

# BRAND WATCH

## LUXURY SEGMENT TOPLINE REPORT

4<sup>th</sup> Quarter 2021



# BRAND WATCH Q4 2021 KEY TAKEAWAYS



## Lexus Beat BMW as Most Considered Luxury Brand

Consideration for Lexus surpassed BMW for the first time in 7 years.



## Luxury SUV Consideration Reached New Heights

Tesla Model Y, BMW X5 and Acura RDX experienced significant growth in consideration.



**Tesla Reached No. 3 for the First Time**  
Model 3 and Model Y rebounded, lifting Tesla consideration by 3 percentage points – biggest gain in the luxury market.



# BRAND WATCH: LUXURY CONSIDERATION

After a 3-year run as the most considered luxury brand, BMW was edged out by Lexus for the No. 1 spot. In Q2 2018, German rival Audi bested BMW for the top spot. For the first time, Tesla climbed to the No. 3 spot after a whopping 3-percentage point gain.

## Lexus Dethroned BMW

- Lexus ranked No. 1 for the first time in 7 years, grabbing the spot from BMW but by less than a tenth of a percent.
- Despite the chip shortage, Lexus was one of the few brands that effectively managed its production and distribution to meet market demand.
- The RX lost some traction.

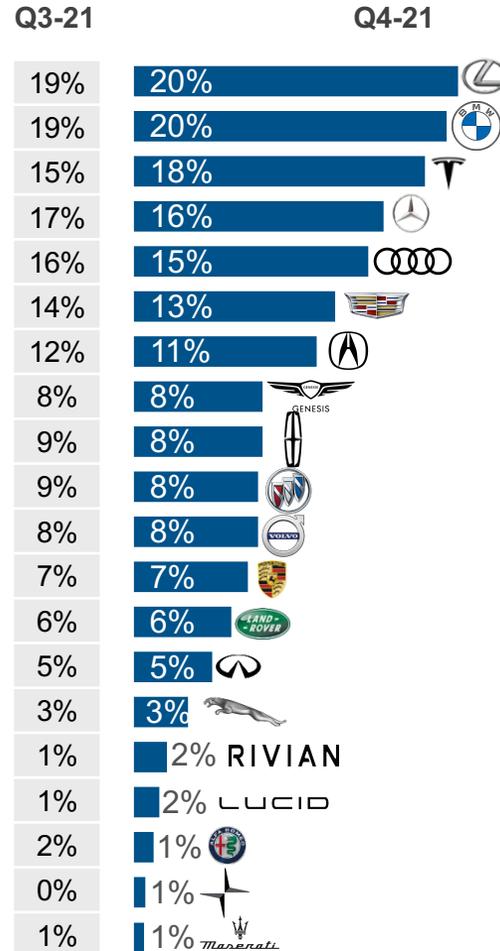
## BMW Closely Behind Lexus

- The X5 and 3 Series returned to the Top 10.
- BMW's aggressive product launch schedule could put it back on top. The X1, i4, iX and 7 Series will challenge the Lexus line-up.

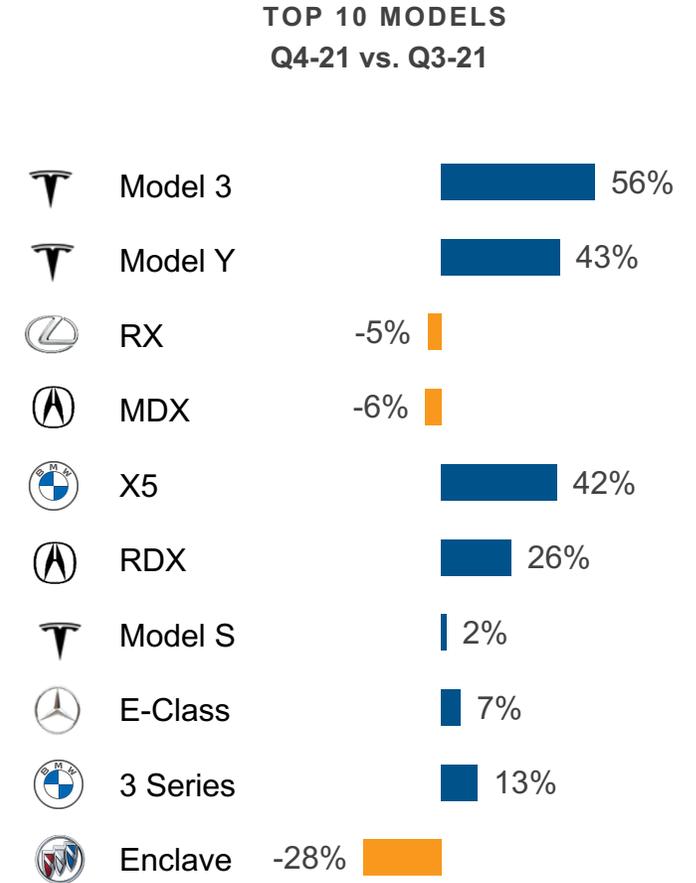
## Tesla Saw the Biggest Gain

- The Model 3 and Model Y rebounded, occupying the No. 1 and 2 spots. A month-to-month subscription for a Tesla Model 3 is making it accessible to more buyers.

## QUARTERLY BRAND CONSIDERATION



## QUARTERLY CONSIDERATION GROWTH



# A CLOSER LOOK: LUXURY SEGMENT CONSIDERATION

Luxury SUV consideration reached a record high in Q4, while consideration for Luxury Cars remained at an all-time low of 49%. The approaching winter in Q4 likely influenced shoppers' preference for the capabilities of SUVs.

## QUARTERLY SEGMENT CONSIDERATION

**70%**   
**LUXURY SUVs**

Last Qtr.	Last Year
69%	69%

### TOP 5 LUXURY SUVs

- #1  Model Y
- #2  RX
- #3  MDX
- #3  X5
- #5  RDX

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

Last Qtr.	Last Year
49%	51%

### TOP 5 LUXURY CARS

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

### Luxury SUVs Reached Peak Level

- Tesla Model Y took the No. 1 spot for the first time, dethroning Lexus RX's 2-year run at the top. It's the only domestic SUV in the Top 5.
- BMW X5 returned to the Top 5.
- Acura RDX joined the Top 5 list.
- Buick Enclave and Cadillac XT5 lost steam and dropped off the Top 5 list.

### Luxury Cars Bottomed Out

- Despite higher than industry level inventory, Luxury Cars took a back seat to ever-popular SUVs.
- Tesla Model 3 held the No. 1 spot for the 4<sup>th</sup> consecutive quarter, which was in line with the lift in EV consideration.
- Mercedes-Benz E-Class and Tesla Model S swapped spots. The all-new Mercedes C-Class and the re-emergence of the Acura Integra may breathe life into the Luxury Car segment.

▲ ▼ indicate significant % change Q/Q

Last Qtr. = Q3-21, Last Year = Q4-20

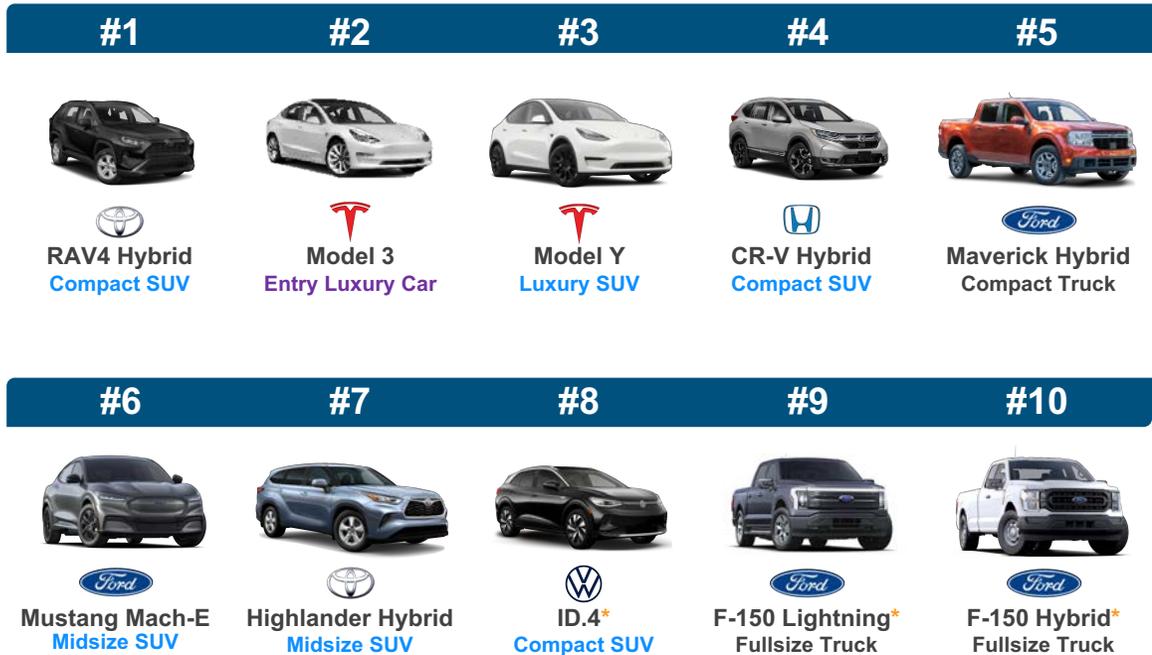
Interpretation Example: 70% of luxury shoppers consider luxury SUVs

# TOP 10 CONSIDERED ELECTRIFIED MODELS & OVERALL CONSIDERATION

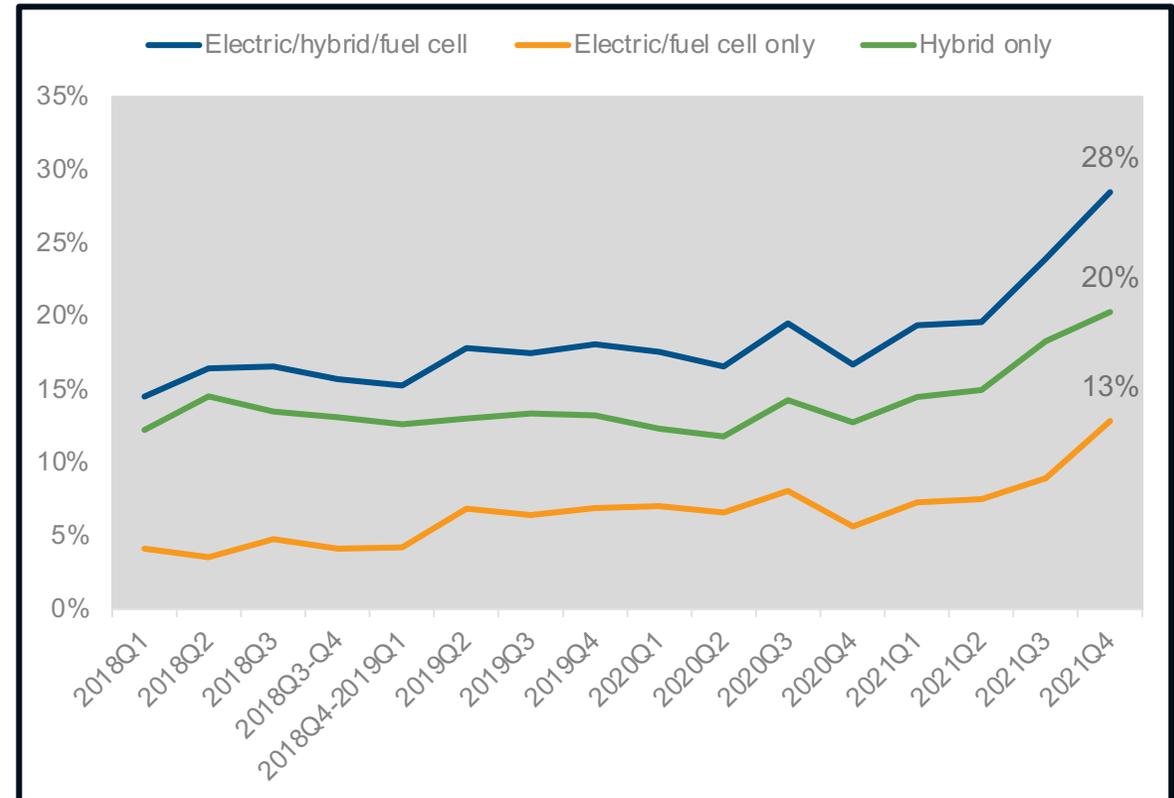
Consideration of electrified vehicles grew rapidly, reaching an all-time high in Q4 2021. Tesla Model 3 and Model Y were the only luxury brands in the Top 10. The Volkswagen ID.4, Ford F-150 Lightning and F-150 Hybrid secured spots on the Top 10 list for the first time. EV consideration will continue to accelerate as new and redesigned entrants hit showrooms, like BMW iX and i4, Mercedes-Benz EQB and EQE, Cadillac Lyriq and more.

## QUARTERLY TOP CONSIDERED ELECTRIFIED MODELS

\* New to Top 10



## Overall Quarterly Consideration Trend



(\*new models vs. Q3 2021)

# TOP 10 CONSIDERED MODELS: LUXURY SHOPPERS

The majority of the most considered luxury models were SUVs. Tesla had the most models. Acura and BMW each had 2 models.

## TOP 10 MODELS

\* New to Top 10

#1	#2	#3	#4	#5
 <b>MODEL 3</b> Entry Luxury H/P/E Car	 <b>MODEL Y</b> Luxury Compact H/P/E SUV	 <b>RX</b> Luxury Midsize SUV	 <b>MDX</b> Luxury Midsize SUV	 <b>X5*</b> Luxury Midsize SUV
#6	#7	#7	#9	#10
 <b>RDX</b> Luxury Compact SUV	 <b>Model S</b> Executive Luxury H/P/E Car	 <b>E-Class</b> Executive Luxury Car	 <b>3 Series*</b> Entry Luxury Car	 <b>Enclave</b> Luxury Midsize SUV

## TOP 10 IN Q4-21

- BMW Made a Comeback**
- The X5 and 3 Series both rejoined the Top 10 list in Q4. However, the X3 dropped off.

(\*new models vs. Q3 2021)

# FACTORS DRIVING LUXURY CONSIDERATION

Affordability has become less important to luxury shoppers over time, while most other factors have gained in importance.

RANK	RANK		FACTOR	IMPORTANCE	TOP RANKED BRAND	#2	#3
	Q4-16	Q4-21					
1	1	1	Durability/Reliability	80%			
2	2	2	Safety	73%▲			
3	3	3	Driving Comfort	69%▲			
4	4	4	Driving Performance	63%▲			
7	5	5	Interior Layout	50%▲			
6	6	6	Reputation	48%			
9	7	7	Technology	47%▲			
8	8	8	Exterior Styling	44%▲			
5	9	9	Affordability	43%▼			
10	10	10	Fuel Efficiency	42%▲			
11	11	11	Ruggedness	21%			
12	12	12	Prestige/Sophistication	18%			

## Acura Overtook Lexus for Top Honors in Durability/Reliability

- After 7+ years, Lexus ranked second for Durability/Reliability. Acura took the lead.
- Acura was No. 2 for Reputation, which is correlated to Durability/Reliability, Affordability and Ruggedness, influenced by the sportiness of vehicles like the RDX PMC Edition.

## Genesis Thrived

- Genesis ranked No. 1 for Interior Layout for the first time and maintained the No. 1 spot in Affordability.
- It was No. 2 for Exterior Styling and No. 3 for Durability/Reliability, Driving Comfort and Technology.
- Genesis GV70 won the 2022 Motor Trend SUV of the Year. IIHS declared Genesis a 2021 Top Safety Pick.

▲ ▼ indicate significant % change from Q4-16 vs. Q4-21

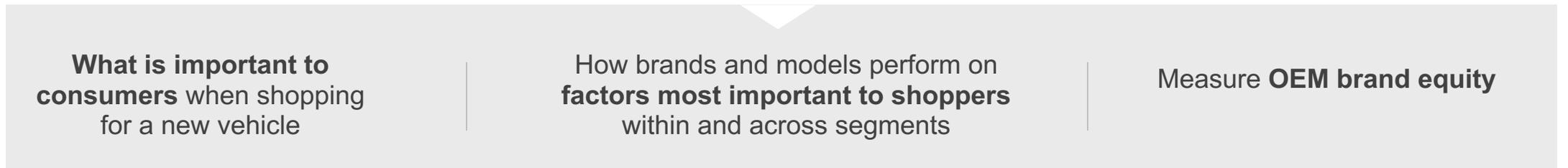
# WHAT IS BRAND WATCH™ ?

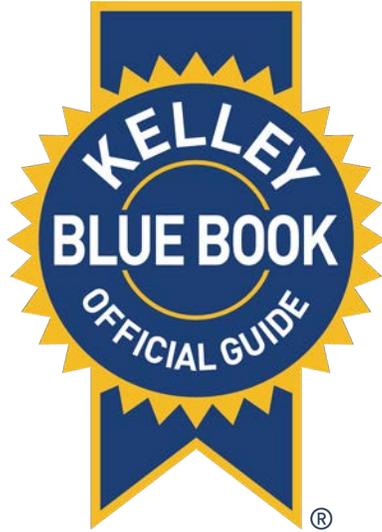
Brand Watch, a **shopper perception study**, reveals trends in **vehicle consideration** among new car consumers and **factors that influence purchase decisions**.



## 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)

