



BRAND WATCH

LUXURY SEGMENT TOPLINE REPORT
1st Quarter 2023



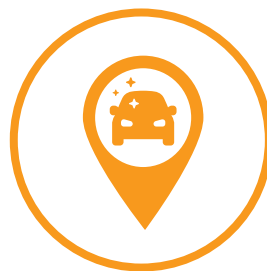
Cox AUTOMOTIVE
Research & Market Intelligence

BRAND WATCH Q1 2023 KEY TAKEAWAYS



Buick Shifted Into High Gear

Consideration for Buick has climbed by 5 points since 2021. Enclave held the top spot for most considered luxury vehicle for the second consecutive quarter. There's been tremendous growth in consideration for Encore and Envision, which made its debut in the Top 10 list for the first time.



Luxury SUVs Reached New Heights, Cars Hit New Low

Luxury SUV consideration increased by 5 points and controlled the Top 10 most considered luxury vehicle list. Car consideration reached an all-time low in Q1, dropping by 6 points.



Cadillac Thrived With 4 Top Honors

Cadillac took the top honors in 4 categories: Driving Comfort, Interior Layout, Exterior Styling, and Prestige/Sophistication (a first). It also placed second for Ruggedness and third for Affordability and Technology.

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

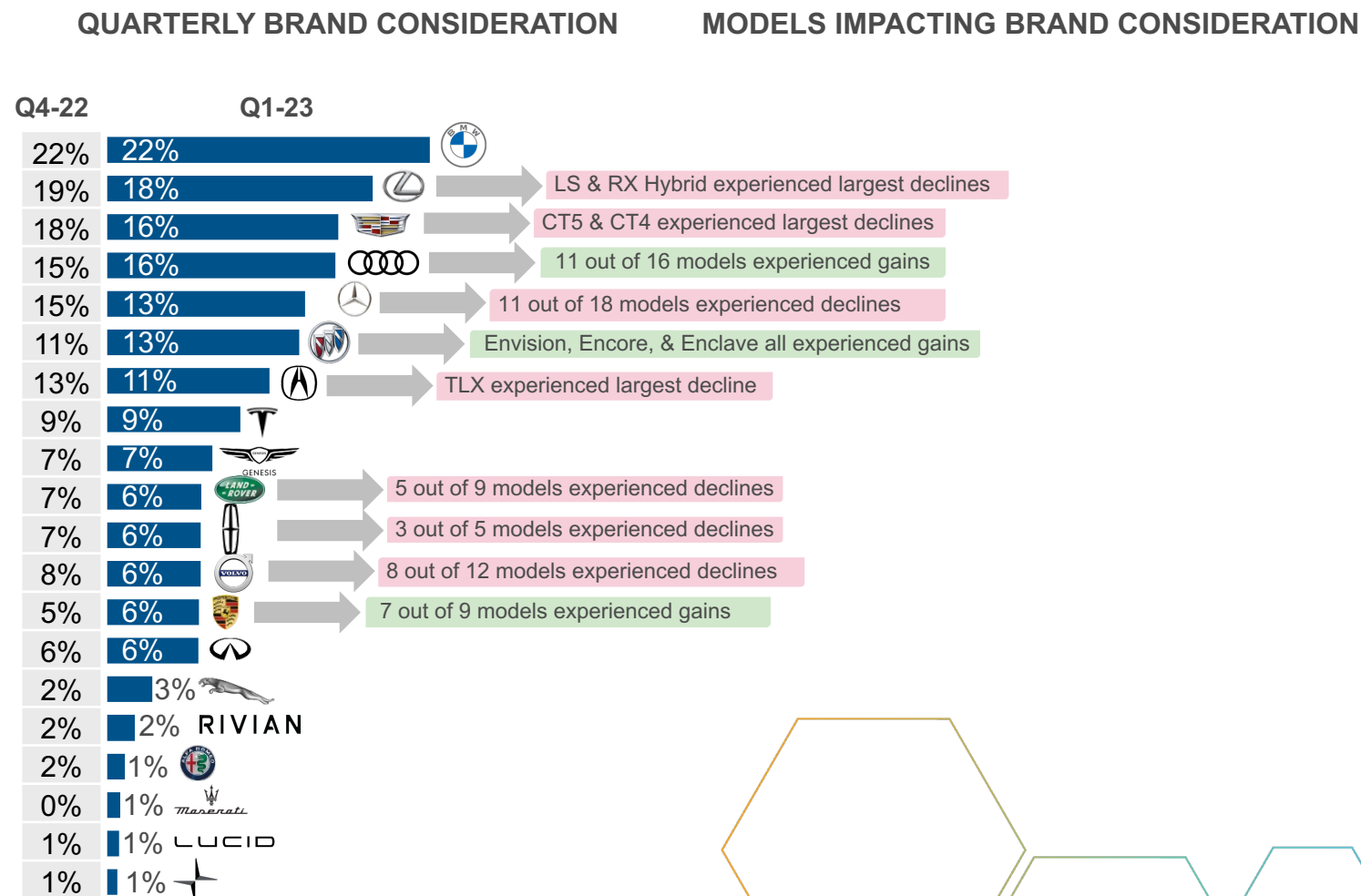
For the 5th consecutive quarter, BMW was the most considered luxury brand. Consideration for Buick improved by 2 points due to growth in Envision, Encore, and Enclave. Cadillac, Mercedes-Benz, Acura, and Volvo consideration weakened by 2 points each.

Buick Has Soared by 60%+ Since 2021

- Buick consideration has accelerated by 5 points since Q4 2021, surpassing Acura for the first time since 2015.
- The Enclave held the top spot for most considered luxury vehicle for the second consecutive quarter.
- The Encore and Envision saw significant growth in purchase intentions.
- There is also media buzz around Buick's new logo and the all-new entrant Envista, which will likely strengthen Buick consideration in Q2 2023.

Slowdown in Acura Consideration

- Acura consideration suffered in Q1 with a 2-point drop driven by the decline in TLX.
- There's opportunity for Acura to rebound with the upcoming releases of the all-new 2024 electric ZDX and ZDX Type S.



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A CLOSER LOOK: LUXURY SEGMENT CONSIDERATION

Luxury SUV consideration spiked in Q1, reaching new heights. Luxury Car consideration declined to its lowest level.

QUARTERLY SEGMENT CONSIDERATION

73% 
LUXURY SUVs

| Last Qtr. | Last Year |
|-----------|-----------|
| 68% ▼ | 68% ▼ |






TOP 5 LUXURY SUVs

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

45% 
LUXURY CARS

| Last Qtr. | Last Year |
|-----------|-----------|
| 51% ▲ | 51% ▲ |

TOP 5 LUXURY CARS

- #1  3 Series
- #2  5 Series
- #3  4 Series
- #4  Model 3
- #4  E-class

Luxury SUVs Peaked, Up 5 Points

- Buick Enclave held on to the No.1 spot for the second consecutive quarter.
- Growth for Buick Encore catapulted it into the Top 5 list, edging out the BMW X5.
- Momentum from the reveal of the Buick Envista, the all-new 2024 Volvo XC90, and the all-new Volvo EX90, and all-new Acura ZDX will likely keep Luxury SUV consideration strong.

Luxury Cars Dramatically Plunged

- Despite softening in BMW 3 Series and 5 Series consideration, they both, along with BMW 4 Series, rounded out the Top 3. This is the first time BMW 4 Series made list.
- The all-new Mercedes-Benz E-Class gained traction and rejoined the Top 5, edging out Cadillac CT5 and Acura TLX. The next generation E-Class touts striking, refreshed design with more technological advances and an optional hybrid trim, that promises more power.

▲ ▼ indicate significant % change Q/Q

Last Qtr. = Q4-22, Last Year = Q1-22

Interpretation Example: 73% of luxury shoppers consider luxury SUVs











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TOP 10 CONSIDERED ELECTRIFIED MODELS & OVERALL CONSIDERATION

Consideration for electrified vehicles has remained consistent since Q4 2022. Tesla's best selling Model Y and Ford Escape Hybrid joined the Top 10 electrified list in Q1. Despite price reductions and EV tax credit support from the Inflation Reduction Act, Tesla Model 3 dropped off the Top 10 list. Ford Maverick Hybrid moved up 4 spots.

QUARTERLY TOP CONSIDERED ELECTRIFIED MODELS

* New to Top 10

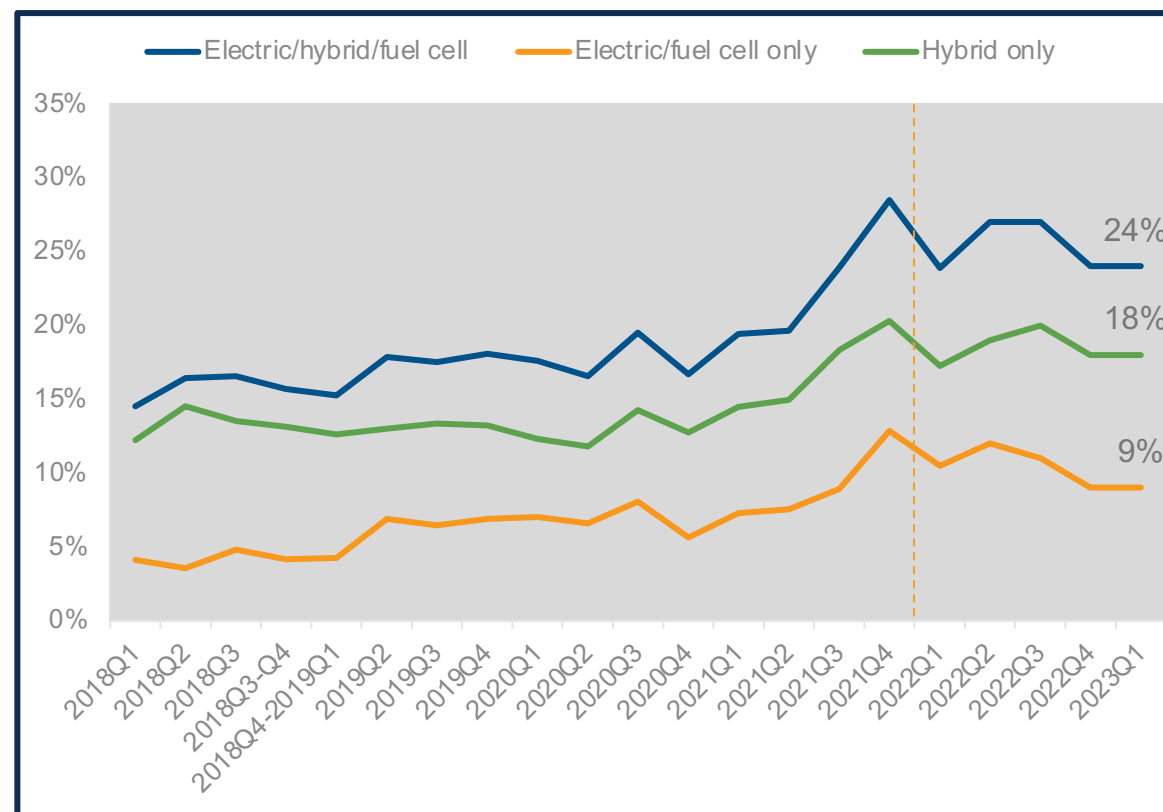
| #1 | #2 | #3 | #4 | #5 |
|--|--|--|---|--|
|  |  |  |  |  |
| RAV4 Hybrid Compact SUV (-19%) | CR-V Hybrid Compact SUV (-15%) | Highlander Hybrid Midsize SUV (-14%) | Maverick Hybrid Compact Truck (+32%) | Accord Hybrid Midsize Car (+1%) |
| #6 | #7 | #8 | #9 | #10 |
|  |  |  |  |  |
| Prius Compact Car (+21%) | Camry Hybrid Midsize Car (-5) | Model Y* Compact SUV (+11%) | Bolt EV Compact Car (-38%) | Escape Hybrid* Compact SUV (+54%) |

*new models vs. Q4 2022
(Quarterly consideration growth: Q1-23 vs. Q4-22)

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Overall Quarterly Consideration Trend








Source: KBB Brand Watch Survey, Q1 2023

TOP 10 CONSIDERED MODELS: LUXURY SHOPPERS

With the boost in Luxury SUV consideration, it's no surprise the Top 10 most considered luxury vehicle list was dominated by 9 SUVs. For the second consecutive quarter, the Buick Enclave held the top spot. Acura MDX and Lexus RX were the only Japanese nameplates.

TOP 10 MODELS

* New to Top 10

| #1 | #2 | #3 | #3 | #5 |
|---|--|---|---|--|
|   Enclave Luxury Midsize SUV (+16%) |   Escalade Luxury Fullsize SUV (+0%) |   MDX Luxury Midsize SUV (-6%) |   RX Luxury Midsize SUV (+9%) |   Encore Luxury Subcompact SUV (+17%) |
| #6 | #7 | #8 | #9 | #10 |
|   3 Series Entry Luxury Car (-4%) |   X5 Luxury Midsize SUV (-1%) |   X3* Luxury Compact SUV (+46%) |   5 Series Luxury Car (-11%) |   Model Y* Luxury Compact H/P/E SUV (+11%) |

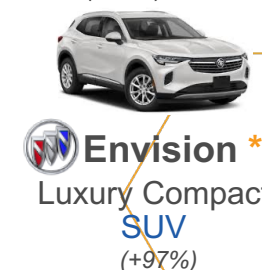
BMW & Buick in Overdrive

- BMW and Buick had the most models in the Top 10. BMW X3 consideration ramped up and climbed back onto list for the first time in 2 years. The Buick Envision, supported by APR specials, made its debut on the list for the first time.

*new models vs. Q4 2022
(Quarterly consideration growth: Q1-23 vs. Q4-22)

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Source: KBB Brand Watch Survey, Q1 2023

FACTORS DRIVING LUXURY CONSIDERATION

Driving Performance, Affordability, Fuel Efficiency, Ruggedness, and Prestige/Sophistication have become increasingly important to Luxury intenders over the last 5 years, while Driving Comfort has declined in importance.

| RANK | | FACTOR | IMPORTANCE | TOP RANKED BRAND | | |
|-------|-------|-------------------------|------------|---|---|---|
| Q1-18 | Q1-23 | | | | #2 | #3 |
| 1 | 1 | Durability/reliability | 80% |  |  |  |
| 2 | 2 | Safety | 71% |  |  |  |
| 3 | 3 | Driving comfort | 68% ▼ |  |  |  |
| 4 | 4 | Driving performance | 64% ▲ |  |  |  |
| 7 | 5 | Affordability | 53% ▲ |  |  |  |
| 5 | 6 | Reputation | 51% |  |  |  |
| 6 | 7 | Interior layout | 48% |  |  |  |
| 10 | 8 | Fuel efficiency | 46% ▲ |  |  |  |
| 9 | 9 | Exterior styling | 43% |  |  |  |
| 8 | 10 | Technology | 43% |  |  |  |
| 11 | 11 | Ruggedness | 27% ▲ |  |  |  |
| 12 | 12 | Prestige/sophistication | 24% ▲ |  |  |  |

▲ ▼ indicate significant % change from Q1-18 vs. Q1-23

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Cadillac Thrived With 4 Top Honors

- Cadillac took the top honors in 4 categories: Driving Comfort, Interior Layout, Exterior Styling, and Prestige/Sophistication (first time ever).
- Cadillac placed second for Ruggedness and third for Affordability and Technology.
- Cadillac's line-up stands out in premium design, comfort, and advanced technology with the knockout, electric Celestiq, Escalade, CT4, CT4-V Blackwing, CT5 and CT5 Blackwing.

Acura Nabbed Top Spot for Durability/Reliability

- Acura took back the No. 1 spot in Durability/Reliability for the first time since Q1 2022 and captured the No. 2 and No. 3 spots in 7 other categories.
- Acura placed second in Safety, Affordability Reputation, Interior Layout, and Fuel Efficiency and third for Exterior Styling and Ruggedness.

Source: KBB Brand Watch Survey, Q1 2023

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.

Brand Level Study
180,000+ interviews since 2007



BRAND WATCH™



Model Level Study
500,000+ interviews since 2012

Captures **brand and model consideration & familiarity** among new car shoppers

Tracks **12 factors important to shoppers** across all segments and models

Respondents are **in-market for a new vehicle** and recruited from KBB.com

WHAT CAN BRAND WATCH™ DO?

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

What is important to **consumers** when shopping for a new vehicle

How brands and models perform on **factors most important to shoppers** within and across segments

Measure **OEM brand equity**

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2023 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 TOPLINE

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