

Lexus Hot on BMW's Heels, Hyundai Jumps into Top Five, According to Latest Kelley Blue Book Brand Watch Report

- Luxury car shopping hits all-time low in Q3 2021 as SUVs dominate
- Toyota continues three-year streak as most-shopped non-luxury brand
- Hyundai jumps up in popularity, passes Subaru

IRVINE, Calif., Nov. 18, 2021 /PRNewswire/ -- Toyota continued its three-year streak as the most-shopped non-luxury automotive brand in America, while Hyundai made the biggest gains in the Kelley Blue Book Brand Watch™ Report for Q3 2021. On the luxury side, BMW retained its position as most-shopped luxury brand, but with Lexus hot on its heels and luxury car shopping slumping to a new low. Electric vehicle shopping rose to a new high.



Kelley Blue Book

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The Kelley Blue Book Brand Watch Report delivers quarterly insight into consumer perceptions and shopping behaviors, alongside analysis of dozens of factors that affect consumers' car-buying decisions. Kelley Blue Book produces a separate report each quarter for non-luxury and luxury brands. A special look at EV shopping is included.

"Toyota and BMW held on to their spots as most-shopped brands in their categories, but some intriguing re-shuffling occurred due to ongoing inventory shortages - that should make for some riveting races at year-end," said Vanessa Ton, senior industry intelligence manager for Kelley Blue Book. "Also, with interest in electric vehicles at a new high and a host of new models being introduced, the fourth quarter and beyond will be fascinating to watch."

Hyundai made impressive improvements in Q3 with the biggest consideration gain and broke into the top five for the first time since 2012. Among luxury shoppers, BMW barely retained its position as the most-shopped luxury brand, with Lexus hot on its heels closing in on the top spot. In addition, shopping for luxury cars hit an all-time low in Q3 2021 as SUVs continue to rise and dominate popularity.

Non-Luxury Brand Highlights

The impact of the global semiconductor chip shortage that forced production cuts and triggered severe vehicle inventory limitations was affirmed by Kelley Blue Book's Q3 2021 Brand Watch Report for non-luxury brands. During the third quarter, the supply of unsold new vehicles fell below 1 million units, a level not seen in nearly 40 years. Among those most severely affected were General Motors, Honda and Toyota.

Despite making global production cuts of 40% in September, Toyota kept up its three-year streak as the most-considered non-luxury brand. A third of all non-luxury shoppers contemplated buying a Toyota in Q3, led by increased attention in the midsize Tacoma truck and compact RAV4 SUV.

Hyundai gained three percentage points – the most of any brand – and entered the list of top five most-considered non-luxury brands for the first time since 2012, buoyed by improved inventories and new product. Hyundai shoppers were drawn

to the newly launched truck-like Santa Cruz and the compact Elantra. Hyundai displaced Subaru for the No. 5 spot.

Chevrolet experienced the largest decline in shopping consideration, dropping three percentage points from Q2. Its full-size Silverado pickup truck and full-size Tahoe SUV had lower interest among consumers, likely due to low inventories.

Automakers prioritized chip allocations for high-volume, high-demand and high-profit segments such as SUVs and pickups. After leveling off in Q2, SUVs once again jumped in Q3, owning 66% of consideration among all non-luxury shoppers. The top five most-shopped utility vehicles were comprised exclusively of Asian brands: Honda CR-V, Toyota RAV4, Subaru Forester, Subaru Outback and Kia Telluride.

Truck shopping maintained its positive trajectory from Q2, with 32% of non-luxury shoppers considering a pickup in Q3. Despite declines in shopper attention, the Ford F-150, Chevrolet Silverado and Ford F-Series Super Duty models remained in the top five most-considered trucks. Toyota Tacoma and a new entry to the list, Ram 1500, which gained consumer interest, rounded out the list. As new models and electric versions of existing models arrive in the coming months and new year, the truck category will become increasingly competitive across domestic and import brands.

Unlike SUVs and trucks, interest in traditional cars dropped to 32% of all non-luxury shoppers. Similarly, interest in minivans dipped to just 4% of all non-luxury shoppers. Acute supply and production shortages in the minivan segment continued throughout the third quarter.

The Top 10 most-shopped non-luxury vehicles in Q3 primarily featured full-size trucks and compact or midsize SUVs. Subaru's Forester compact SUV jumped up five spots from Q2, and Kia's Telluride midsize SUV broke into the Top 10, the first time a model from a Korean brand has accomplished this feat. The only car to make the Top 10 most-shopped non-luxury vehicles list was the Honda Accord.

Kelley Blue Book Brand Watch Report Q3 2021: Top 10 Most-Shopped Non-Luxury Vehicles

Rank	Vehicle Category	Make	Model
1	Full-size Truck	Ford	F-150
2	Compact SUV	Honda	CR-V
3	Full-size Truck	Chevrolet	Silverado 1500
4	Compact SUV	Toyota	RAV4
5	Compact SUV	Subaru	Forester
6	Midsize SUV	Subaru	Outback
7	Midsize Truck	Toyota	Tacoma
8	Full-size Truck	Ford	F-250/F-350/F-450
9	Midsize Car	Honda	Accord
10	Midsize SUV	Kia	Telluride

Luxury Brand Highlights

BMW retained its spot as the most-shopped luxury brand for the 13th quarter, but barely. Its edge in Q3 was narrower than in prior quarters. BMW consideration fell a hefty four percentage points from Q2, and the brand lost three spots in the Top 10 most-shopped luxury vehicles.

Lexus was BMW's biggest competition in Q3, making notable gains from the prior quarter and holding steady in shopping consideration despite inventory constraints. Across the entire luxury category, Lexus owned 19% of shopping consideration, trailing BMW by less than a tenth of a percentage point. Lexus' RX sport utility vehicle overtook Tesla's Model 3 as the most popular luxury model in Q3, leading the category for the first time since Q4 2020.

Other luxury brands saw mixed results in Q3. Mercedes-Benz gained two percentage points, while Cadillac, Acura and Genesis each gained one percentage point. Tesla overall regained momentum after declining in Q2, although shopping

for the Model 3 plummeted by 18% in Q3 to mark the biggest decline among the most-considered models during the third quarter. Buick, Lincoln, Porsche and Jaguar each lost a percentage point. Electric vehicle (EV) startups Rivian, Lucid and Polestar were new to Kelley Blue Book's latest evaluation. As consumer shopping consideration for this sector grows, the luxury category is expected to face future competitive challenges.

Luxury vehicle sales in the third quarter outpaced the overall market; while the total market was down 13%, luxury sales were only down 5%. Surpassing 81,000 units and up 8%, Lexus was the only member of the top four luxury brands to post a sales increase. Meanwhile, Mercedes-Benz fell 25%, Audi dropped 14% and BMW slipped 9%. Looking ahead to the fourth quarter, the race for highest luxury sales in 2021 is expected to be tight. Mercedes-Benz led the group at the close of Q3, with BMW and Lexus in a close second and third, respectively. As global shortages continue to strain the ecosystem, the luxury category's 2021 winner may depend on which brand has inventory. According to a Cox Automotive's analysis of vAuto Available Inventory data, this puts BMW in a better position than Audi and Mercedes-Benz. While Lexus inventory is low, it appears that Lexus production is being prioritized over Toyota production to take advantage of typically strong year-end luxury vehicle sales.

Shopping consideration for luxury SUVs recovered from earlier in the year and returned to the peak level hit in Q4 2020. Of all luxury vehicle shoppers, 69% considered an SUV. Notably, there was not a European brand among the most-shopped luxury SUV list. The Lexus RX ranked No. 1 for the seventh consecutive quarter, while the Acura MDX advanced to the No. 2 spot. Buick Enclave, Tesla Model Y and Cadillac XT5 rounded out the top five. While luxury SUV shopping soared, interest in luxury cars tumbled to an all-time low of less than half of shoppers (landing at 49% in Q3, down from 55% in Q2). The most-shopped luxury cars were Tesla's Model 3 and Model S, respectively.

Across the category, the 10 most-shopped luxury vehicles in Q3 were a diverse mix of domestic and import brands, cars and SUVs, comprised of both traditional standards and newcomers. While the Lexus RX claimed the top spot, Tesla had the most models on the list at three. New arrivals to the Top 10 include the Tesla Model S, Cadillac XT5, Mercedes-Benz E-Class and Acura RDX.

Kelley Blue Book Brand Watch Report Q3 2021: Top 10 Most-Shopped Luxury Vehicles

Rank	Vehicle Category	Make	Model
1	Luxury Midsize SUV	Lexus	RX
2	Luxury Midsize SUV	Acura	MDX
3	Entry Luxury Car	Tesla	Model 3
4 (tied)	Luxury Midsize SUV	Buick	Enclave
4 (tied)	Luxury Compact SUV	Tesla	Model Y
6	Executive Luxury Car	Tesla	Model S
7	Luxury Compact SUV	Cadillac	XT5
8 (tied)	Luxury Compact SUV	BMW	X3
8 (tied)	Executive Luxury Car	Mercedes-Benz	E-Class
10 (tied)	Luxury Compact SUV	Acura	RDX
10 (tied)	Luxury Subcompact SUV	Buick	Encore

For additional information and analysis about the Q3 2021 Kelley Blue Book Brand Watch Report findings, and to access links to view the full reports, visit <https://www.coxautoinc.com/wp-content/uploads/2021/11/Q3-2021-Kelley-Blue-Book-Brand-Watch-Luxury-Report.pdf> for luxury brand information, and <https://www.coxautoinc.com/wp-content/uploads/2021/11/Q3-2021-Brand-Watch-Non-Luxury-Report.pdf> for non-luxury brand information. A special look at EV shopping also has been posted: <https://www.coxautoinc.com/market-insights/nearly-a-quarter-of-all-shoppers-considered-electrified-vehicles-in-q3/>.

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