



BRAND WATCH

NON-LUXURY SEGMENT TOPLINE REPORT

3rd Quarter 2020



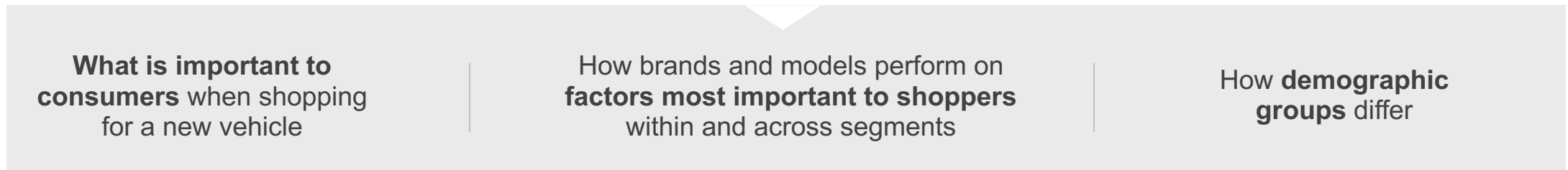
WHAT IS BRAND WATCH™ ?

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



WHAT CAN BRAND WATCH™ DO?

Identify key factors driving vehicle purchase decisions and measure OEM brand equity



BRAND WATCH: NON-LUXURY CONSIDERATION

The Q3 new-vehicle market recovered some from Q2 with sales down 10%; year-to-date sales through end of Q3 were down nearly 20%. Q3 Toyota sales fell 13%, a bit more than the overall industry, but the brand closed strong with September sales up 16% despite extremely tight inventories. Toyota consideration remained healthy, lifted by consideration for the redesigned Highlander, up 25% for the largest increase of any model, the reinvented Venza and the venerable RAV4.

Toyota Held Tight to #1 Spot

- Toyota locked down the #1 spot for consideration for the 10th consecutive quarter (since Q2 2018). Next quarter, Toyota may see more gains as Venza gains steam, the new Sienna launches and inventory builds for all models.
- While Toyota SUVs dominated, it lost traction with Camry and Tacoma.

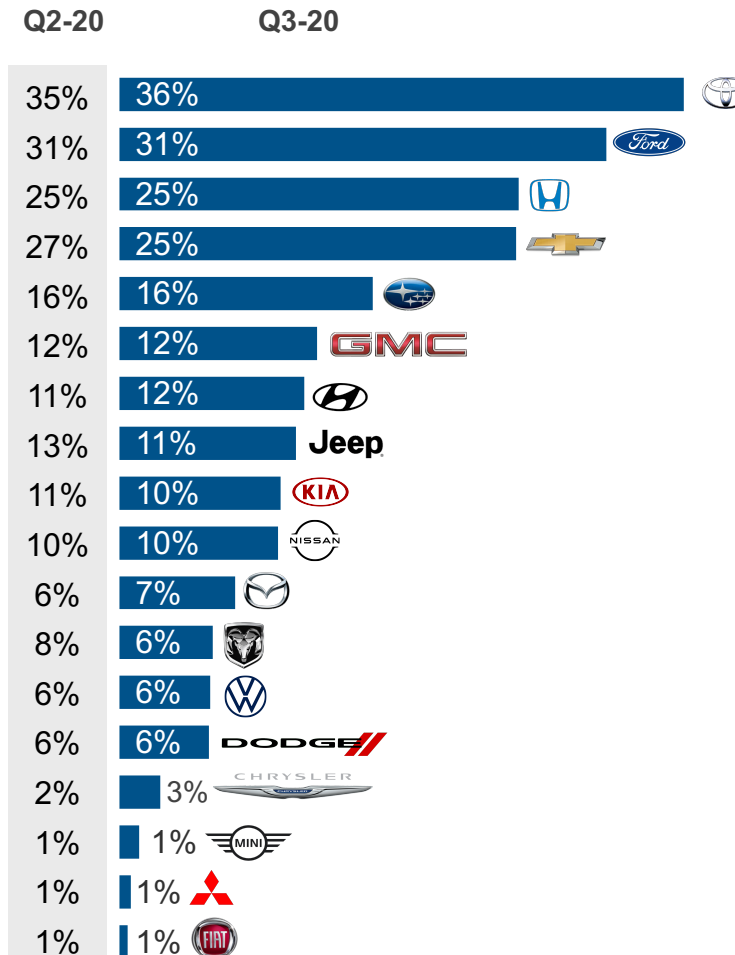
Ford Consideration Expected to Grow

- Ford F Series trucks and Explorer held onto their 10 Top spots, however these model consideration softened, which may be due to inventory shortages and increased competition. Ford may spike in consideration when the all-new F-150 rolls out and Bronco relauches in 2021.

Palisade Bolstered Hyundai's Popularity

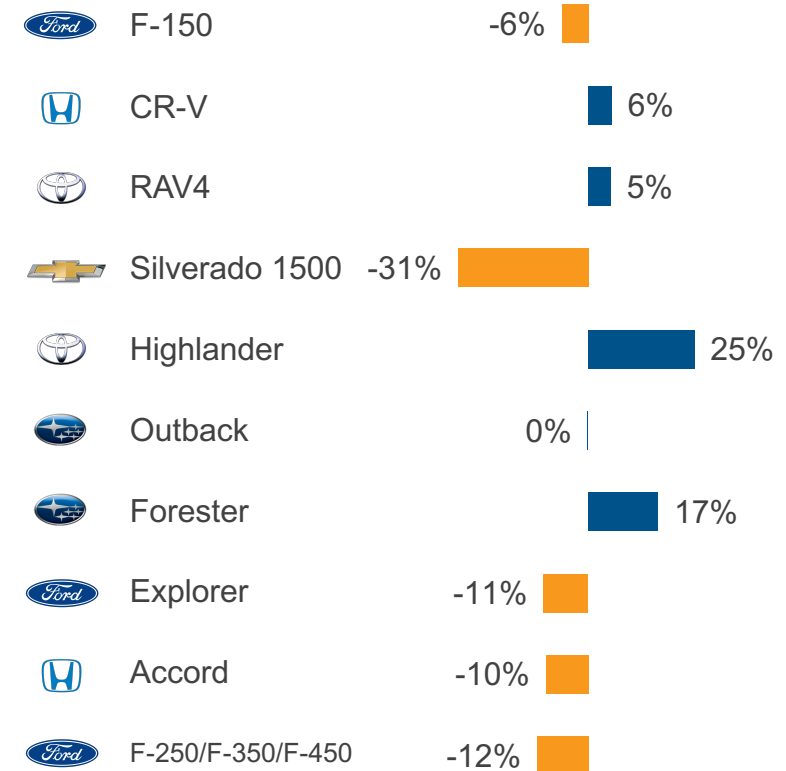
- Palisade's increasing sales has helped Hyundai's 1-point gain. Despite Non-Lux Midsize SUV sales being down 12.4% YOY, Palisade gained 357.6% YOY.

QUARTERLY BRAND CONSIDERATION



QUARTERLY CONSIDERATION GROWTH

TOP 10 MODELS Q3-20 vs. Q2-20



A CLOSER LOOK: NON-LUXURY SEGMENT CONSIDERATION

Pickup Truck consideration cooled down after reaching peak levels in Q2. The slowdown may be attributed to seasonal changes and inventory shortages due to plant closures in Q2.

QUARTERLY SEGMENT CONSIDERATION

65% 
SUVS

Last Qtr.	Last Year
63%	63%

35% 
CARS

Last Qtr.	Last Year
35%	41%▲






31% 
PICKUPS

Last Qtr.	Last Year
35%▲	28%▼

5% 
MINIVANS

Last Qtr.	Last Year
5%	6%

TOP 5 SUVs

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






TOP 5 CARS

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

TOP 5 PICKUPS

- #1  F-150
- #2  Silverado 1500
- #3  F-250/F-350/F-450
- #4  Tacoma
- #5  Sierra 1500

TOP 5 MINIVANS

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

SUV Rebounded to Pre-Covid Levels

SUV consideration gained steam in Q3 with a 2-point gain. Compact SUVs topped the leaderboard, thanks to higher Toyota RAV4 and Honda CR-V consideration. In midsize, Highlander consideration skyrocketed due to its redesign and enticing APR, cash and loyalty incentives. Subaru Forester consideration also soared, despite the brand having limited inventory. Ford Explorer consideration fell but sales climbed.

▲ ▼ indicate significant % change Q/Q

TOP 10 CONSIDERED MODELS: NON-LUXURY SHOPPERS

With Q3 Pickup Truck consideration easing from last quarter, the Top 10 was reflected the shift as Toyota Tacoma and Ram 1500 rolled off the list. Compact and Midsize SUVs dominated as they did in 2020 Q1, with Toyota Highlander and Subaru Forester back in the Top 10.

TOP 10 MODELS

* New to Top 10

TOP 10 IN Q3-20

F-150 Gearing Up for Launch

- Ford's F-150 claimed the #1 spot for the third straight quarter as the sell-down has been underway to make room for the all-new F-150, launching in Q4.

#1



 **F-150**
Fullsize Truck

#2



 **CR-V**
Compact SUV

#3



 **RAV4**
Compact SUV

#4



 **Silverado 1500**
Fullsize Truck

#5



 **Highlander***
Midsize SUV

#6



 **Outback**
Midsize SUV

#7



 **Forester***
Compact SUV

#8



 **Explorer**
Midsize SUV


#9



 **Accord**
Midsize Car





































#10



 **Ford F-250/F-350/F-450**
Fullsize Truck

FACTORS DRIVING NON-LUXURY CONSIDERATION

Minimal movement in rankings for the Factors of Importance has occurred in the last 5 years. Technology has become increasingly important in shoppers' decision to purchase. More automakers have expedited air filtration advancements since the pandemic.

RANK		FACTOR	IMPORTANCE	TOP RANKED BRAND	#2	#3
Q3-15	Q3-20					
1	1	Durability/Reliability	83%			
2	2	Safety	70%			
3	3	Driving Comfort	62%			
4	4	Affordability	58% ▼			
5	5	Driving Performance	55%			
6	6	Reputation	47% ▼			
7	7	Fuel Efficiency	42% ▼			
8	8	Interior Layout	39%			
11	9	Technology	37% ▲			
9	10	Exterior Styling	34% ▲			
9	11	Ruggedness	28% ▼			
12	12	Prestige/Sophistication	10%			

Subaru Strengthened its Reputation

- Subaru remained the leader in Safety, reinforced by the brand's ad messaging showcasing Safety in ways that trigger consumers' emotions. Most Subaru models garnered NHTSA's 5-Star rating.
- Subaru regained top rankings in Reputation and Prestige/Sophistication, supported by its exceptional Safety and strong Durability/Reliability ratings.

Mazda Reclaimed Styling and Performance

- Mazda lost its Affordability spot to Kia, which normally fares well in an economic downturn with its value and assurance programs.
- Mazda returned to the top with Exterior Styling and Driving Performance, with nods to Mazda 3 and CX-30 and its heritage Zoom Zoom campaign.

▲ ▼ indicate significant % change from Q3-15 vs. Q3-20



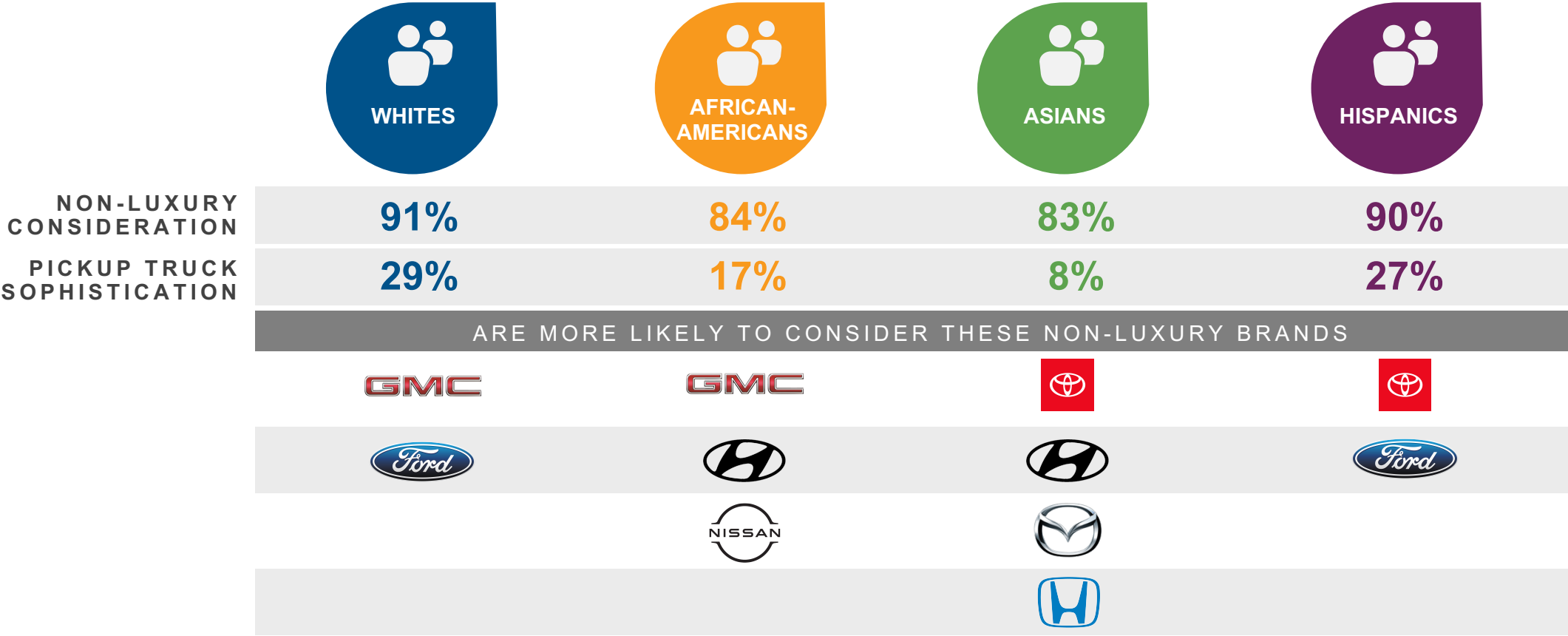
BRAND WATCH

MULTICULTURAL AND GENDER DEEP DIVE

2019/2020



Hispanics and Whites Prefer the Non-Luxury Segment and Pickups

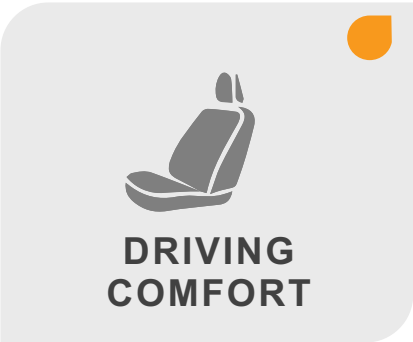


African-Americans Expect More in Choosing the Right Vehicle

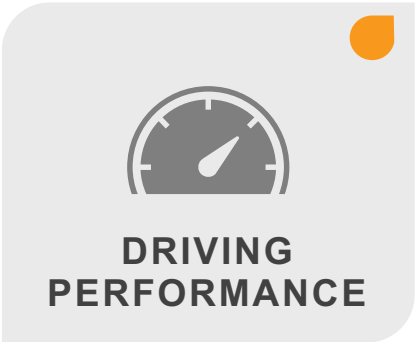
THESE FACTORS ARE MORE LIKELY TO INFLUENCE THEIR PURCHASE DECISION



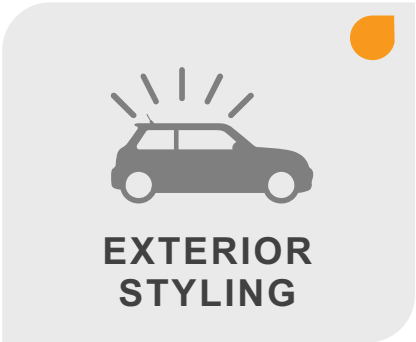
AFFORDABILITY



DRIVING COMFORT



DRIVING PERFORMANCE



EXTERIOR STYLING



FUEL EFFICIENCY



PRESTIGE/
SOPHISTICATION





SAFETY



TECHNOLOGY

Note: Hispanics and Whites did not over index in any factors of importance measures

Women have a Stronger Affinity for the Non-Luxury Segment Especially SUVs

	 WOMEN	 MEN
NON-LUXURY CONSIDERATION	93%	89%
SUV CONSIDERATION	73%	61%
PICKUP CONSIDERATION	17%	30%
COUPE CONSIDERATION	6%	10%

ARE MORE LIKELY TO CONSIDER THESE NON-LUXURY BRANDS



* Likely attributed to pickup preference

Men Favor More Emotional Factors While Women Seek More Practical Attributes

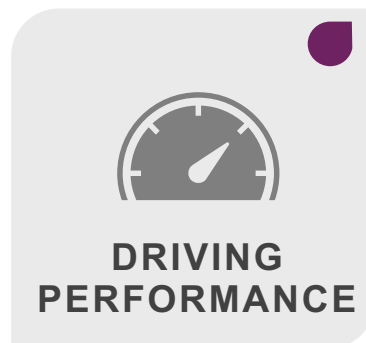
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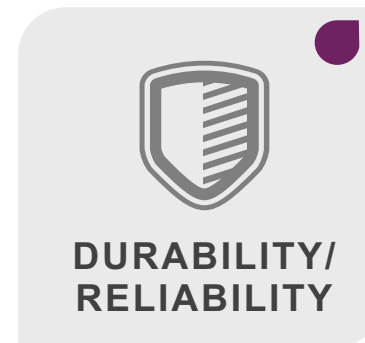
AFFORDABILITY



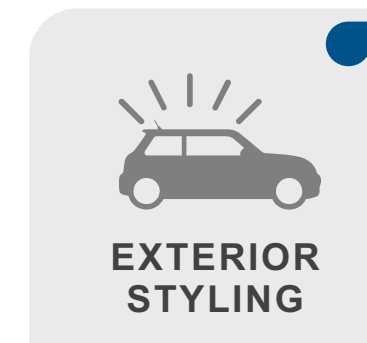
DRIVING
COMFORT



DRIVING
PERFORMANCE



DURABILITY/
RELIABILITY



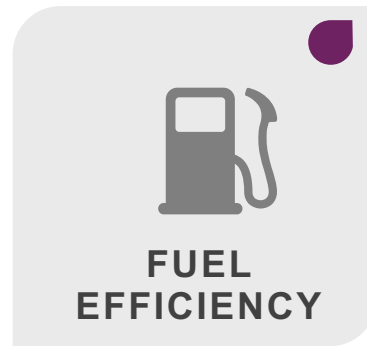
EXTERIOR
STYLING



REPUTATION



SAFETY



FUEL
EFFICIENCY



TECHNOLOGY



PRESTIGE/
SOPHISTICATION



RUGGEDNESS



BRAND WATCH TOPLINE

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