



BRAND WATCH

LUXURY SEGMENT TOPLINE REPORT

2nd Quarter 2022



2022 BRAND WATCH METHODOLOGY EVOLUTION

A row of silver cars is parked in a modern dealership showroom. The cars are viewed from a side-rear perspective, with the focus on the rear of the car in the foreground. The showroom has a high ceiling with recessed lighting and large windows in the background.

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

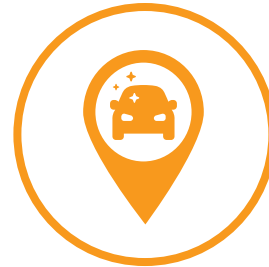
The new sampling of both mobile and desktop users will provide a better response rate and a more diverse group of respondents.

BRAND WATCH Q2 2022 KEY TAKEAWAYS



BMW's Reign Driven by Car Line-Up

BMW was the most considered brand among Luxury shoppers for the second consecutive quarter, fueled by increased consideration for the 3 Series, 4 Series and 7 Series.



Luxury Car Made Comeback

Consideration for Luxury Cars grew by 3 points in Q2, lifted by rising fuel prices.



Porsche Thrived with 5 Top Honors

Porsche took the top honors in 5 categories: Durability/Reliability, Driving Performance, Reputation, Exterior Styling, and Prestige/Sophistication. Porsche is the only non-Japanese brand to top the leaderboard in Durability/Reliability.

Starting in January 2022, both Mobile and Desktop users are included in the BW results. Prior to 2022, results were based on Desktop users only.

BRAND WATCH: LUXURY CONSIDERATION

BMW was the most considered luxury brand for a second consecutive quarter, fueled by the lift in their car line-up as Luxury Car consideration was on the rise in Q2. Cadillac and Audi marginally pulled ahead of Lexus and Tesla, respectively. Mercedes-Benz has lost the most traction in the Luxury Market since Q1.

BMW Held Steady at the Top Spot

- BMW maintained its strength, driven by the uptick in consideration for the 3 Series, 4 Series and 7 Series. X5 lost a little traction, however it remained in the Top 10.
- BMW consideration is expected to ramp up when the all-new X1 and new entrant X8 becomes available in fall 2022.

Cadillac Battled Lexus for Second Place

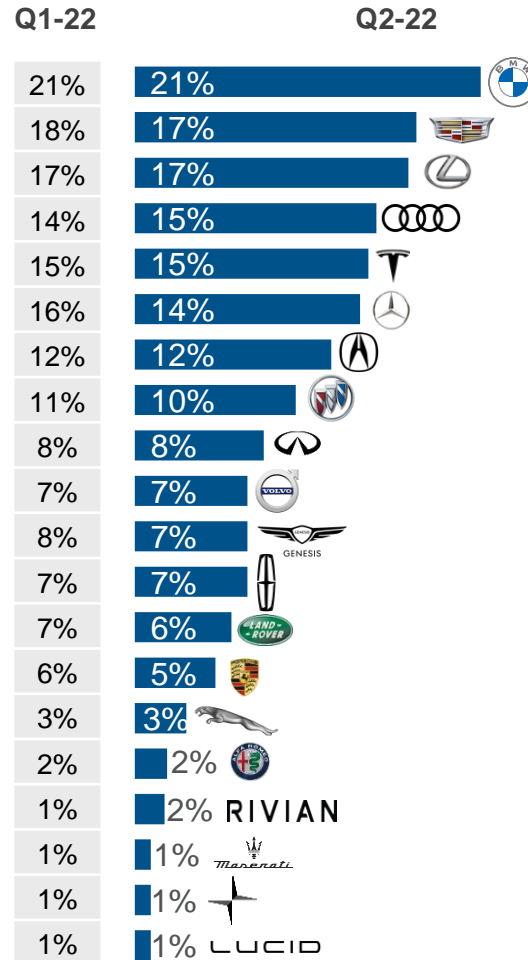
- Cadillac had a marginal lead over Lexus in consideration, helped by its healthy inventory and increase in CT5 purchase intentions.

Rivian's Upswing in Consideration

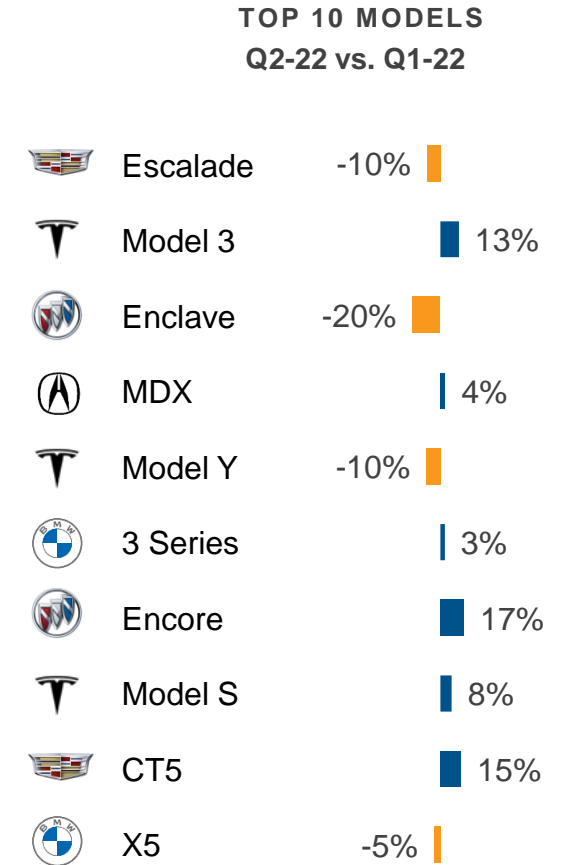
- Despite startup and production challenges, Rivian doubled its consideration since Q1 and was on par with Alfa Romeo in Q2.

Starting in January 2022, both Mobile and Desktop users are included in the BW results. Prior to 2022, results were based on Desktop users only.

QUARTERLY BRAND CONSIDERATION



QUARTERLY CONSIDERATION GROWTH



A CLOSER LOOK: LUXURY SEGMENT CONSIDERATION

Luxury Car consideration advanced by 3 points in Q2, likely due to rising fuel prices and inventory constraints of some brands, notably Lexus. Tesla and BMW remained the leading models on the Top 5 Car list while Cadillac CT5 gained strength in consideration.

QUARTERLY SEGMENT CONSIDERATION

67% 
LUXURY SUVs

Last Qtr.	Last Year
68%	66%






TOP 5 LUXURY SUVs

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

54% 
LUXURY CARS

Last Qtr.	Last Year
51%▼	55%

TOP 5 LUXURY CARS

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

High Demand for Luxury SUVs

- Two-thirds of luxury shoppers considered an SUV. Luxury SUV consideration is expected to accelerate when the all-new, market leader Lexus RX launches. The all-new Mercedes GLC will likely drive Luxury SUV consideration too.
- The aspirational, iconic Cadillac Escalade held on to the No. 1 spot for the second consecutive quarter.

▲ ▼ indicate significant % change Q/Q

Last Qtr. = Q1-22, Last Year = Q2-21

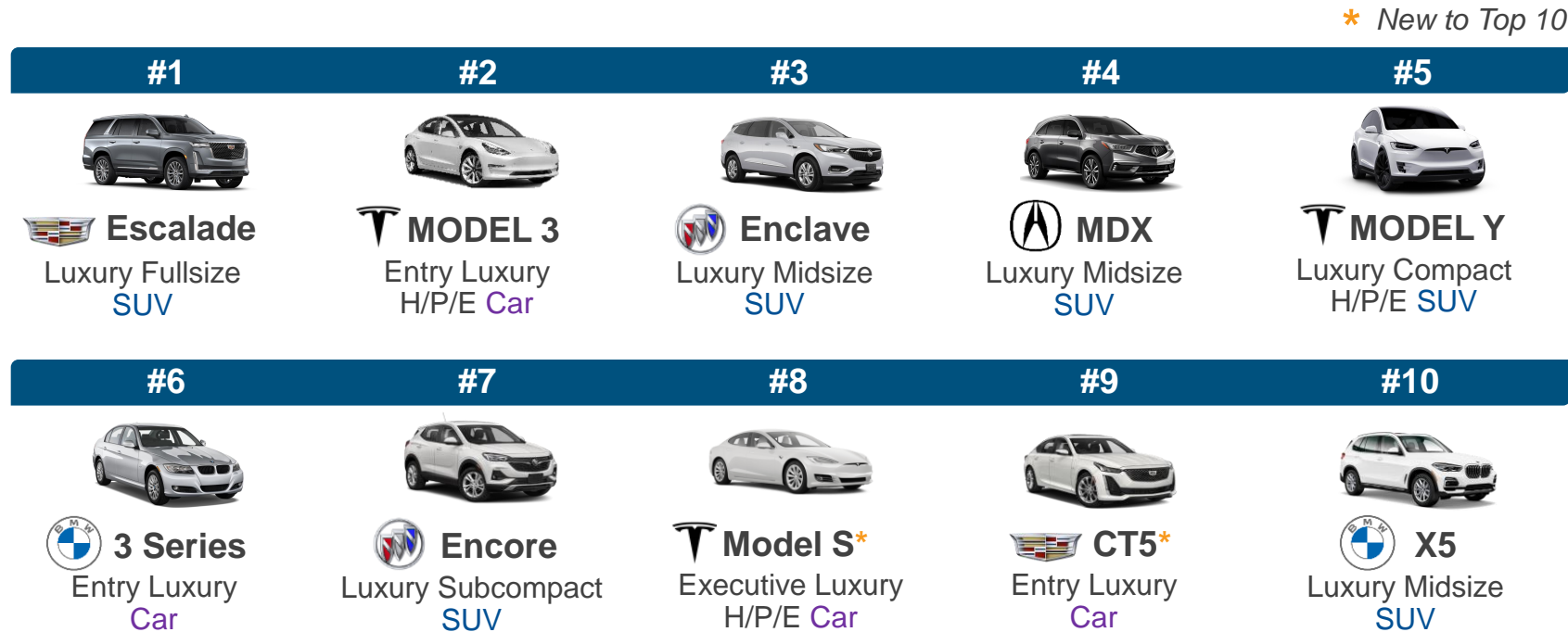
Interpretation Example: 67% of luxury shoppers consider luxury SUVs

Starting in January 2022, both Mobile and Desktop users are included in the BW results. Prior to 2022, results were based on Desktop users only.

TOP 10 CONSIDERED MODELS: LUXURY SHOPPERS

Domestic brands have been replenishing their inventory as the chip shortage challenge seems to have eased for them. Majority of models in the Top 10 were from domestic brands. Tesla Model S was back in the Top 10, and Cadillac CT5 reached the Top 10 for the first time.

TOP 10 MODELS



* New to Top 10

TOP 10 IN Q2-22

SUVs Dominated the Top 10

























- The Cadillac Escalade maintained the No. 1. position for the second quarter in a row.
- The Acura MDX moved up 3 positions to No. 4 in Q2.
- The Buick Enclave and Tesla Model Y remained in the Top 5.

(*new models vs. Q1 2022)

Starting in January 2022, both Mobile and Desktop users are included in the BW results. Prior to 2022, results were based on Desktop users only.

FACTORS DRIVING LUXURY CONSIDERATION

Over the last 5 years, Fuel Efficiency has become increasingly important to Luxury intenders, advancing to No. 6 from No. 10. With average transaction prices reaching record highs in the spring, Affordability increased in importance. There was also a lift in importance for Technology, Reputation and Interior Layout. Exterior Styling became less important to Luxury shoppers.

RANK		FACTOR	IMPORTANCE	TOP RANKED BRAND	#3
Q2-17	Q2-22				
1	1	Durability/reliability	78%▼		
2	2	Safety	71%		
3	3	Driving comfort	68%		
4	4	Driving performance	65%▲		
6	5	Affordability	54%▲		
10	6	Fuel efficiency	54%▲		
5	7	Reputation	50%		
9	8	Technology	48%▲		
7	9	Interior layout	46%		
8	10	Exterior styling	45%		
11	11	Ruggedness	28%▲		
12	12	Prestige/sophistication	24%▲		

Porsche Thrived with 5 Top Honors

- Porsche took the top honors in 5 categories: Durability/Reliability, Driving Performance, Reputation, Exterior Styling and Prestige/Sophistication.
- Porsche ranked No. 1 for Durability/Reliability. This was the first time a non-Japanese brand led the category.
- These accolades may be due to improvements in mileage range and faster charging capabilities for the 2023 Porsche Taycan. The 911 Turbo S has received glowing buzz for its world-class performance and classic, striking design.

Mercedes-Benz Claimed Top Ranking For Safety

- Mercedes-Benz outperformed Volvo for Safety for the first time since Q3 2014.

Rivian Recognized for Fuel Efficiency, Ruggedness

- Rivian was credited for its EV technology with the No. 2 rank for Fuel Efficiency. Rivian's tough capabilities and design influenced its No. 2 rank in Ruggedness.

▲ ▼ indicate significant % change from Q2-17 vs. Q2-22

Starting in January 2022, both Mobile and Desktop users are included in the BW results. Prior to 2022, results were based on Desktop users only.

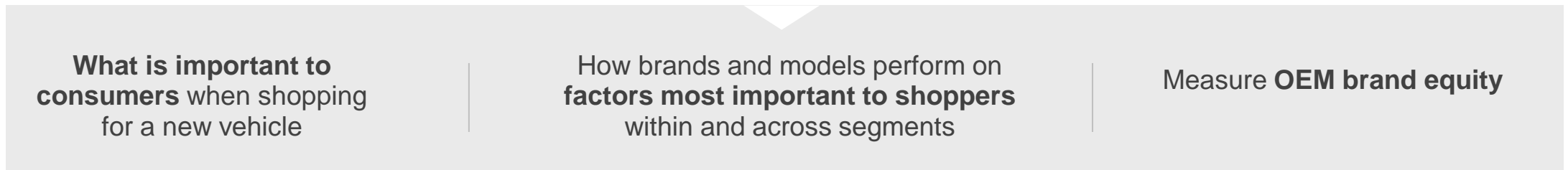
WHAT IS BRAND WATCH™ ?

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



Starting in January 2022, both Mobile and Desktop users are included in the BW results. Prior to 2022, results were based on Desktop users only.



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

