



# BRAND WATCH

## LUXURY SEGMENT TOPLINE REPORT

4<sup>th</sup> Quarter 2022



# 2022 BRAND WATCH METHODOLOGY EVOLUTION

A background image showing a row of silver cars parked in a modern dealership showroom with large windows and a tiled floor.

## 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

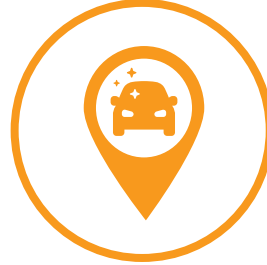
The new sampling of both mobile and desktop users will provide a better response rate and a more diverse group of respondents.

# BRAND WATCH Q4 2022 KEY TAKEAWAYS



## **Tesla Shopping Plunged by 50% in a Year**

Consideration for Tesla declined 3 points for a second consecutive quarter. Consideration for the brand is half what it was (9% in Q4 2022 vs. 18% in Q4 2021).



## **Luxury Car Consideration Cooled**

Luxury Car consideration slipped by 2 points since Q3 but stayed higher than a year ago. About half of the Top 10 most considered luxury vehicle list were cars.



## **Lexus, Porsche Celebrated 4 Wins Each**

Lexus ranked No. 1 in Durability/Reliability, Safety, Driving Comfort, and Reputation. Porsche re-claimed the top honors in Performance, Interior Layout, Exterior Styling, and Prestige/Sophistication.

*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 the 4<sup>th</sup> consecutive quarter. BMW X5 and 5 Series consideration rose; flagship 3 Series slowed. Consideration for Genesis and Porsche weakened by 1 point each due to the softening of Genesis GV70 and G70 and Porsche Macan.

## Lexus Flourished with 2-Point Hike

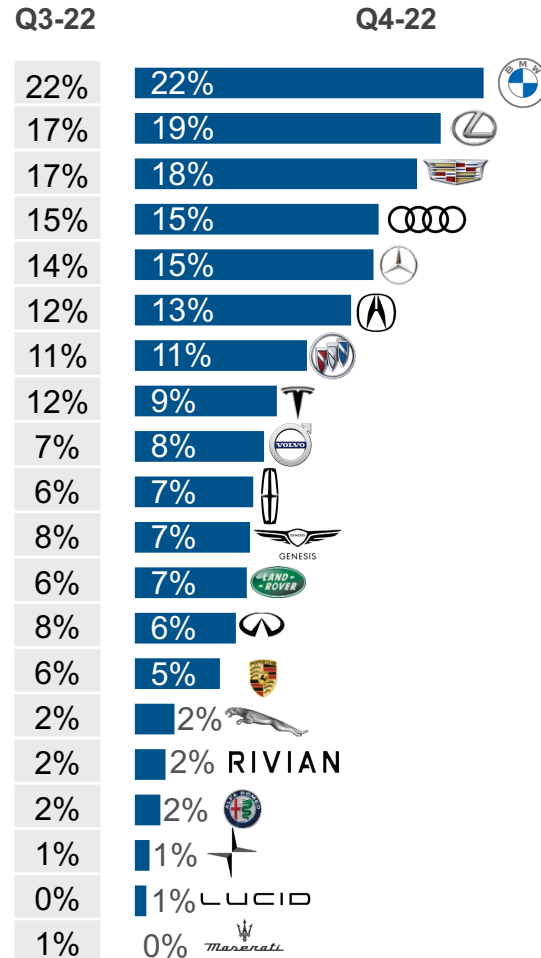
- In Q3, Lexus and Cadillac battled for second place. In Q4, Lexus soared by 2 points, firmly placing No. 2, pushing Cadillac to the third.
- The success of the new RX and RX Hybrid helped narrow the gap with BMW.

## Tesla Consideration Plunged by 50% in a Year

- Tesla consideration plummeted 3 points again, dropping it to No. 8 and yielding the lowest consideration in 4 years.
- Tesla consideration fell by 50% year-over-year (18% in Q4 2021 vs. 9% in Q4 2022).
- Prior to 2022, Tesla was generally in step with overall EV consideration. Starting in 2022, Tesla consideration was in a steeper decline than EV consideration.
- Potential reasons for the decline may be attributed to intensifying competition, lack of new products and negative press surrounding CEO Elon Musk and his Twitter purchase.
- Tesla consideration might rebound next quarter because of vehicle price cuts.

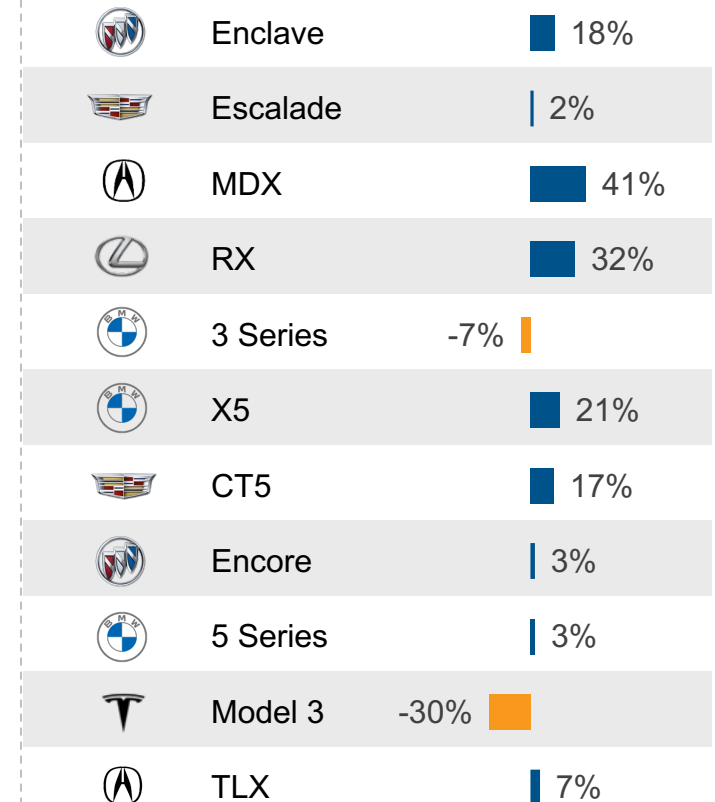
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## QUARTERLY BRAND CONSIDERATION



## QUARTERLY CONSIDERATION GROWTH

TOP 10 MODELS  
Q4-22 vs. Q3-22





# A CLOSER LOOK: LUXURY SEGMENT CONSIDERATION

Luxury SUV consideration jumped by 1 point, supported by growth in Acura MDX, Buick Enclave, Buick Encore, Lexus RX, Lexus RX Hybrid, Cadillac Escalade, and others. Luxury Car consideration declined by 2 points since Q3 but remained higher year-over-year.

## QUARTERLY SEGMENT CONSIDERATION

68% 

### LUXURY SUVs

Last Qtr.	Last Year
67%	70%

#### TOP 5 LUXURY SUVs






- #1  Enclave
- #2  Escalade
- #3  MDX
- #4  RX
- #5  X5

51% 

### LUXURY CARS

Last Qtr.	Last Year
53%	49%

#### TOP 5 LUXURY CARS

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

### Luxury SUVs Gained a Point

- Buick Enclave surpassed Cadillac Escalade for No.1 after being second to Escalade in the last 3 consecutive quarters.
- The roomy, competitively priced Enclave last took the top spot 7 years ago.
- The sporty BMW X5 rejoined the top 5 list, edging out the Buick Encore.

### Luxury Car Consideration Slowed Down

- BMW 3 Series secured No 1. for luxury car consideration after Tesla Model 3 slipped to No. 4.
- The boldly styled Cadillac CT5 moved up to the No. 2, an all-time high for the model.

▲ ▼ indicate significant % change Q/Q

Last Qtr. = Q3-22, Last Year = Q4-21

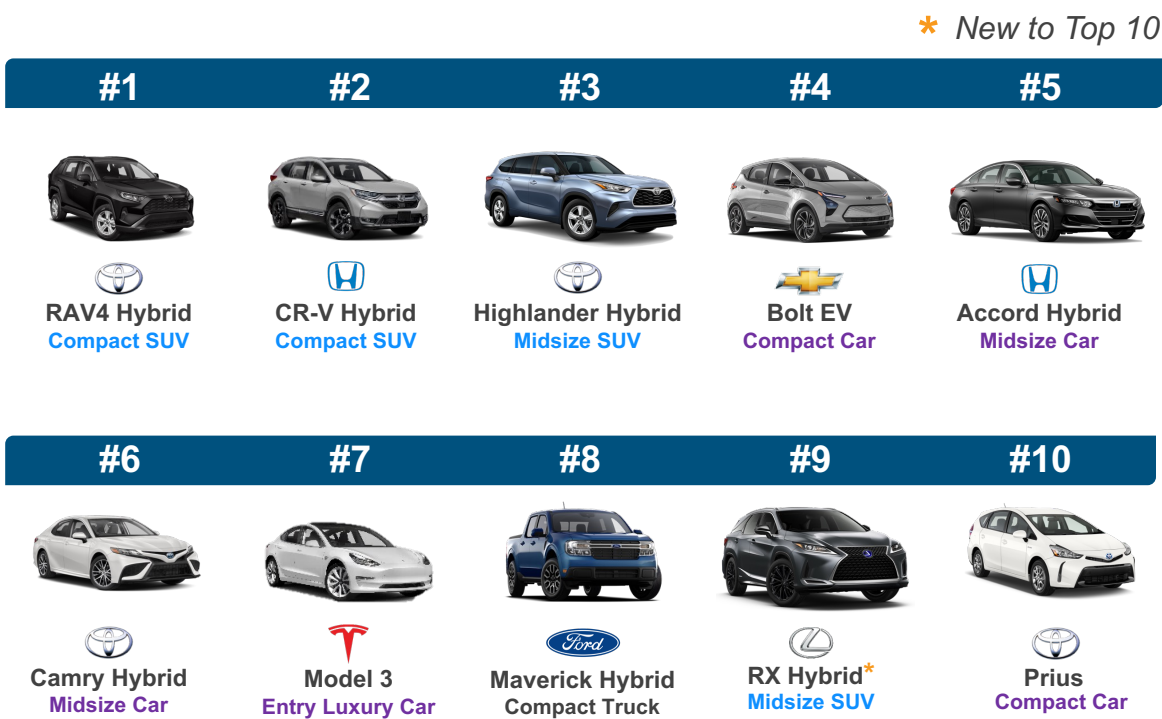
Interpretation Example: 68% of luxury shoppers consider luxury SUVs

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# TOP 10 CONSIDERED ELECTRIFIED MODELS & OVERALL CONSIDERATION

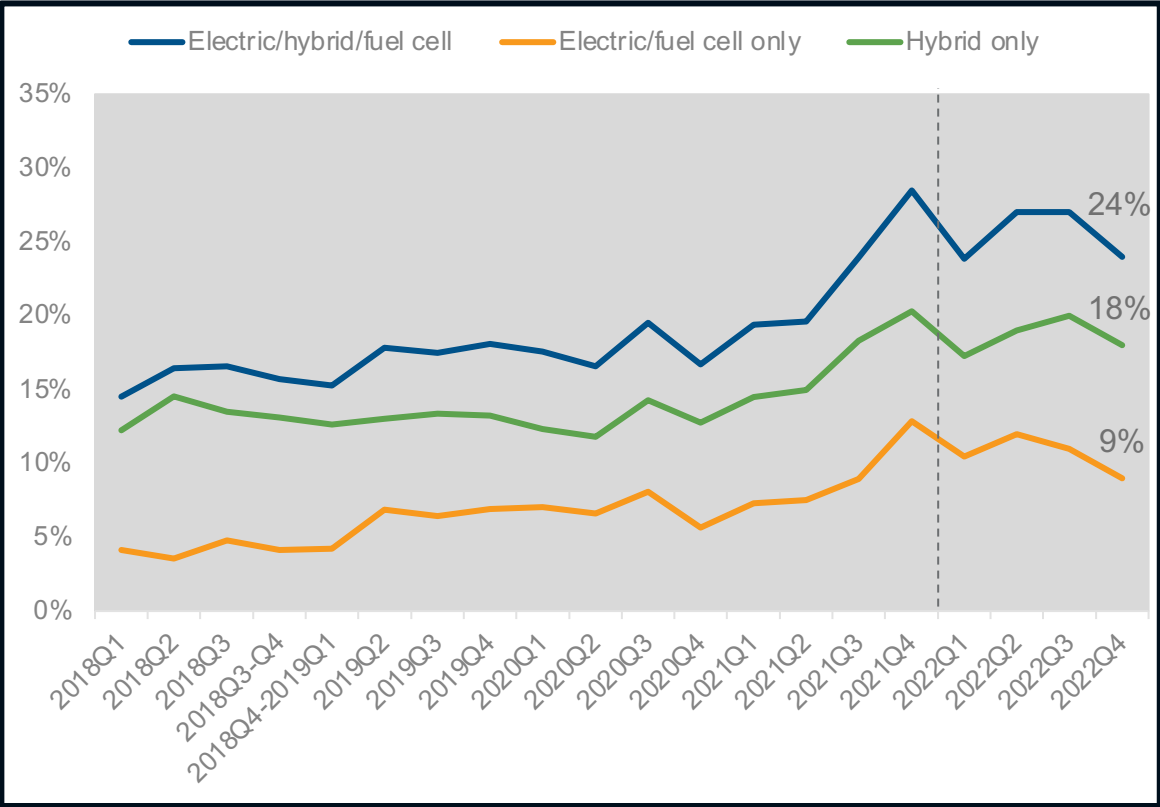
Falling gas prices likely triggered the slip in electrified vehicle consideration. Lexus RX Hybrid joined the Top 10 electrified list. Ford F-150 Lightning dropped off the list as Ford is no longer taking reservations. Tesla Model 3 fell No. 7 from No.3. Chevrolet Bolt moved up 6 spots.

## QUARTERLY TOP CONSIDERED ELECTRIFIED MODELS



(\*new models vs. Q3 2022)

## Overall Quarterly Consideration Trend

























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# TOP 10 CONSIDERED MODELS: LUXURY SHOPPERS

The Top 10 most considered luxury vehicles consisted of 6 SUVs and 5 Cars. Buick Enclave held the top spot, a title it hasn't achieved since 2015. Tesla Model 3 fell to No. 10 from No. 3. Acura TLX, in sell-down with special APR offers, joined the Top 10 list.

## TOP 10 MODELS

\* New to Top 10

#1	#2	#3	#4	#5
  <b>Enclave</b> Luxury Midsize SUV	  <b>Escalade</b> Luxury Fullsize SUV	  <b>MDX</b> Luxury Midsize SUV	  <b>RX</b> Luxury Midsize SUV	  <b>3 Series</b> Entry Luxury Car
#6	#7	#8	#9	#10
  <b>X5</b> Luxury Midsize SUV	  <b>CT5</b> Entry Luxury Car	  <b>Encore</b> Luxury Subcompact SUV	  <b>5 Series</b> Luxury Car	  <b>MODEL 3</b> Entry Luxury H/P/E Car
				  <b>TLX*</b> Entry Luxury Car

### BMW Dominated Top 10





































- BMW continued to have the most models in the Top 10 – 3 Series, X5 and 5 Series. The X5 moved up 4 spots from Q3.

(\*new models vs. Q3 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, Exterior Styling and Prestige/Sophistication to be more important to their purchase decision.

RANK		FACTOR	IMPORTANCE	TOP RANKED BRAND	#2	#3
Q4-17	Q4-22					
1	1	Durability/reliability	79% ▼			
2	2	Safety	71% ▼			
3	3	Driving comfort	69%			
4	4	Driving performance	64% ▲			
6	5	Affordability	53% ▲			
5	6	Reputation	52%			
10	7	Fuel efficiency	51% ▲			
8	8	Technology	48% ▲			
7	9	Interior layout	47%			
9	10	Exterior styling	46% ▲			
11	11	Ruggedness	26%			
12	12	Prestige/sophistication	24% ▲			

## Lexus Took Top Honors in 4 Categories

- Lexus took the top honors in 4 categories: Durability/Reliability, Safety, Driving Comfort, and Reputation.
- The launch of the all-new Lexus RX and RX Hybrid as well as the upcoming release of the RZ450e helped revitalize Lexus brand perceptions.
- Lexus ranked second for Fuel Efficiency and Interior Layout and third for Affordability and Technology.

## Porsche Regained Momentum

- Porsche re-claimed the top honors in 4 categories after falling off in Q3: Performance, Interior Layout, Exterior Styling, and Prestige/Sophistication.
- Excitement has been generating around the thrilling Porsche 963 Kickoff in Daytona in late January 2023.
- Porsche placed second in Reputation, Technology, and Rugged and third for Durability/Reliability, which has generally been dominated by Japanese brands.

▲ ▼ indicate significant % change from Q4-17 vs. Q4-22

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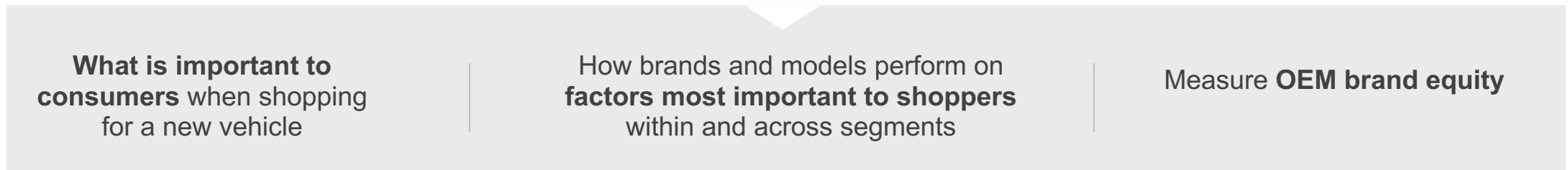
# WHAT IS BRAND WATCH™ ?

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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