



# BRAND WATCH

## LUXURY SEGMENT TOPLINE REPORT

3<sup>rd</sup> Quarter 2021



# BRAND WATCH Q3 2021 KEY TAKEAWAYS



**BMW, Lexus vie for Most Considered Luxury Brand.** BMW Consideration tumbled by 4 points. Lexus held steady.



**Luxury SUV consideration thrived.** The Lexus RX, Acura MDX and Cadillac XT5 experienced the largest consideration growth since Q2.



**Lexus and Porsche soared in the factor rankings**, holding three No. 1 spots each.



# BRAND WATCH: LUXURY CONSIDERATION

Luxury brands were challenged in Q3 2021 with supply chain disruptions. Sales slipped nearly 5% from a year ago. The Top 3 Luxury Brands in sales and consideration were BMW, Lexus and Mercedes-Benz, in that order. Mercedes-Benz jumped 2 points, catapulted by the lift for the GLE, C-Class and E-Class. Tesla regained momentum in Q3 after declining in Q2; it has three models on the Top 10 list again.

## BMW Struggled to Stay on Top

- BMW barely eked by to maintain the No. 1 spot as it tumbled by 4 points from Q2. The 5 Series, 3 Series and X5 dropped off the Top 10 list after large gains in the second quarter. X3 also lost steam.

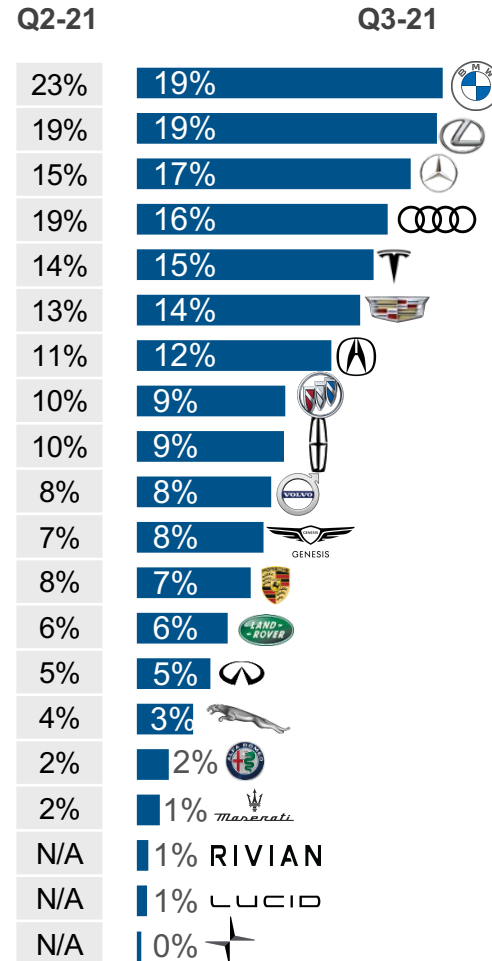
## Lexus Set to Dethrone BMW

- Lexus and BMW were on par at 19% consideration, with the former being behind by less than a tenth of a percent. The RX gained traction and overtook Tesla Model 3 as the most considered luxury model in Q3.

## New EV Start-Ups on the Horizon

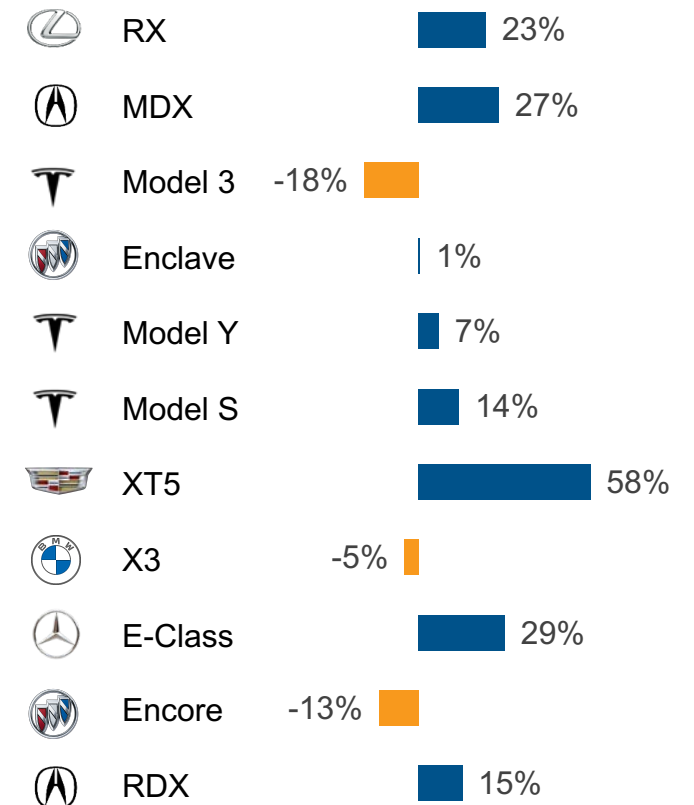
- Rivian, Lucid and Polestar joined the list of Luxury brands in Q3 and garnered minimal consideration.

### QUARTERLY BRAND CONSIDERATION



### QUARTERLY CONSIDERATION GROWTH

#### TOP 10 MODELS Q3-21 vs. Q2-21



# A CLOSER LOOK: LUXURY SEGMENT CONSIDERATION






Luxury SUV Consideration recovered to peak level, which was first reached in Q4 2020. The Top 5 SUV list did not include any German models, a first since 2015. Consideration for Cars hit an all-time low at 49%.

## QUARTERLY SEGMENT CONSIDERATION

**69%**   
**LUXURY SUVs**

Last Qtr.	Last Year
<b>66%</b>	<b>67%</b>






### TOP 5 LUXURY SUVs

- #1  RX
- #2  MDX
- #3  Enclave
- #3  Model Y
- #5  XT5

**49%**   
**LUXURY CARS**

Last Qtr.	Last Year
<b>55%▲</b>	<b>51%</b>

### TOP 5 LUXURY CARS

- #1  Model 3
- #2  Model S
- #3  E-Class
- #4  3 Series
- #5  TLX

### Luxury SUVs on the Rise

- Lexus RX held the No. 1 spot for the 7<sup>th</sup> consecutive quarter (since Q1 2020). Lexus had been managing the chip shortage better than others as it allocated more chips to their SUV line-up.
- Acura MDX advanced to the No. 2 spot (from No. 5 in Q2 2021).
- Cadillac XT5, which was refreshed in 2020, joined the Top 5 list in Q3, while BMW X5 dropped off.

### Car Consideration Continues to Decline

- Tesla Model 3 and Model S regained the No. 1 and 2 spots.
- Mercedes-Benz E-Class and Acura TLX climbed back to the Top 5 list.

▲ ▼ indicate significant % change Q/Q

Last Qtr. = Q2-21, Last Year = Q3-20

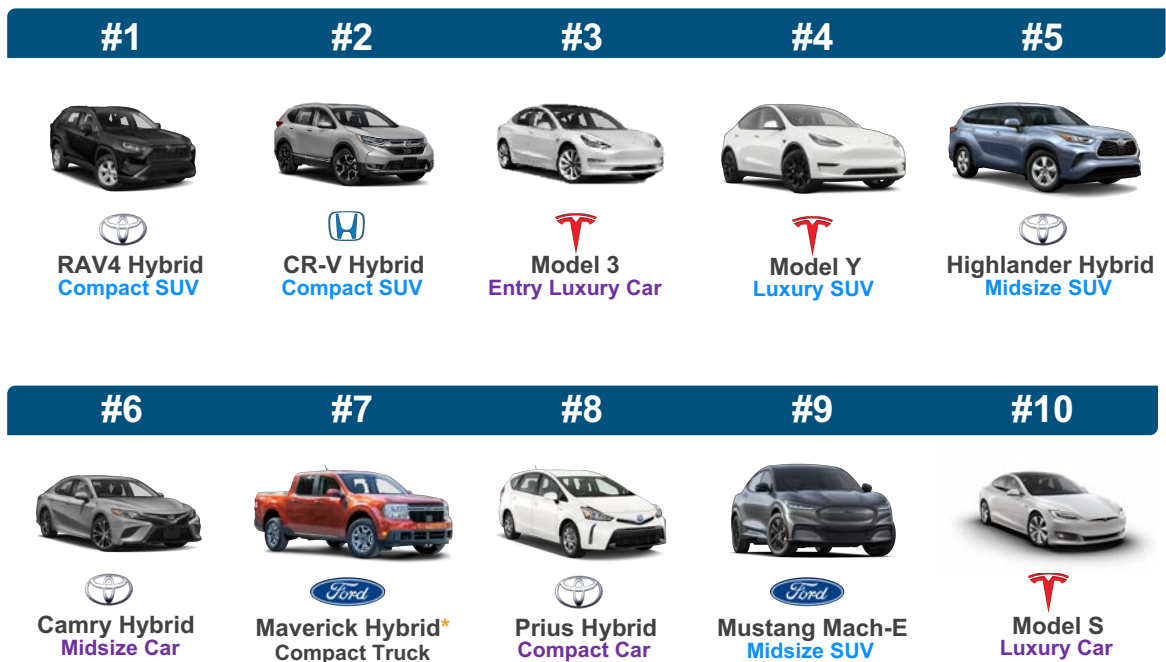
Interpretation Example: 69% of luxury shoppers consider luxury SUVs

# TOP 10 CONSIDERED ELECTRIFIED MODELS & OVERALL CONSIDERATION

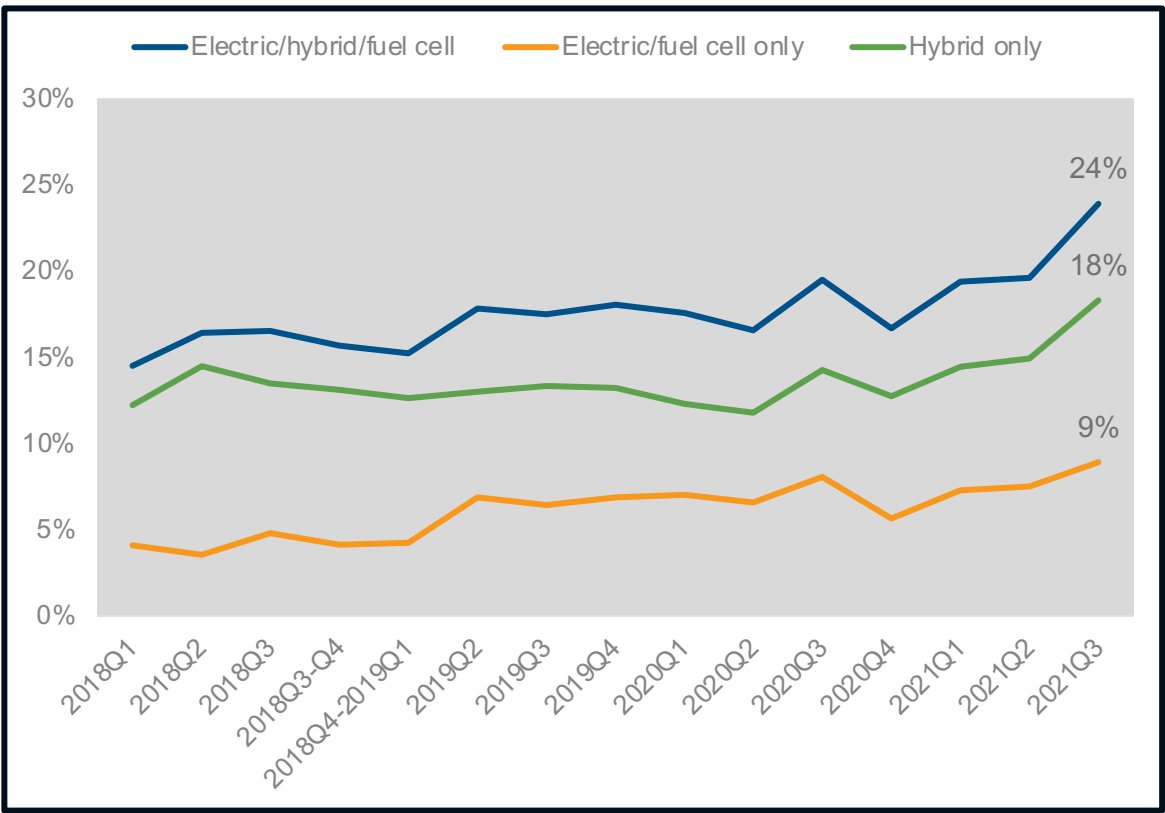
For the first time, nearly 1 in 4 in-market New shoppers considered an electrified vehicle in the third quarter. Tesla Model 3, Model Y and Model S were again the only Luxury vehicles in the Top 10 electrified list. Luxury EV consideration likely will accelerate as new and redesigned entrants hit showrooms, like Audi Q4, BMW i4, Rivian R1S and more.

## QUARTERLY TOP CONSIDERED ELECTRIFIED MODELS

\* New to Top 10



## Overall Quarterly Consideration Trend

























(\*new models vs. Q2 2021)

# TOP 10 CONSIDERED MODELS: LUXURY SHOPPERS

Luxury SUVs dominated the Top 10 list, while Luxury cars occupied only 3 spots, driven by the steep decline for Luxury Car Consideration. Lexus RX and Acura MDX made strong comebacks, the former reclaimed the top spot and the latter jumped 6 rankings to reach No. 2

## TOP 10 MODELS

\* New to Top 10

#1	#2	#3	#4	#4	
  <b>RX</b> Luxury Midsize SUV	  <b>MDX</b> Luxury Midsize SUV	  <b>MODEL 3</b> Entry Luxury H/P/E Car	  <b>Enclave</b> Luxury Midsize SUV	  <b>MODEL Y</b> Luxury Compact H/P/E SUV	
#6	#7	#8	#8	#10	#10
  <b>Model S*</b> Executive Luxury H/P/E Car	  <b>XT5*</b> Luxury Compact SUV	  <b>X3</b> Luxury Compact SUV	  <b>E-Class*</b> Executive Luxury Car	  <b>RDX*</b> Luxury Compact SUV	  <b>Encore</b> Luxury Subcompact SUV

## TOP 10 IN Q3-21

### New Entrants in Top 10





































- A good mix of Domestic and Import new Car and SUV entrants joined the Top 10 including Tesla Model S, Cadillac XT5, Mercedes-Benz E-Class and Acura RDX.

(\*new models vs. Q2 2021)



# FACTORS DRIVING LUXURY CONSIDERATION

Durability/Reliability, Driving Comfort and Technology have increased in importance to luxury shoppers. Affordability and Reputation have become less essential to luxury shoppers over time. Reputation may have declined as shoppers scrambled to find available inventory, regardless of brand reputation.

RANK		FACTOR	IMPORTANCE	TOP RANKED BRAND	#2	#3
Q3-16	Q3-21					
1	1	Durability/Reliability	80% ▲			
2	2	Safety	71%			
3	3	Driving Comfort	70% ▲			
4	4	Driving Performance	62%			
5	5	Reputation	48% ▼			
7	6	Interior Layout	48%			
9	7	Technology	47% ▲			
8	8	Exterior Styling	44%			
6	9	Affordability	41% ▼			
10	10	Fuel Efficiency	40%			
11	11	Ruggedness	20%			
12	12	Prestige/Sophistication	20%			

▲ ▼ indicate significant % change from Q3-16 vs. Q3-21

## Lexus and Porsche Flourished

- Lexus and Porsche thrived, each holding top spots in three categories.
- Lexus has long had stronghold on Durability/Reliability and Reputation. Its suspension and lack of road noise supported its lead in Driving Comfort (it's been 3 years since Lexus took this honor)
- Porsche's refinement and precision in engineering helped it achieve top spots for Driving Performance, Exterior Styling and Prestige/Sophistication.

## Acura Thrived

- Acura made great strides with rising momentum for the iconic NXS Type S, sporty RDX PMC Edition and the return of the fun-to-drive Integra, which likely helped Acura achieve four No. 2. spots and two No. 3 spots in Q3, four of which were among the top 5 important factors.

## Tesla Maintained Its Position

- Tesla has been the top brand for Technology and Fuel Efficiency for 4+ years with its autonomous features, superior range and advanced battery technology.

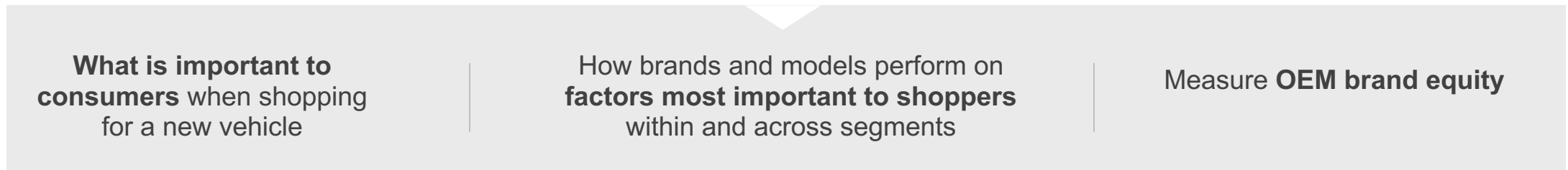
# WHAT IS BRAND WATCH™ ?

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

**For all sales or client success inquiries, please contact:**

Sales Analytics Consulting

[kbb.SA-OEMConsulting@coxautoinc.com](mailto:kbb.SA-OEMConsulting@coxautoinc.com)

**For all other inquiries, please contact:**

[Vanessa.Ton@coxautoinc.com](mailto:Vanessa.Ton@coxautoinc.com)

