New Study From Polk and AutoTrader.com Reveals Top Reasons Luxury Buyers Stay Loyal and Provides Key Insights By Brand

The 2012 New Luxury Vehicle Loyalty Study examines why luxury buyers stay with a brand—and why they leave for another luxury brand.

SOUTHFIELD, Mich. and ATLANTA, Feb. 3, 2012 /PRNewswire/ -- According to the 2012 New Luxury Vehicle Loyalty Study, conducted by Polk and AutoTrader.com, brand affinity and quality/reliability are among the top reasons luxury buyers stay with their brand. Polk analyzed patterns for buyers of six core luxury brands—Acura, Audi, BMW, Cadillac, Lexus and Mercedes-Benz based on a consumer study delving into the reasons for a buyer's loyalty, conquest or defection. The survey was completed with a total of 1,485 U.S. luxury buyers from September 2011 to November 2011 and provides manufacturers and dealers with in-depth insight into the luxury segment, allowing them to better understand luxury automotive consumers and the reasons for their brand loyalty or defection decisions.

(Logo: http://photos.prnewswire.com/prnh/20110425/CL88097LOGO)

"Understanding behaviors and attitudes is critical in helping automotive marketers to more effectively reach and influence luxury shoppers during their decision making process. Because of this, we sought to take a more in-depth look at why this specific set of buyers was either staying with or defecting from their brands to help uncover opportunities that manufacturers and dealers could take advantage of or threats that they could mitigate," said Rick Wainschel, vice president of automotive insights at AutoTrader.com.

Top Reasons Luxury Buyers Stay Loyal

A luxury loyalist is defined as a luxury new vehicle buyer/household that purchases a replacement vehicle or an additional vehicle from the same luxury brand that they already own. When loyalists were questioned about why they stayed loyal to a brand, the top five reasons were:

1. Brand Affinity (cited by 44 percent)
2. Quality/Reliability (cited by 33 percent)
3. Driving Performance (cited by 24 percent)
4. Price/Finance/Value (cited by 16 percent)
5. Styling/Design (cited by 16 percent)

Loyalty Insights by Brand

Beyond the five key reasons luxury buyers remain loyal overall, the study also revealed that the *primary* drivers of loyalty differed by brand—that is, that the main reason Cadillac buyers stay loyal is not the same as the reason BMW buyers stay loyal. These key insights are important because they highlight the strengths of individual brands with their audiences and shed light on where each brand can improve to increase loyalty or combat defection.

- Brand affinity ranks significantly higher among Cadillac loyalists than any other luxury brand.
- Quality/reliability is cited more often by Mercedes-Benz and Acura loyalists as a reason for returning to that brand.
- BMW loyalists are more apt to identify driving performance as a reason for their return purchase than other luxury owners.
- Price ranks much higher as a reason for Acura owner loyalty compared to the

other luxury brands in the study.
- Audi loyalists rank styling and design significantly higher than other brand loyalists as a reason to stay.
- Acura is the only brand where technology and innovation rank as a "Top Five" reason to stay loyal to the brand.
- Dealership loyalty emerges as a "Top Five" reason for brand loyalty among Lexus and Mercedes-Benz owners.

Loyalty Differences by Gender and Age

A few gender and age differences emerged in the study. Significantly more females stay loyal to a luxury brand because they are loyal to a dealership, with 17 percent of females selecting this reason compared to 11 percent of males. Vehicle safety also ranks significantly higher among women (10 percent) versus men (five percent).

When loyalty is analyzed by age group, those aged 55+ stay loyal because they have a strong affinity for the brand (47 percent) versus those under 55 (37 percent), whereas younger luxury vehicle owners are more likely to remain loyal due to quality/reliability (54 percent). Quality and reliability are rated as a reason to stay with a brand by only 31 percent of those over 55 years of age.

Top Reasons Luxury Buyers Defect to another Brand

A luxury defector is defined as a luxury new vehicle buyer/household that purchases a replacement vehicle or an additional vehicle from a luxury brand that is different from the one they already own. When defectors were questioned about why they switched luxury brands, the top five reasons were:

1. Price/Finance/Value (cited by 24 percent)
2. Size/Body Style (cited by 20 percent)
3. Brand Affinity (cited by 17 percent)
4. Time to Change (cited by 14 percent)
5. Driving Performance and Styling/Design (each cited by 13 percent)

"This study illuminated important differences for staying loyal or defecting from luxury brands and how those key drivers of loyalty and defection are different for each luxury brand," said Mark Pauze senior solutions consultant with Polk. "AutoTrader and Polk have worked together to bring greater insight to several areas of critical interest for the automotive industry. The insights gained from this study will be very useful for luxury brands as they strategize on how best to retain more of their customers and key drivers that could attract new buyers or keep current owners from defecting."

About the 2012 New Luxury Vehicle Loyalty Study

Qualitative data was collected from September 2011 through November 2011 among new vehicle luxury buyers via a telephone survey. A total of 1,485 "Loyalists" and "Defectors" among the core six luxury brands were interviewed. The study focused only on loyalty or defection from one luxury brand to another luxury brand; the study did not include luxury buyers that defected to or from non-luxury brands.

About Polk

Polk is the premier provider of automotive information and marketing solutions. Polk collects and interprets global data, and provides extensive automotive business expertise to help customers understand their market position, identify trends, build brand loyalty, conquest new business and gain a competitive advantage. Polk helps automotive manufacturers and dealers, automotive aftermarket companies, finance and insurance companies, advertising agencies, media companies, consulting organizations, government agencies and market research firms make good business

decisions. A privately held global firm, Polk is based in Southfield, MI, with operations in Australia, Canada, China, France, Germany, Japan, Spain, the United Kingdom and the United States. For more information, please visit www.polk.com.

About AutoTrader.com

Atlanta-based AutoTrader.com, created in 1997, is the Internet's ultimate automotive marketplace and consumer information website. AutoTrader.com aggregates in a single location millions of new cars, used cars and certified pre-owned cars from thousands of auto dealers and private sellers and is a leading online resource for auto dealers, individuals and manufacturers to advertise and market their vehicles to in-market shoppers. The company also provides a robust suite of software tools for dealers and manufacturers to help them manage and market their vehicle inventory and display advertising on the Internet. AutoTrader.com continues to grow key business metrics, including revenue, profitability and site traffic. Today, AutoTrader.com attracts millions of unique monthly visitors who utilize the site to review descriptions, photos and videos of vehicles for sale; research and compare vehicles; review pricing and specials; and read auto-related content like buying and selling tips and editorial coverage of major auto shows and automotive trends. AutoTrader.com operates one other auto marketing brand, AutoTraderClassics.com. AutoTrader.com also owns used vehicle management software company vAuto, Kelley Blue Book (Kbb.com), HomeNet Automotive, a leading provider of online inventory management and merchandising solutions for the automotive retail industry and VinSolutions, a leading provider of end-to-end solution platforms for dealers. AutoTrader.com is a majority-owned subsidiary of Cox Enterprises. Providence Equity Partners is a 25 percent owner of the company and Kleiner Perkins Caufield & Byers is also an investor. For more information, please visit www.autotrader.com.

SOURCE AutoTrader.com

For further information: CONTACT: Julie Shipp, AutoTrader.com, +1-404-568-7914 (o) or +1-404-558-7837 (m), julie.shipp@autotrader.com or Michelle Culver, Lambert, Edwards & Associates, +1-248-362-4200 ext. 295, mculver@lambert-edwards.com

---

https://press.autotrader.com/news-releases?item=121048