

Luxury Cars - US - October 2016

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



The luxury car market is an extremely competitive market and ranges from 5-10% of the overall new car market. Luxury vehicles are typically more expensive and equipped with the latest features and technology and appeal to consumers who want the latest and greatest for their vehicle. Finding opportunities in the market and delivering marketing content that appeals to the strengths of the brand and desires of the consumer should lead to success.

This report looks at the following areas:

- Recent surge in off-lease vehicles could impact decision to opt for new
- Affordability still a concern for many consumers
- Consumers don't have a favorite luxury brand
- Luxury cars considered high maintenance
- Regular makes are increasingly competing with luxury makes on features

Luxury cars are a unique commodity for a unique consumer base. They appeal to consumers for a multitude of reasons: the luxurious amenities, better performance, and the image driving a luxury car provides. These motivations range in importance to each individual consumer, and brands have strengths that appeal to these consumers. The luxury car market is extremely competitive within its own segment and also sees competition from entry-level brands in terms of features, performance, and comfort.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Luxury Cars - US - October 2016

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know

Definition

Executive Summary

The issues

Recent surge in off-lease vehicles could impact decision to opt for new

Affordability still a concern for many consumers

Figure 1: Luxury attributes, July 2016

Consumers don't have a favorite luxury brand

Figure 2: Attitudes toward luxury vehicles, July 2016

Luxury cars considered high maintenance

Figure 3: Attitudes toward luxury vehicles, July 2016

Regular makes are increasingly competing with luxury makes on features

Figure 4: American Honda Motor Co., Direct mail, June 2016

The opportunities

Men more likely to considering a luxury car for their next purchase

Figure 5: Luxury or premium brand consideration, by gender, July 2016

Luxury car buyers more likely to purchase

Figure 6: Luxury or premium brand consideration, by car purchase intent, July 2016

Consumers want comfort over performance

Figure 7: Attitudes toward luxury vehicles, by select demographics, July 2016

What it means

The Market – What You Need to Know

Luxury market expected to grow

American infatuation for SUVs and crossovers also apply to the luxury market

Off-lease luxury vehicles pose challenges and opportunities

Market Size and Forecast

Slow growth expected for luxury vehicles

Figure 8: Total US sales and fan chart forecast of new luxury cars, at current prices, 2011-21

Figure 9: Total US sales and forecast of new luxury cars, at current prices, 2011-21

Market Breakdown

Luxury SUVs and crossovers experience unprecedented growth

Figure 10: Total US unit sales of new luxury cars by segment, 2011-2015

Figure 11: Total US unit sales and market share of new luxury cars by segment, 2014-2015

American brands successful in the SUV/crossover segment

Figure 12: Luxury SUV/Crossover sales by brand, 2015

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Luxury Cars - US - October 2016

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Market Factors

Interest rates starting to rise, but remain historically low

Figure 13: Average loan rates, Q2 2015 & Q2 2016

Off-lease vehicles could depress demand for new vehicles

Millennials buying new and considering luxury brands

Figure 14: Share of US population by generation, 2011- 2021

Figure 15: Luxury or premium brand consideration, by generation, July 2016

Key Players – What You Need to Know

Tesla's Model 3 gets over 400K reservations

Ford and BMW's innovations spur interest

Audi avoids stigma from Dieselgate

Lincoln to provide on-demand service and repair with complimentary loaner cars for 2017 models

Preference for SUVs and crossovers favor GM and Chrysler

Manufacturer Sales of Luxury SUVs and Crossovers

Nearly every brand saw growth in the SUV/crossover segment

Figure 16: Luxury SUV and crossover sales by manufacturer, 2011 – 2015

What's Working?

Tesla Model 3 gets over 400K reservations

Rebooted Ford Mustang dominating sales

Figure 17: Ford Mustang direct mail brochure, July 2016

BMW's i8 showcases latest foray into Hybrid technology

Figure 18: BMW i8, BMW mobile advertisement, January 2016

What's Struggling?

Electric vehicles not named Tesla

What's Next?

Lincoln to provide on-demand service and maintenance for 2017 models

Driver awareness monitoring

The Consumer – What You Need to Know

Consumers view European brands as most luxurious

Older Millennials most likely to consider a luxury car

Consumers agree luxury cars are self-indulgent purchases for people who want to project a certain image

Affordability a concern for many consumers considering a luxury brand

Hispanics most likely and Asians least likely to base luxury on brand

Luxury Car Buyers

Older Millennials are the primary target for luxury vehicles

Figure 19: Luxury or premium brand consideration, by millennials vs non millennials, July 2016

Men more likely to consider a luxury brand

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Luxury Cars - US - October 2016

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 20: Luxury or premium brand consideration, by gender, July 2016

Figure 21: Attitudes toward luxury vehicles, by gender, July 2016

Attitudes toward Luxury Vehicles

Younger wealthier parents favor foreign luxury brands over domestic

Figure 22: Attitudes toward luxury cars – CHAID – Tree output, July 2016

Luxury cars are the ultimate “Treat yourself” purchase

Figure 23: Attitudes toward luxury vehicles, by luxury vehicle consideration, July 2016

Luxury Attributes

Affordability a concern for many potential luxury car buyers

Figure 24: Luxury attributes, July 2016

Older adults emphasize affordability

Figure 25: Luxury attributes – Affordability most important, by age, July 2016

Brand most important to men

Figure 26: Luxury attributes – Brand most important, by gender and age, July 2016

Luxury Brand Perceptions

Hispanics most likely to determine luxury by brand

Figure 27: Luxury brand perception, Audi, by race and Hispanic origin, July 2016

Asians least likely to determine luxury by brand

Figure 28: Attitudes toward luxury vehicles, July 2016

Mercedes-Benz regarded highly by consumers

Figure 29: Luxury brand perceptions, Luxurious, July 2016

Tesla seen as cutting edge, but not safe

Figure 30: Luxury brand perceptions – cutting edge, safe, July 2016

Appendix – Data Sources and Abbreviations

Data sources

Sales data

Fan chart forecast

Consumer survey data

Direct marketing creative

Abbreviations and terms

Abbreviations

Terms

Appendix – Market

Figure 31: Total US unit sales and market share of new luxury vehicles, by segment, 2011-15

Appendix – Key Players

Figure 32: Total US luxury vehicle sales and market share, by make, 2011-15

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com