales, while still a minuscule slice at 2.8% of total sales, are on an upward trajectory, led by models like the Cadillac Lyriq.

The EV Puzzle

GM's EV saga is a study in contrasts. With just 16,425 EV units sold, the figures are modest but meaningful. The spotlight shines on the Cadillac Lyriq and the nascent Blazer EV, even as the curtain falls on the Chevrolet Bolt.

- **Blazer EV's Software Snag:** A notable hiccup was the Blazer EV's stop-sale due to software issues, limiting its Q1 sales to a mere 600 units.

The Broader Battlefield

GM's story is but a chapter in the automotive annals of Q1 2023. Hyundai and Toyota, among others, have penned their narratives of resilience and resurgence:

Hyundai's Competitive Edge	With a marginal 0.2% increase, Hyundai underscores the intensifying market competition, celebrating its best March sales ever.
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Toyota and Honda Surge	Toyota and Honda leaped forward with 16% and 17.3% sales jumps, respectively, showcasing robust consumer demand.
Rivian's Rising Tide	The EV startup Rivian also made waves, doubling its vehicle deliveries year over year.

Conclusion

GM's first-quarter detour from industry growth rates is not just a blip but a beacon, highlighting the evolving challenges and opportunities within the auto sector. As GM steadies its ship, buoyed by its foray into electric vehicles and pickup success, the industry at large steers towards a more competitive, electric future. The race is on, not just for sales, but for sustainability and innovation. GM's journey, reflective of broader trends, will be one to watch as the automotive world accelerates into a transformative era.