



BRAND WATCH

LUXURY SEGMENT TOPLINE REPORT

1st Quarter 2022



2022 BRAND WATCH METHODOLOGY EVOLUTION

The Inclusion of Mobile and Desktop Users

Cox Automotive strives to improve the fundamentals behind our KBB Brand Watch Study. Established in 2007, the study has evolved over the years to reflect changes in the market. Our most recent change helps better reflect the growing reliance of shoppers on their mobile devices. In keeping up with this evolution, **as of January 1, 2022, Cox Automotive started surveying both mobile and desktop users** for the Brand Watch Study.

The Impact

The new sampling of both mobile and desktop users will provide a better response rate and a more diverse group of respondents.

BRAND WATCH Q1 2022 KEY TAKEAWAYS



BMW Crowned Best in Driving Performance for the First Time

BMW ranked No. 1 for Driving Performance, edging out Porsche and Tesla for the first time.



Cadillac Escalade Soared

Cadillac's flagship Escalade sparked high purchase intentions, elevating the brand to the No. 2 spot in Consideration.



Mercedes-Benz Took the Most Top Honors

Mercedes topped the leaderboard in Driving Comfort, Interior Layout, and Prestige/Sophistication.



Mercedes-Benz

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BRAND WATCH: LUXURY CONSIDERATION

BMW regained the No 1. spot in Q1. Lexus tumbled 3 percentage points due to the slowdown in consideration for the RX, ES and ES Hybrid. Buick rose 3 percentage points, supported by the growth of the refreshed Enclave and Encore. Infiniti soared by 3 percentage points, helped by the lift in Q50 consideration and the momentum of the all-new QX55.

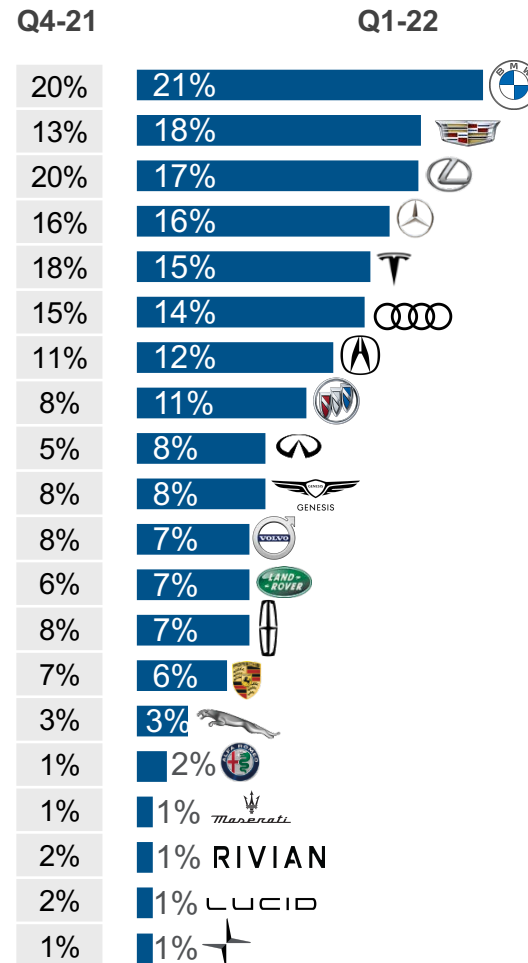
BMW Reclaimed Top Spot

- After marginally losing out to Lexus in Q4 2021, BMW made its way back to the No. 1 spot, driven by the lift in consideration for the 5 Series and 3 Series. BMW offered special APR financing on both models.

Cadillac Accelerated to No. 2

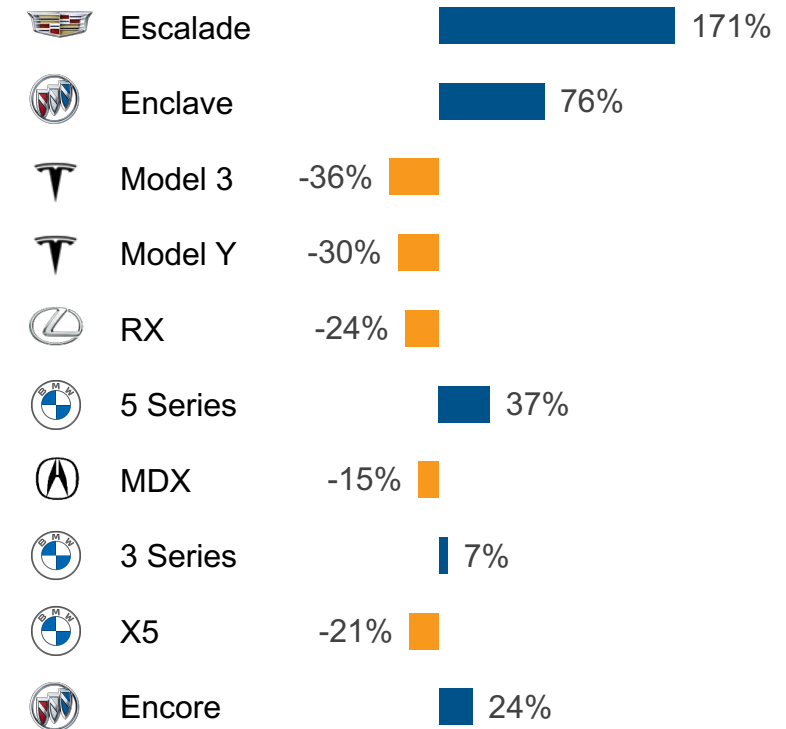
- Cadillac purchase intentions soared by 5 percentage points, making it the biggest gainer in Q1. The flagship Escalade's significant growth along with increases in purchase intentions for the XT5 and CT5 catapulted Cadillac into the No. 2 spot.
- Buzz from the all-new electric Lyriq likely generated interest in Cadillac.

QUARTERLY BRAND CONSIDERATION



QUARTERLY CONSIDERATION GROWTH

TOP 10 MODELS Q1-22 vs. Q4-21



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A CLOSER LOOK: LUXURY SEGMENT CONSIDERATION

There was a 2-point upswing in Luxury Car consideration, which may be swayed by rising fuel prices in Q1. Tesla and BMW continued to dominate the Car segment, while the entry luxury sedan Cadillac CT5 was a new contender to the Top 5 list.

QUARTERLY SEGMENT CONSIDERATION

68% 

LUXURY SUVs

Last Qtr.	Last Year
70%	66% ▼

TOP 5 LUXURY SUVs






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

51% 

LUXURY CARS

Last Qtr.	Last Year
49%	54% ▲

TOP 5 LUXURY CARS

- #1  Model 3
- #2  5 Series
- #3  3 Series
- #4  Model S
- #5  CT5

Luxury SUVs Softened

- Luxury SUV consideration rolled back by 2 percentage points, though it was higher than a year ago.
- Cadillac Escalade claimed the No. 1 spot for the first time. It previously debuted at No. 3 in Q4 2020 when the fifth generation Escalade was newly redesigned.

Luxury Cars on the Rise

- Tesla gigafactories ramped up to meet the demand of Model 3, which led the Luxury Car segment for the last 5 quarters.
- The launches of the all-new Mercedes C-Class and re-emerging Acura Integra will likely breathe life into the Luxury Car segment.

▲ ▼ indicate significant % change Q/Q

Last Qtr. = Q4-21, Last Year = Q1-21

Interpretation Example: 68% of luxury shoppers consider luxury SUVs

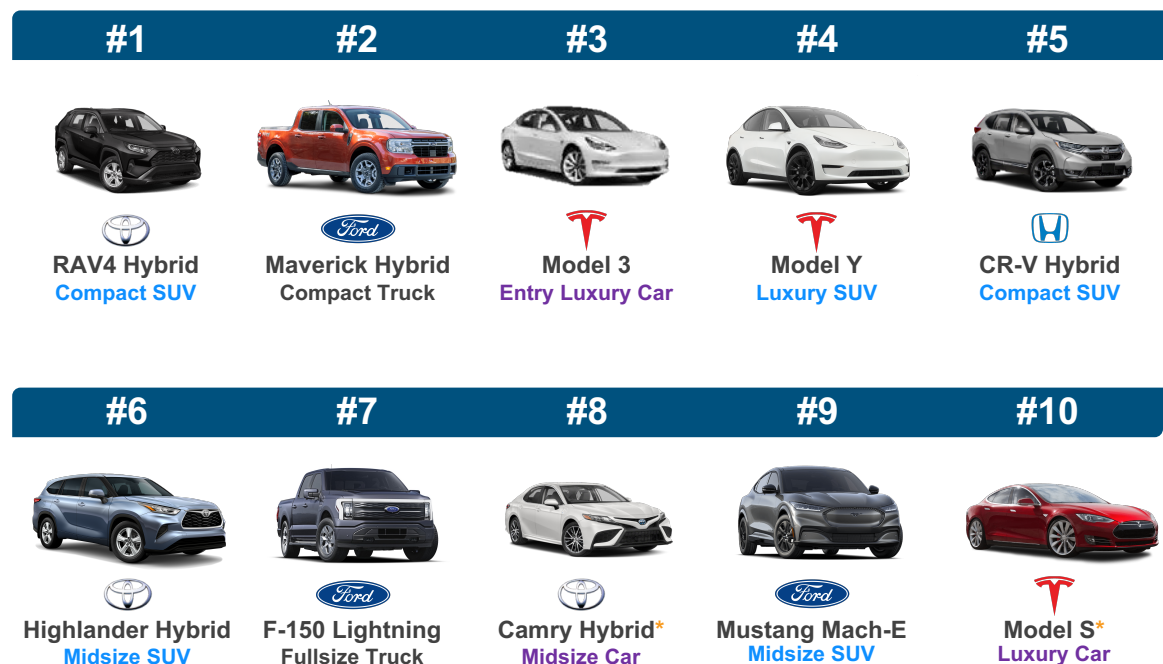
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TOP 10 CONSIDERED ELECTRIFIED MODELS & OVERALL CONSIDERATION

Consideration for electrified models tapered in Q1 with one-in-four shoppers intending a hybrid, fuel cell or BEV. EV consideration will accelerate as new entrants hit showrooms, like Mercedes EQA/EQB/EQE/EQS, Cadillac Lyriq, Lexus RZ 450e and Polestar 3.

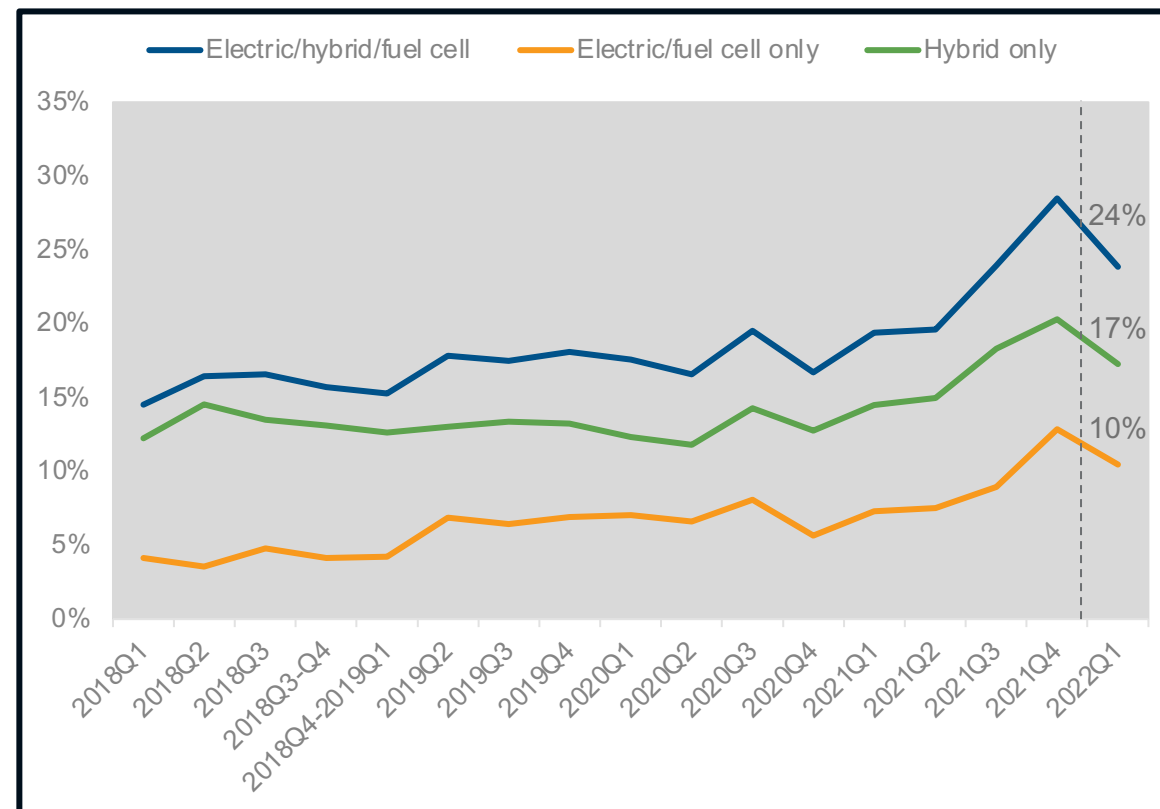
QUARTERLY TOP CONSIDERED ELECTRIFIED MODELS

* New to Top 10



(*new models vs. Q4 2021)

Overall Quarterly Consideration Trend













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TOP 10 CONSIDERED MODELS: LUXURY SHOPPERS

Despite a slowdown in Luxury SUV intentions, plenty of SUVs remain high on the consumer's shopping list. The Top 10 lists consists of 7 SUVs and 3 Cars with Cadillac Escalade, BMW 5 Series and Buick Encore as new entrants.

TOP 10 MODELS

* New to Top 10

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

TOP 10 IN Q1-22

BMW Dominated





































- BMW's robust model line-up dominated the Top 10 with the popular 3 Series, 5 Series and X5.

(*new models vs. Q4 2021)

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FACTORS DRIVING LUXURY CONSIDERATION

Soaring gas prices shifted Luxury shopper's focus. Fuel Efficiency became increasingly important to Luxury intenders, climbing from No. 10 to No. 7. Driving performance was the only top tier factor that has increased in importance over the last 5 years.

RANK		FACTOR	IMPORTANCE	TOP RANKED BRAND	#2	#3
Q1-17	Q1-22					
1	1	Durability/reliability	80%			
2	2	Safety	71%			
3	3	Driving comfort	68%			
4	4	Driving performance	65%▲			
5	5	Affordability	51%			
6	6	Reputation	50%			
10	7	Fuel efficiency	49%▲			
7	8	Interior layout	48%▲			
8	9	Technology	46%▲			
9	10	Exterior styling	45%▲			
11	11	Ruggedness	27%▲			
12	12	Prestige/sophistication	24%▲			

Acura Perceptions Strengthened

- Acura overtook Lexus in Durability/Reliability in Q4 2021 and continued to lead for the second consecutive quarter.
- Acura was second to Lexus for Reputation, likely influenced by IIHS Top Safety Picks for MDX, RDX, and TLX.
- Acura also ranked for Affordability, Fuel Efficiency and Interior Layout.

Mercedes-Benz Took the Most Top Honors

- It has been since Q2 2016 that Mercedes-Benz took the top honors in more than two categories. Advancements made in creature comforts and exquisite design helped Mercedes-Benz secure wins in Driving Comfort, Interior Layout, and Prestige/Sophistication.
- Mercedes-Benz also placed in Safety, Technology, Durability/Reliability, and Exterior Styling.

BMW Crowned No. 1 in Performance for First Time

- BMW ranked No. 1 for Driving Performance, edging out Porsche and Tesla for the first time.

▲▼ indicate significant % change from Q1-17 vs. Q1-22

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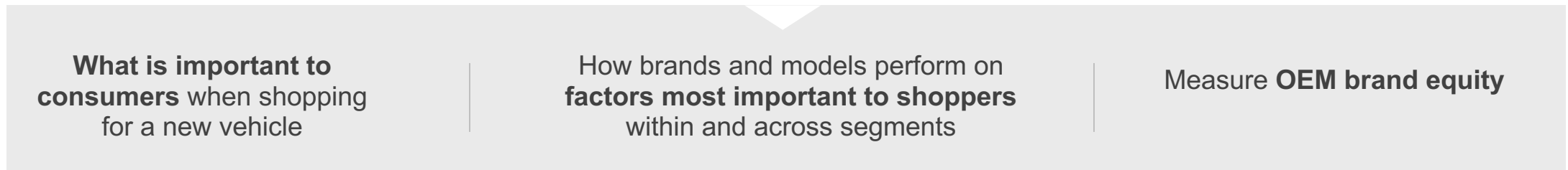
WHAT IS BRAND WATCH™ ?

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



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BRAND WATCH TOPLINE

For all sales or client success inquiries, please contact:

Sales Analytics Consulting

kbb.SA-OEMConsulting@coxautoinc.com

For all other inquiries, please contact:

Vanessa.Ton@coxautoinc.com

