

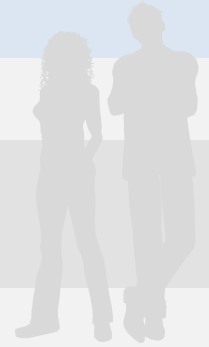
KELLEY BLUE BOOK BRAND WATCH: NON-LUXURY SEGMENT TOPLINE REPORT



4th Quarter 2018

WHAT IS BRAND WATCH™?

Brand Watch, a shopper perception study, reveals **trends** in vehicle **consideration** among new car consumers and provides **insight** into **factors** that influence purchase decisions.



BRAND-LEVEL STUDY
135,000+ interviews
Since 2007

**BRAND AND MODEL LEVEL
PERCEPTION STUDY**

MODEL-LEVEL STUDY
75,000+ interviews
Since 2012

Captures **brand and model familiarity** among new-car shoppers

Tracks **12 factors** important to shoppers across all models and **8 segments**

Respondents are **in-market for a new vehicle** and recruited from KBB.com

WHAT CAN BRAND WATCH™ DO?
Identify key factors driving vehicle purchase decisions and measure OEM brand equity within and across segments

OBJECTIVES/MEASURES



What is important to consumers when shopping for a new vehicle



How brands and models perform on factors most important to shoppers within and across segments

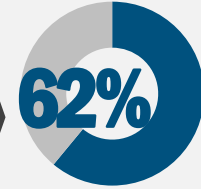


How demographic groups differ

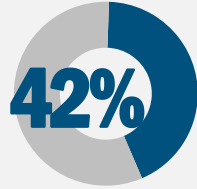
BRAND WATCH: NON-LUXURY CONSIDERATION

Toyota considerably widens its lead from Honda and is no.1 for the 3rd quarter in a row. Toyota has 5 vehicles in the top 15 list, the most of any OEMs. Consumers continue to love the SUVs, 6.5 million units sold in 2018. Honda CR-V has been the most considered SUV for the past 9 quarters, and there's no reason to believe that this trend will change any time soon. The top 2 selling vehicles are trucks, the F-150 and Silverado, together they command 10% of all new vehicles sold.

WHAT ARE OVERALL SEGMENT PREFERENCES AMONG NON-LUXURY SHOPPERS?



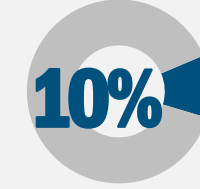
SUVs



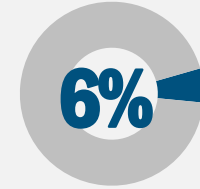
Sedans



Pickups

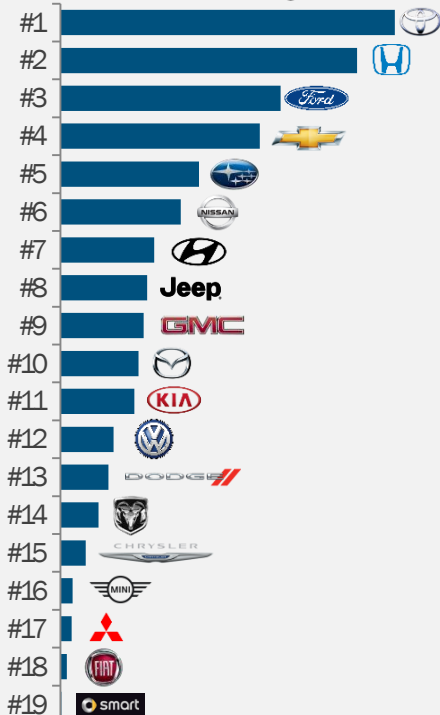


Coupes



Minivans

WHICH BRANDS LEAD IN NON-LUXURY CONSIDERATION?



WHICH MODELS ARE CONSIDERED MOST AMONG NON-LUXURY SHOPPERS?



WHICH FACTORS ARE MOST IMPORTANT TO NON-LUXURY CONSUMERS?

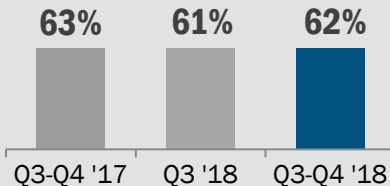


Source: KBB Brand Watch Survey, Q3-Q4-2018, (ties indicate identical values to the tenth of a point)

A CLOSER LOOK: OVERALL NON-LUXURY SEGMENT CONSIDERATION

SUVs rule in sales and consideration. SUVs were 44% of 2018 new vehicle sales with the compact SUV segment the most popular. Sedans lost in consideration and sales. Still 4.4 million non-luxury cars, for nearly 30% market share, were sold in 2018, proving demand remains for cars. Trucks, thanks to fresh entries, gained in consideration and sales, making up almost 20% of sales in 2018.

SUVs



Top 5

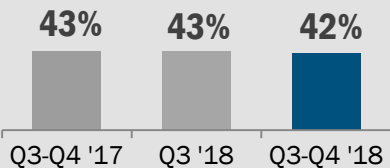
- #1 CR-V
- #2 RAV4
- #3 Forester
- #4 Pilot
- #5 Highlander



Honda CR-V won the KBB.com Best Buy Award, marking its 4th win in the extremely competitive and popular compact SUV segment. Toyota RAV4 has trailed CR-V in consideration for 7 quarters but is first in total SUV sales at 427K units sold in 2018.



SEDANS



Top 5

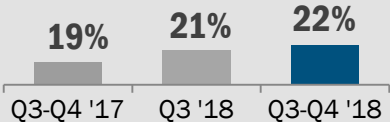
- #1 Accord
- #2 Camry
- #3 Civic
- #4 Corolla
- #5 Prius



Honda Accord held off Camry for most considered sedan. It also won KBB.com 2019 Midsize Car Best Buy Award. Of the 10 most considered sedans, 8 are a Toyota or Honda. Camry was first in 2018 sales at 343K; Civic was a close second at 325K.



PICKUPS



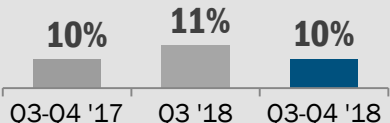
Top 5

- #1 F-150
- #2 Silverado 1500
- #3 Tacoma
- #4 Tundra
- #5 Ram 1500



Ford F-150 remained the undisputed champion in sales and consideration. It won the KBB.com Best Buy Pickup Truck award. However, Ram 1500 is giving Ford some competition, being named 2019 Motor Trend Truck of the Year, 2019 North American Truck of the Year and KBB.com Best Auto Tech award.

COUPES



Top 5

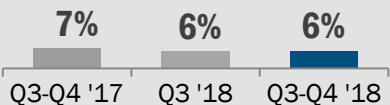
- #1 Mustang
- #2 Challenger
- #3 Camaro
- #4 Golf
- #5 Corvette Stingray



Ford Mustang won KBB.com 2019 Best Resale Value Award. Coupes are dominated by domestics, Honda Civic coupe, Mazda MX5, and Honda coupe all fell off the top 5 list in Q4.

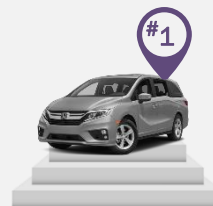


MINIVANS



Top 5

- #1 Odyssey
- #2 Sienna
- #3 Pacifica
- #4 Grand Caravan
- #5 Sedona

















Honda Odyssey won KBB.com 2019 Minivan Best Buy and 5-Year Cost to Own Award. Minivans were 2.3% of all vehicle sales in 2018 and appeal to a niche audience that looks for convenience, comfort and people-hauling capability.



A CLOSER LOOK: OVERALL NON-LUXURY BRAND CONSIDERATION

Non-luxury brand consideration held steady for the past 2 quarters. The top brands consisted of the same 4 major OEMs (Toyota, Honda, Ford, and Chevrolet) since the inception of Brand Watch in 2007. Although Toyota is no.1 in consideration, Ford is no.1 in 2018 sales. Notably, Toyota was chosen as the 2019 Best Resale Brand by KBB.com.

RANK	BRAND	CONSIDERATION
1		42%
2		37%
3		28%
4		25%
5		17%
6		15%
7		12%
8	Jeep	11%
9	GMC	10%
10		10%
11		9%
12		7%
13	DODGE	6%
14		5%
15	CHRYSLER	3%
16		1%
17		1%
18		1%
19	smart	0.1%



>20%



Ford was the overall winner of 2019 Cox Automotive /Automotive News Retail Brand Scorecard, beating Toyota and Honda by a healthy margin. Despite being 3rd in consideration, **Ford led in sales in 2018**, thanks to the F-Series being the best-selling vehicle in America at 900K units sold.




9-20%

Subaru won numerous 2019 KBB.com awards, including Best Resale Value, 5-Year Cost to Own. It has held steady in 5th place for consideration and gained almost 4% in YoY sales. **Despite trailing Subaru in consideration, Nissan was 5th in sales**, thanks to the Rogue, Sentra and Altima.

<8%

Ram ranked #1 in Customer Loyalty, according to Cox Automotive/Automotive News Retail Brand Scorecard. **The scorecard named MINI as having the Best Customers.** Its niche offerings allow the brand to target ideal customers better than any automaker. **Volkswagen held steady in 12th**, they are still trying to recover from the diesel scandal and trying to improve in SUV sales with the Atlas.




Source: KBB Brand Watch Survey, Q3-Q4-2018
 Q: Please select at most 5 vehicles that you are currently shopping



A CLOSER LOOK: TOP CONSIDERED NON-LUXURY MODELS OVERALL

Toyota had the most models in the top 15 for consideration. Tacoma and Tundra won a slew of 2019 KBB.com awards (5-Year Cost to Own, Best Resale Value). Toyota has a wide variety of models (SUVs, cars, trucks) represented on the list, a nod to the OEM's superior range of offerings. Ford hung on in 3rd place, thanks to the hot-selling F-150, but its SUVs dropped from the top rankings. That should reverse when Ford introduces completely new Explorer and Escape SUVs this year.

TOP 15 MODELS

#1	#2	#3	#4	#5
 CR-V Compact SUV	 ACCORD Midsize Car	 F-150 Fullsize Truck	 RAV4 Compact SUV	 CAMRY Midsize Car
#6	#7	#8	#8	#10
 CIVIC Compact Car	 FORESTER Compact SUV	 SILVERADO 1500 Fullsize Truck	 PILOT Midsize SUV	 HIGHLANDER Midsize SUV
#10	#12	#13	#14	#15
 OUTBACK Midsize SUV	 TACOMA Midsize Truck	 CX-5 Compact SUV	 COROLLA Compact Car	 Jeep GRAND CHEROKEE Midsize SUV



Forester and Outback continue to shine for Subaru.

The brand again reported record-breaking sales – 11th consecutive year of sales increases in 2018, 85 months of year-over-year sales increases at the end of December.












After a no-show in Q3, **Mazda CX-5** showed up in the **13th spot**. With the addition of the GTDI engine, it may help with future consideration.



Jeep Grand Cherokee made its first appearance on the **top 15 list since 2016** and it is the only domestic SUV represented.

A CLOSER LOOK: FACTORS OF IMPORTANCE DRIVING NON-LUXURY VEHICLE CONSIDERATION

Honda is the undisputed leader when it comes to consumer perceptions, as evidenced by the accolades the brand has racked up throughout the year. The CR-V, Accord, Civic and Odyssey are tops in their segments. Honda won multiple 2019 KBB.com Best Buy, Best Resale Value, and 5-Year Cost to Own Awards. If Honda's dominance in 7 of 12 factor of importance is any indication, the brand stands a good chance to win a KBB.com Brand Image Award in April.

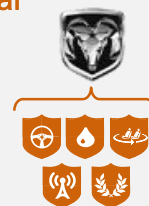
RANK	FACTOR	IMPORTANCE	TOP RANKED		
			BRAND	#2	#3
TOP 5	1	Durability/Reliability	84%	 Toyota	Subaru
	2	Safety	72%	 Honda	Toyota
	3	Affordability	66%	 Honda	Kia
	4	Driving Comfort	62%	 GMC	Chrysler
	5	Driving Performance	54%	 Subaru	Ram
	6	Fuel Efficiency	48%	 Hyundai	Toyota
	7	Reputation	48%	 Toyota	Subaru
	8	Interior Layout	38%	 Ram	Mazda
	9	Technology	36%	 Toyota	Ram
	10	Exterior Styling	32%	 Ram	GMC
	11	Ruggedness	26%	Jeep Ram	Subaru
	12	Prestige/Sophistication	11%	 Mazda	Toyota



Subaru has been perceived by consumers as No.1 in Safety for the past 5 years. It's no accident because Subaru has committed to safety as a key part of its brand DNA.

Mazda ranked No. 1 in Driving Performance and Exterior Styling. Like Subaru with safety, Mazda has long emphasized fun-to drive dynamics matched to its sporty styling.  Hyundai defended the Affordability title 2 quarters in a row. 

Ram ranked either 2nd or 3rd in several categories: Driving Performance, Interior Layout, Technology, Exterior Styling, and Ruggedness. **Ram 1500 was named KBB.com 2019 Best Auto Tech Award for improvements in fuel economy and overall driving experience.**



Source: KBB Brand Watch Survey, Q3-Q4-2018

Q: Please review the list below and rate how important are each of the factors to you in deciding on your next new car

BRAND WATCH TOPLINE

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