



BRAND WATCH

NON-LUXURY SEGMENT TOPLINE REPORT

4th Quarter 2020



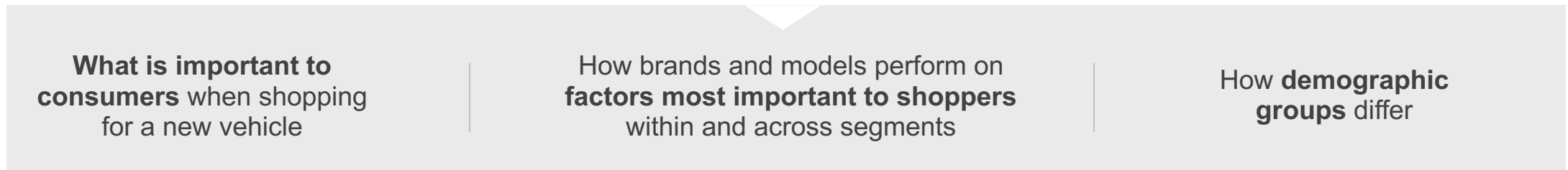
WHAT IS BRAND WATCH™ ?

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

Q4 2020 closed the year stronger than expected. New-vehicle sales finished the year at 14.5 million units. The recovery will continue in 2021. Despite consideration growth for Tacoma and RAV4, Toyota lost 2 percentage points in Q4. Ford maintained the No. 2 spot, dominating in Truck and SUV segments. Honda slipped 2 percentage points, losing the No. 3 spot to Chevrolet.

Toyota is Head of the Class

- The Tacoma is to midsize pickups what Ford F-Series is to full-size pickups. It has been the best-selling pickup in its segment for the last 14 years. Truck consideration is expanding. The Tacoma is at the forefront of that growth with a 20% jump from Q3 2020.

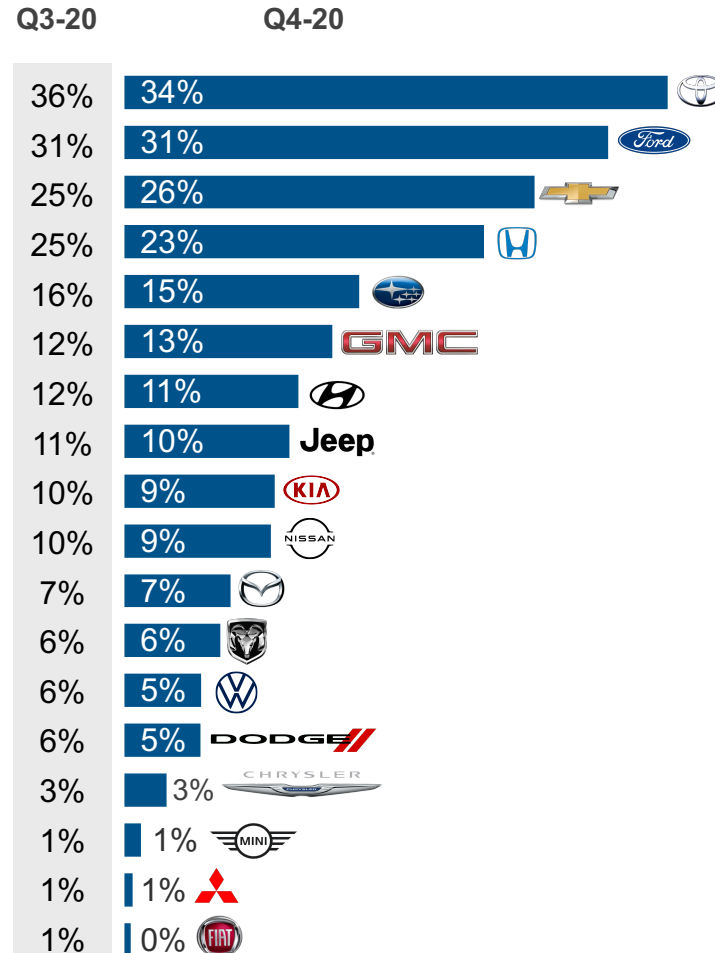
Ford Challenges Toyota for the Top Spot

- Ford's stronghold in consideration is supported by the increased demand for the Ford F-250/350/450 Series and Explorer. Ford will further challenge Toyota when it launches the highly-anticipated Bronco later this year.

Chevrolet Rebounds

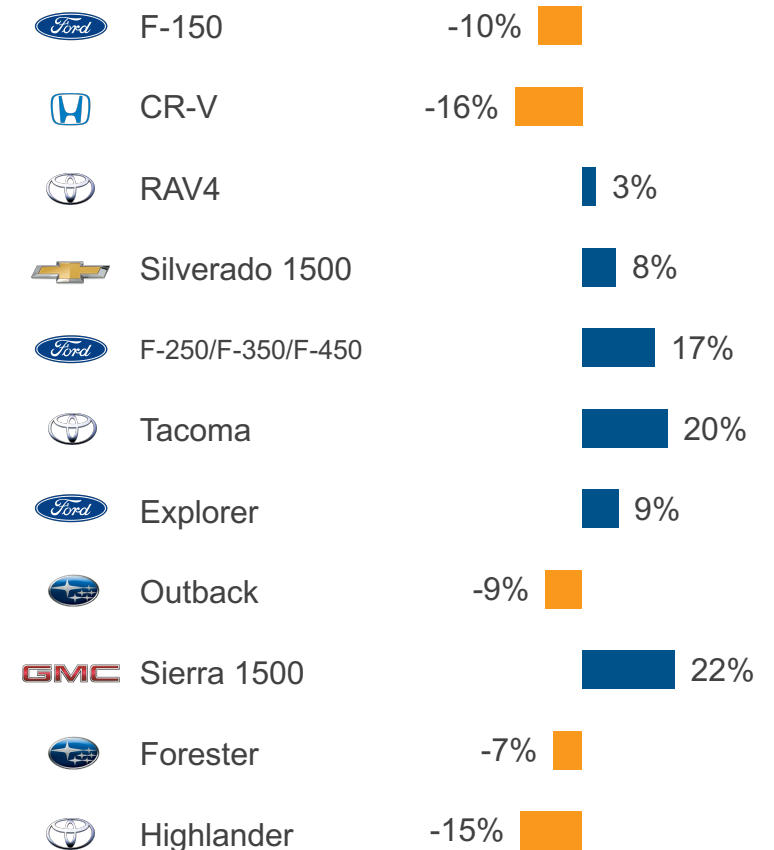
- Chevrolet and Honda have taken turns filling the No. 3 spot for almost 2 years. In Q4, Chevy rebounded to the No. 3 place with the rise in consideration for the Silverado.

QUARTERLY BRAND CONSIDERATION



QUARTERLY CONSIDERATION GROWTH

TOP 10 MODELS Q4-20 vs. Q3-20



A CLOSER LOOK: NON-LUXURY SEGMENT CONSIDERATION

Despite the impact of COVID-19 on new vehicle sales in 2020, pickup truck market share in sales thrived with a 3% increase while SUV jumped by 2% and Cars softened by 4%. Pickup consideration rebounded by 1 percentage point from Q3 2020 to 32% after peaking at 35% in Q2 2020 and marking the first time Truck exceeded Car consideration. Minivans held steady with Toyota Sienna, launched a new, hybrid-only form in December, and Honda Odyssey leading the pack.

QUARTERLY SEGMENT CONSIDERATION

63% 
SUVS

Last Qtr.	Last Year
65%	65%

31% 
CARS

Last Qtr.	Last Year
35%▲	37%▲






32% 
PICKUPS

Last Qtr.	Last Year
31%	29%▼






5% 
MINIVANS

Last Qtr.	Last Year
5%	6%

TOP 5 SUVs

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






TOP 5 CARS

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

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

Pickups Overtake Cars for the First Time Ever

- Car consideration has been diminishing for more than 5 years. Honda is hoping to revitalize the compact car segment with the all-new Civic, launching in early 2021.
- Pickups are on an upward trajectory with Ford dominating the competitive set. Consideration for trucks could grow further with the launches of the subcompact models from Ford and Hyundai as well as electric versions from a variety of brands.

SUVs Still Dominate

- SUV demand overwhelmingly leads all the vehicle segments. Midsize and Compact SUVs accounted for 4.8M in 2020. They were the No. 1 and No. 2 best-selling segments in the US in 2020.

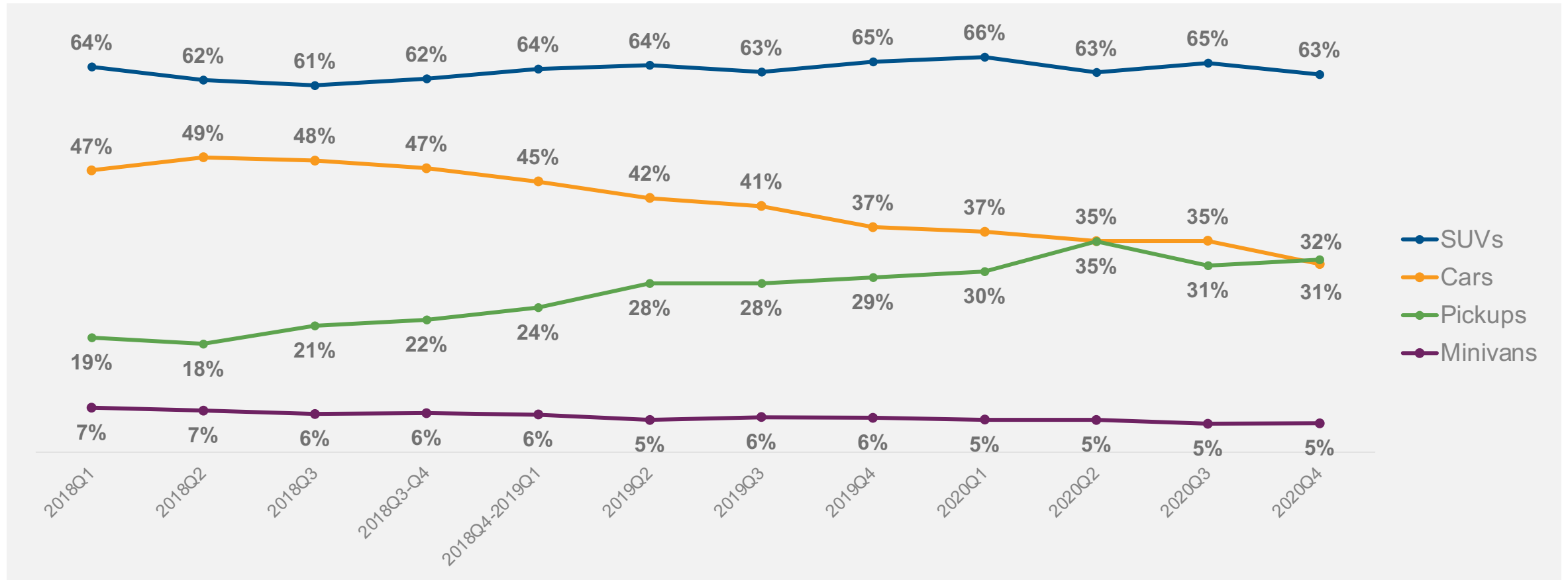
▲ ▼ indicate significant % change Q/Q

Source: KBB Brand Watch Survey, Q4 2020; Last Qtr. = Q3-20, Last Year = Q4-19
Interpretation Example: 63% of non-luxury shoppers consider non-luxury SUVs

NON-LUXURY SEGMENT CONSIDERATION: TREND

Consideration for non-luxury Cars continued to decline, hitting a historical low in Q4 2020 at 31%. Consideration for pickups increased for the last few years, surpassing Cars for the first time. SUVs and Minivans have remained fairly stable quarter-over-quarter.






















QUARTERLY NON-LUXURY SEGMENT CONSIDERATION



TOP 10 CONSIDERED MODELS: NON-LUXURY SHOPPERS

With Truck consideration on the rise, two pickups made their debut on the Top 10 Most Considered list. GMC Sierra climbed 3 ranks into the Top 10 at No. 9. Toyota Tacoma jumped 5 ranks to No. 6. Half of the Top 10 were pickup trucks. No cars made the Q4 2020 Top 10 list with the Honda Accord tumbling from No. 9 to No. 14.

TOP 10 MODELS

#1	#2	#3	#4	#5
  F-150 Fullsize Truck	  CR-V Compact SUV	  RAV4 Compact SUV	  Silverado 1500 Fullsize Truck	  Ford F-250/F-350/F-450 Fullsize Truck
* New to Top 10				
#6	#7	#8	#9	#10
  Tacoma* Midsize Truck	  Explorer Midsize SUV	  Outback Midsize SUV	 GMC Sierra 1500* Fullsize Truck	  Forester Compact SUV
				  Highlander Midsize SUV

TOP 10 IN Q4-20

F-150: Still No. 1





































- Ford's F-150 remained the No. 1 considered non-luxury model for the 4th straight quarter.

Japanese Brands Dominate

- Japanese models held tight as the top considered models with SUVs leading as well as pickup. These brands tend to have the highest loyalty and less incentives than industry average.

FACTORS DRIVING NON-LUXURY CONSIDERATION

Durability/Reliability remained the top purchase factor among shoppers. For the past five years, non-luxury shoppers have ranked the top eight factors the same. However, Technology and Exterior Styling swapped places in Q4 2020 with Technology climbing 1 rank as shoppers expect advancements in autonomous, connectivity, safety and EV technology.

RANK		FACTOR	IMPORTANCE	TOP RANKED BRAND	#2	#3
Q4-15	Q4-20					
1	1	Durability/Reliability	81% ▼			
2	2	Safety	70% ▼			
4	3	Driving Comfort	63%			
3	4	Affordability	57% ▼			
5	5	Driving Performance	55% ▼			
6	6	Reputation	50%			
7	7	Fuel Efficiency	42% ▼			
8	8	Interior Layout	39%			
10	9	Technology	35% ▲			
9	10	Exterior Styling	34%			
11	11	Ruggedness	30%			
12	12	Prestige/Sophistication	10%			

Toyota Takes Home Most Honors

- Toyota took the top spot on the leaderboard for Durability/Reliability, Reputation, Technology, and Prestige/Sophistication in Q4 2020.
- It's the first time in more than 5 years that Toyota led in Prestige/Sophistication, which may be attributed to the re-introduction of the upscale Venza crossover.

Subaru is in the Fast Lane

- Subaru owns Safety and recently overtook Mazda in Driving Performance, supported by their sporty WRX and BRZ models. Subaru is on the cusp of leading more factors as it currently holds the No. 2 spot for 8 out of 12 factors.

Honda Struggling to Stay on Top

- Since Q3 2018, Honda has lost its dominance in purchase factors. It once led 7 categories. It led only the top spot for Fuel Efficiency in Q4 2020, due to increased competition from Ram, Subaru and Toyota.

▲ ▼ indicate significant % change from Q4-15 vs. Q4-20



BRAND WATCH TOPLINE

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