

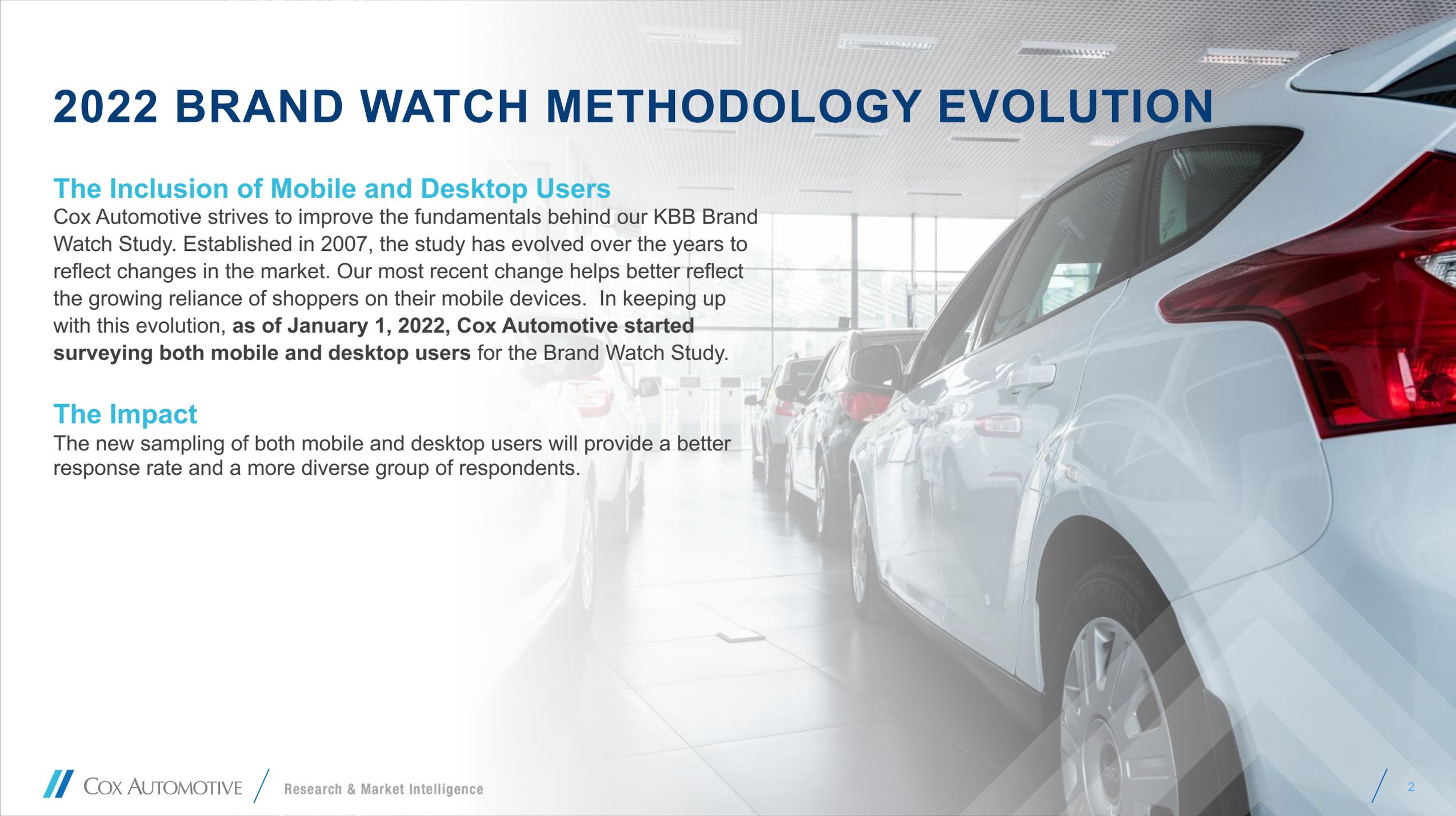
BRAND WATCH

LUXURY SEGMENT TOPLINE REPORT

3rd 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 Q3 2022 KEY TAKEAWAYS



Tesla Consideration Plummeted

Tesla consideration nosedived in Q3. It was the only brand with a 3-percentage-point loss from Q2.



Luxury Car Consideration Grows

More than half of luxury shoppers considered a car, up 4 percentage points from Q3 2021.



Mercedes-Benz Celebrates 5 Wins

Mercedes-Benz ranked No. 1 in 5 categories: Safety, Driving Comfort, Reputation, Interior Layout and Prestige/Sophistication. Mercedes-Benz was last crowned No. 1 in Reputation in Q4 2014.

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, Buick and Genesis were the only gainers in Q3 among the luxury brands. BMW's increase was driven by the lift in the 3 Series and 5 Series. Buick rose on the Enclave. Genesis ascended thanks to the G70.

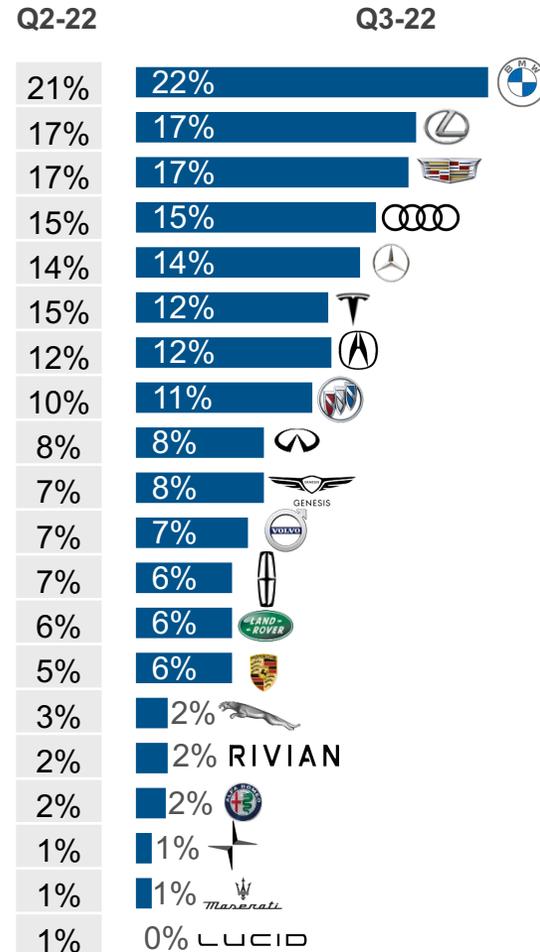
Tesla Plummeted

- Tesla consideration nosedived in Q3. It was the only brand with a 3-percentage-point loss from Q2. Weakening demand is likely due to intensifying competition and price hikes.
- The Model 3 softened. The Model Y and Model S dropped off the Top 10 list.
- Tesla needs fresh new products, perhaps by delivering on the promise of the Cybertruck and the Roadster.

All-New RX Helped Lexus Rebound

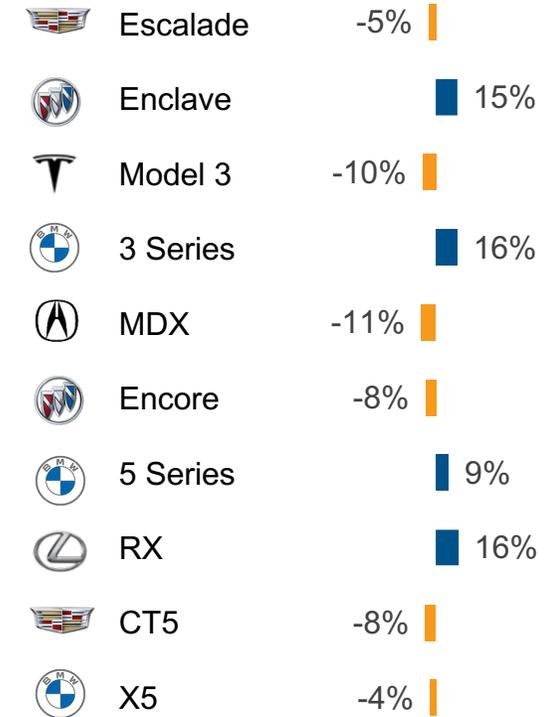
- In the last 3 quarters, Lexus and Cadillac have battled for second place. Lexus marginally beat Cadillac and landed in the No. 2 spot, a position it last held in Q3 2021.
- Consideration for the all-new RX ramped up while it softened for the Escalade and CT5, helping Lexus edge out Cadillac.

QUARTERLY BRAND CONSIDERATION



QUARTERLY CONSIDERATION GROWTH

TOP 10 MODELS Q3-22 vs. Q2-22



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A CLOSER LOOK: LUXURY SEGMENT CONSIDERATION

Two-thirds of luxury shoppers considered an SUV. Luxury Car consideration declined by 1 percentage point since Q2, however, it's up considerably since Q3 2021.

QUARTERLY SEGMENT CONSIDERATION

67% 
LUXURY SUVs

Last Qtr.	Last Year
67%	69%

TOP 5 LUXURY SUVs

- #1  Escalade
- #2  Enclave
- #3  MDX
- #4  Encore
- #5  RX

53% 
LUXURY CARS

Last Qtr.	Last Year
54%	49% ▼

TOP 5 LUXURY CARS

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

Luxury SUVs Held Steady

- For the third consecutive quarter, the Cadillac Escalade held onto the No. 1 spot for luxury SUVs.
- For the first time in nearly 2 years, Model Y was absent from the Top 5 list.

Luxury Car Consideration Gained Year-Over-Year

- Inventory challenges and rising gas prices continued to drive Luxury Car consideration.
- The Acura TLX jumped back into the Top 5 list, a first since Q3 2021.

▲ ▼ indicate significant % change Q/Q

Last Qtr. = Q2-22, Last Year = Q3-21

Interpretation Example: 67% of luxury shoppers consider luxury SUVs

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TOP 10 CONSIDERED MODELS: LUXURY SHOPPERS

The Top 10 Most Considered luxury vehicles consist of 6 SUVs and 4 Cars, with the Cadillac Escalade claiming the top spot for the third quarter in a row. BMW 5 Series and Lexus RX rejoined the Top 10. Tesla Model Y and Model S dropped off.

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	 3 Series Entry Luxury Car	 MDX Luxury Midsize SUV
#6	#7	#8	#9	#10
 Encore Luxury Subcompact SUV	 5 Series* Luxury Car	 RX* Luxury Midsize SUV	 CT5 Entry Luxury Car	 X5 Luxury Midsize SUV

TOP 10 IN Q3-22

BMW Dominated Top 10

- BMW garnered the most models in the Top 10 – the ever popular 3 Series, 5 Series and X5.

(*new models vs. Q2 2022)

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FACTORS DRIVING LUXURY CONSIDERATION

Fuel Efficiency has become increasingly important to Luxury intenders over the last 5 years. Luxury shoppers also found Performance, Affordability, Technology, Ruggedness and Prestige/Sophistication to be more important to their purchase decision.

RANK	RANK		FACTOR	IMPORTANCE	TOP RANKED BRAND	#2	#3
	Q3-17	Q3-22					
1	1	1	Durability/reliability	80%			
2	2	2	Safety	73%			
3	3	3	Driving comfort	69%			
4	4	4	Driving performance	66%▲			
5	5	5	Affordability	56%▲			
10	6	6	Fuel efficiency	52%▲		RIVIAN	
6	7	7	Reputation	50%			
7	8	8	Interior layout	47%			
8	9	9	Technology	47%▲			
9	10	10	Exterior styling	45%			
11	11	11	Ruggedness	27%▲			
12	12	12	Prestige/sophistication	23%▲			

Mercedes-Benz Celebrates Victory

- Mercedes-Benz took the top honors in 5 categories: Safety, Driving Comfort, Reputation, Interior Layout and Prestige/Sophistication.
- Mercedes-Benz was ranked No. 1 for Reputation for the first time since Q4 2014.
- Lately, there's been a spotlight on the sophistication and technological advancement of the all-new line-up of the EQE, EQS, and GLC.

Porsche Lost Momentum

- After receiving top honors in 5 categories in Q2, Porsche was challenged in holding them. In Q3, Porsche placed 3rd for Performance, one of its brand pillars.

Cadillac No. 1 in Exterior Styling For First Time

- Cadillac edged out Porsche for Exterior Styling, taking top honors in this category for the first time.

▲ ▼ indicate significant % change from Q3-17 vs. Q3-22

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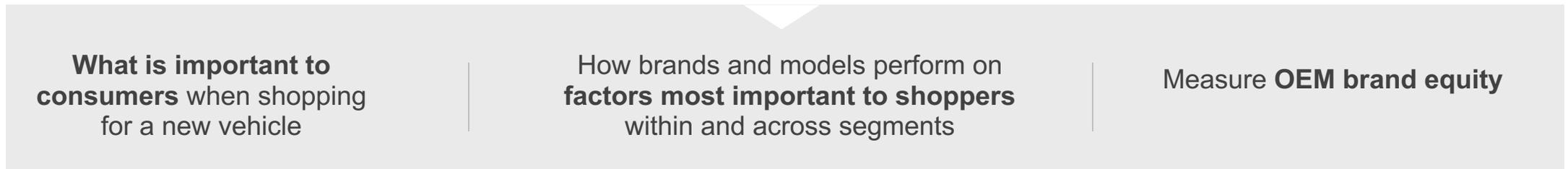
WHAT IS BRAND WATCH™ ?

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

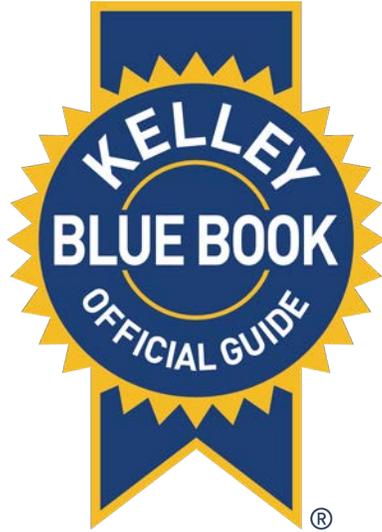


WHAT CAN BRAND WATCH™ DO?

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



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BRAND WATCH TOPLINE

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