



# BRAND WATCH

## LUXURY SEGMENT TOPLINE REPORT

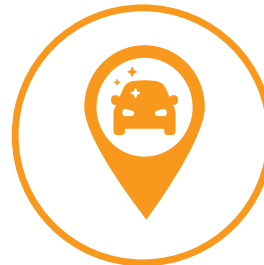
2<sup>nd</sup> Quarter 2021



# BRAND WATCH Q2 2021 KEY TAKEAWAYS



**BMW consideration came back strong** with 4 models making the Top 10 list.



**Luxury Car consideration rose by 1 point**, fueled by the rising consideration for BMW 3 Series and 5 Series.



**Mercedes-Benz thrived in the factor rankings**, placing in 7 factors.



Mercedes-Benz

# BRAND WATCH: LUXURY CONSIDERATION

BMW had a stellar quarter. It dodged the chip shortage to grab the luxury sales lead and saw the biggest gain in consideration among competitors. Audi got help from Q7 and A6 to advance by 1 percentage point, challenging Lexus for the No. 2 spot.

## BMW's 3-Year Winning Streak

- BMW has dominated for 12 straight quarters. Consideration improved by 3 percentage points, driven by significant lifts in consideration for the 5 Series, 3 Series, X5 and X3.
- BMW consideration could grow when the new 2 Series and i4 sedan debut in the U.S.

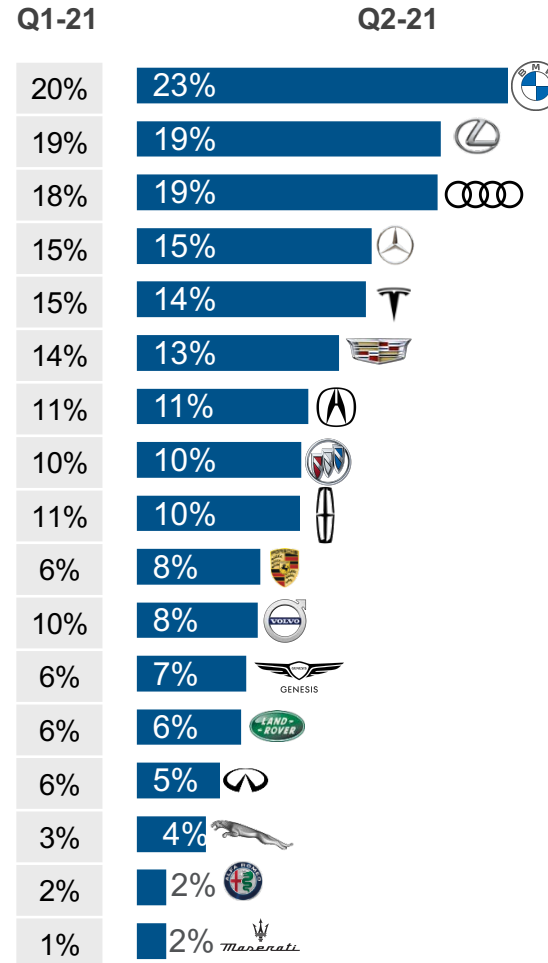
## Porsche Accelerated

- Porsche gained traction with the surge in consideration for the 911, Macan and 718, offsetting the decline in Cayenne.

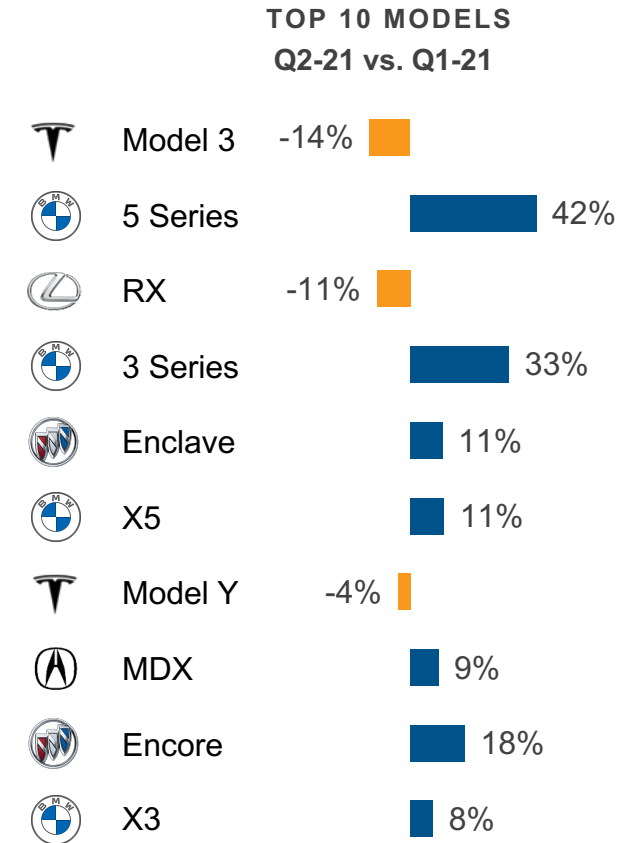
## Tesla's Slowdown

- Tesla lost momentum due to declining consideration for the Model 3, Model Y and Model S, may be impacted by increased competition especially from Ford Mustang Mach E.

## QUARTERLY BRAND CONSIDERATION



## QUARTERLY CONSIDERATION GROWTH



# A CLOSER LOOK: LUXURY SEGMENT CONSIDERATION





Consideration for the Luxury segments remained stable. Luxury SUVs were unchanged from previous quarter. Luxury cars gained 1 percentage point with Tesla and BMW sedans dominating.

## QUARTERLY SEGMENT CONSIDERATION

**66%**   
**LUXURY SUVs**

Last Qtr.	Last Year
66%	62% ▼






### TOP 5 LUXURY SUVs

- #1  RX
- #2  Enclave
- #3  X5
- #4  Model Y
- #5  MDX

**55%**   
**LUXURY CARS**

Last Qtr.	Last Year
54%	57%

### TOP 5 LUXURY CARS

- #1  Model 3
- #2  5 Series
- #3  3 Series
- #4  Model S
- #5  CT6

### Luxury SUVs Remained Stable

- For the 6<sup>th</sup> consecutive quarter (since Q1 2020), the Lexus RX maintained the No. 1 spot despite inventory shortages.
- Buick Enclave advanced to the No. 2 spot (from No. 4 in Q1 2021).
- The BMW X5 and Acura MDX joined the Top 5 list.
- Luxury SUV may gain traction when the Lexus NX, Volvo C40 and Infiniti QX60 launch this year.

### Tesla & BMW Cars Dominated

- Tesla and BMW entry/compact luxury and midsize luxury cars continued to dominate the Top 5 list.
- The BMW 5 Series and 3 Series moved up to No. 2 and 3, respectively, edging out Tesla Model S at No. 4.
- Luxury Car consideration may rise when redesigned models, such as Audi A3, BMW 2 Series, Mercedes C-Class and Acura ILX, enter the market.

▲ ▼ indicate significant % change Q/Q

Last Qtr. = Q1-21, Last Year = Q2-20

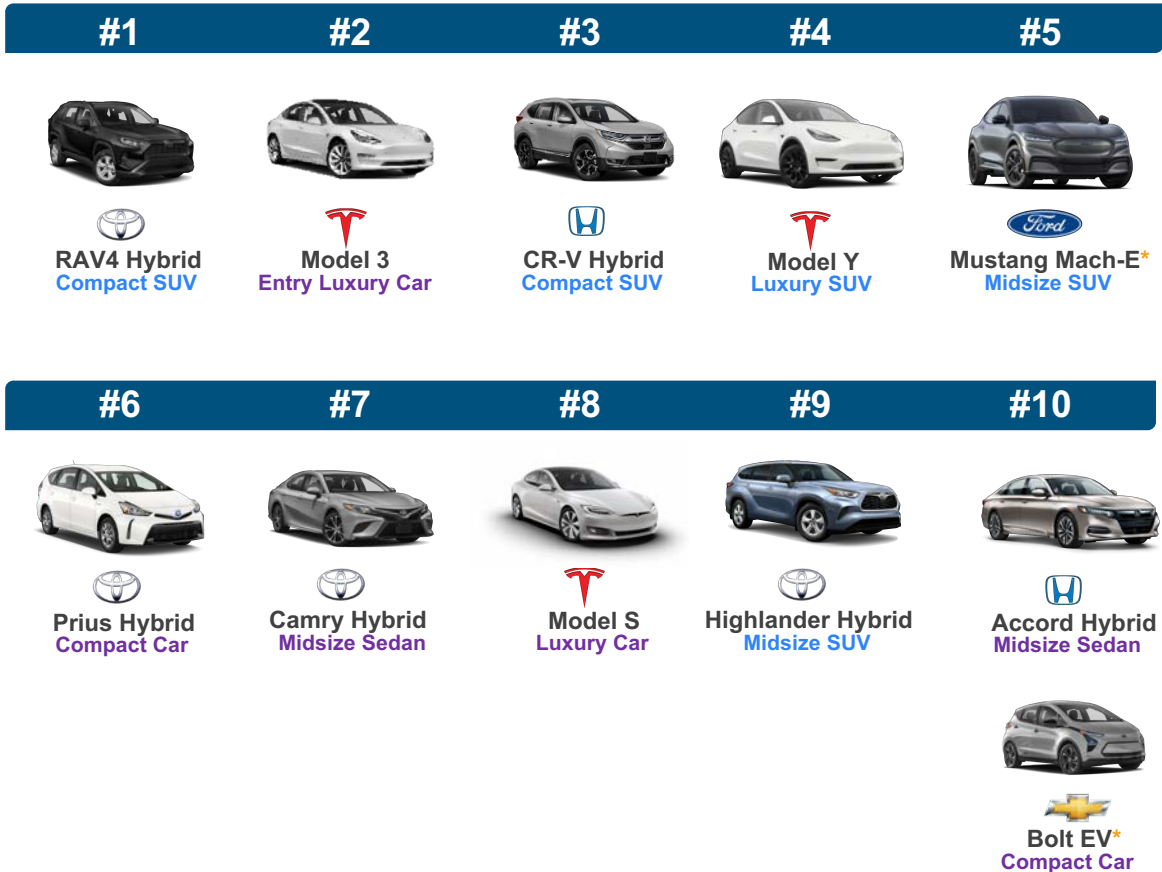
Interpretation Example: 66% of luxury shoppers consider luxury SUVs

# TOP 10 CONSIDERED ELECTRIFIED MODELS & OVERALL CONSIDERATION

Shopping consideration for electrified vehicles (EVs, hybrids) increased as did sales, setting a record 250K sold. Despite softened Tesla consideration, Model 3, Model Y and Model S remained in the Top 10 electrified list. EV consideration likely will accelerate as new and redesigned entrants hit showrooms, like Audi Q4, BMW i4, Rivian R1S and more.

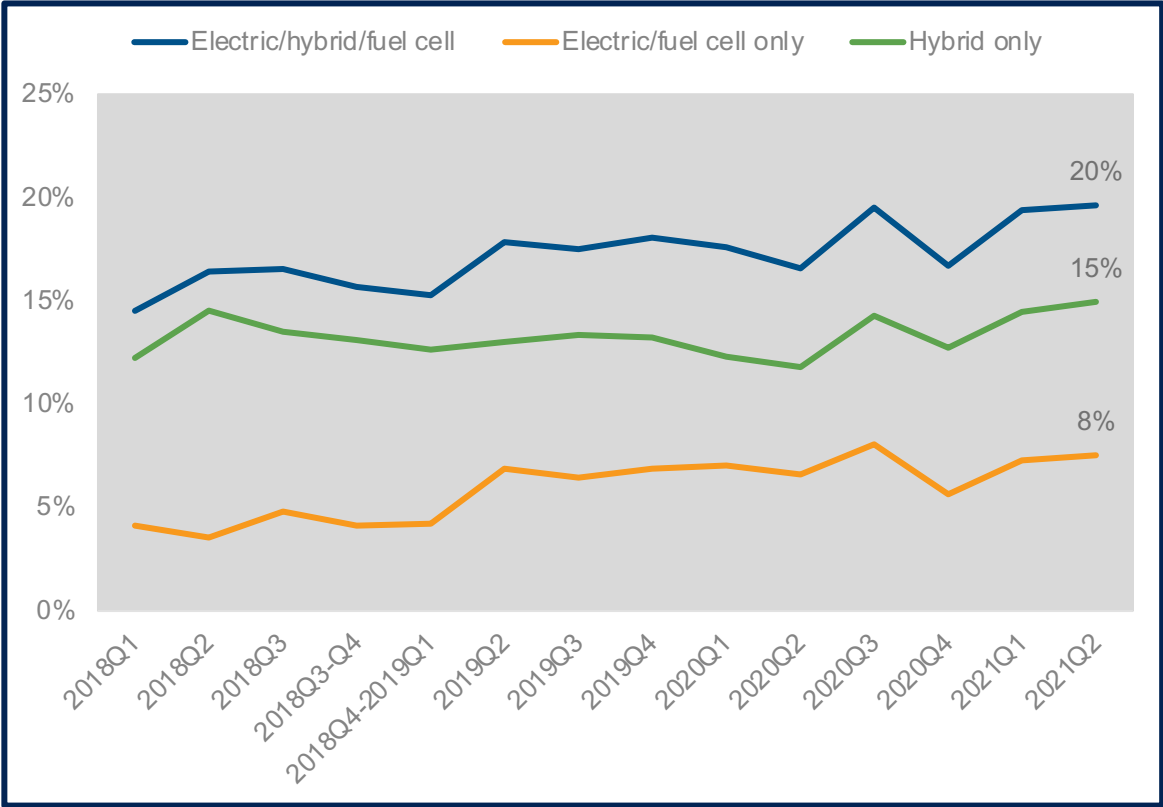
## QUARTERLY TOP CONSIDERED ELECTRIFIED MODELS

\* New to Top 10



(\*new models vs. Q1 2021)

## Overall Quarterly Consideration Trend













# TOP 10 CONSIDERED MODELS: LUXURY SHOPPERS

Luxury SUVs overpowered the Top 10 list, while Luxury cars occupied 3 spots. BMW came back strong with 3 new models debuting in the Top 10. BMW was better able to stock dealerships than its competitors.

## TOP 10 MODELS

\* New to Top 10

#1	#2	#3	#4	#5
 <b>MODEL 3</b> Entry Luxury H/P/E Car	 <b>5 Series*</b> Luxury Car	 <b>RX</b> Luxury Midsize SUV	 <b>3 Series*</b> Entry Luxury Car	 <b>Enclave</b> Luxury Midsize SUV
#6	#7	#8	#9	#10
 <b>X5</b> Luxury Midsize SUV	 <b>MODEL Y</b> Luxury Compact H/P/E SUV	 <b>MDX</b> Luxury Midsize SUV	 <b>Encore*</b> Luxury Subcompact SUV	 <b>X3*</b> Luxury Compact SUV

## TOP 10 IN Q2-21

### BMW Rebounded

- The 3 Series was back on the Top 10 list after being absent in Q1. This is the first time in 3 years that BMW had 4 models represented with an equal mix of SUVs and cars.

### Buick SUV Growth





































- Buick's healthy days of supply may have helped it secure two spots on the Top 10 list with the Enclave and Encore.

(\*new models vs. Q1 2021)



# FACTORS DRIVING LUXURY CONSIDERATION

Rankings for the top four factors driving luxury consideration have remained unchanged for the past five years. Technology, increasingly important to luxury shoppers for the past five years, climbed two spots to No. 7. Affordability and Fuel Efficiency have become less essential to shoppers despite rising transaction and fuel prices.

RANK		FACTOR	IMPORTANCE	TOP RANKED BRAND	#2	#3
Q2-16	Q2-21					
1	1	Durability/Reliability	78%			
2	2	Safety	72%			
3	3	Driving Comfort	70%▲			
4	4	Driving Performance	62%			
6	5	Reputation	49%			
7	6	Interior Layout	47%			
9	7	Technology	46%▲			
8	8	Exterior Styling	45%			
5	9	Affordability	42%▼			
10	10	Fuel Efficiency	36%▼			
12	11	Ruggedness	21%			
11	12	Prestige/Sophistication	19%			

▲ ▼ indicate significant % change from Q2-16 vs. Q2-21

## Tesla Lost Momentum

- Tesla led four categories in Q1 but lost steam with two wins.
- Tesla has been the top brand for Technology and Fuel Efficiency for 4+ years with its superior range and advanced battery technology.

## Mercedes-Benz Thrived

- The all-new EQS's and C-Class's elegant styling, sleek interior and technological advances influenced Mercedes's rise.
- Mercedes ranked No. 1 for Interior Layout and Prestige/Sophistication. It has been 3+ years since the brand ranked No. 1 in these factors.
- Mercedes held the No. 2 spot for Safety, Reputation, and Technology, and secured the No. 3 spot for Durability/Reliability and Exterior Styling.

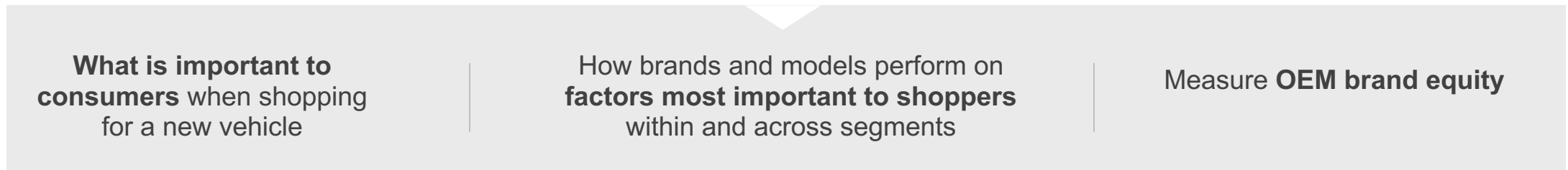
# WHAT IS BRAND WATCH™ ?

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?

Support the Cox Auto sales team and clients in strategizing vehicle launch plans and key messaging







# BRAND WATCH TOPLINE

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