



DRIVER'S SEAT

WOMEN TAKE THE WHEEL IN
LUXURY AUTOMOTIVE



WALTON ISAACSON®

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AGENDA

- Meet WI
- Insights on Luxury Auto & Women
- How to Reach Women





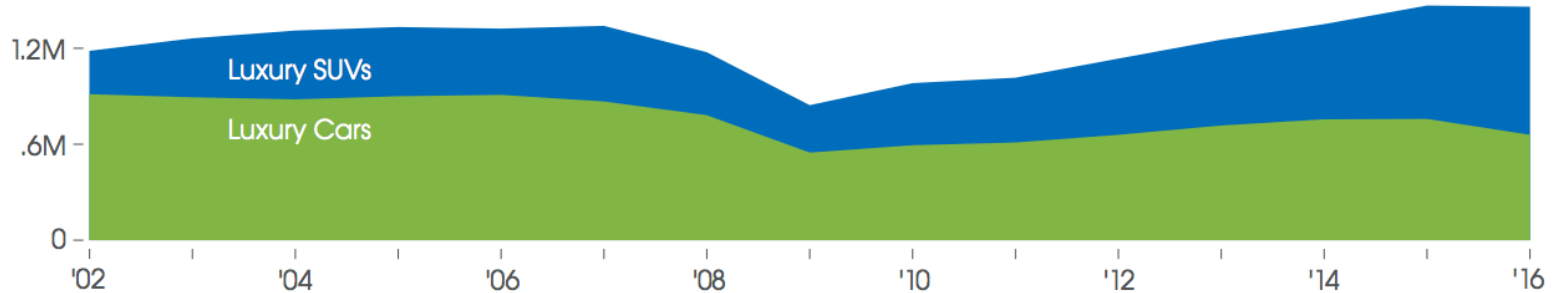
KEY TAKEAWAYS OF WOMEN IN LUXURY AUTO

- Women, particularly Multicultural Women, are leading growth
- Women are driven by functional and social motivations
- Four primary ways to reach Women: centralize, contextualize, characterize, and connect

STATE OF LUXURY AUTO INDUSTRY

Industry is losing its sheen

Q1 - Q3 LUXURY SALES



Source: Edmunds Sales Data

“The luxury industry is pretty flat right now.”

-William Fay, Senior Vice President of Automotive Operations for Toyota North America.

“The idea of what makes a luxury brand has changed.”

-Jessica Caldwell, a senior analyst at Edmunds.com.

INDUSTRY PERFORMANCE DRIVERS

Changing times shifting demand

Proliferation of models leads to cannibalization

Preference for SUVs moves away from core car strength of industry

Perception of luxury is changing from new entrants outside of luxury



Lexus new-vehicle sales fell 5% in August 2017



Mercedes SUV sales declined first half of 2017 about 2.3%



BMW 3 and 4 cars plunged 24 percent in 2016 and have fallen another 8% since Aug 2017

TRENDS IMPACTING LUXURY AUTO

ON DEMAND



BOOK
BY CADILLAC

Cadillac, Facebook.com

Young affluents
test-drive luxury
with Cadillac's
monthly
subscription
service

HASSLE-FREE



Robert Davis, Instagram.com

Wealthy Boomers
downsize (barely) to
spacious luxury condos
laden with amenities

UNPLUGGED



The Ranch, Facebook.com

Luxury spa guests go
mum and recharge at
silent retreats





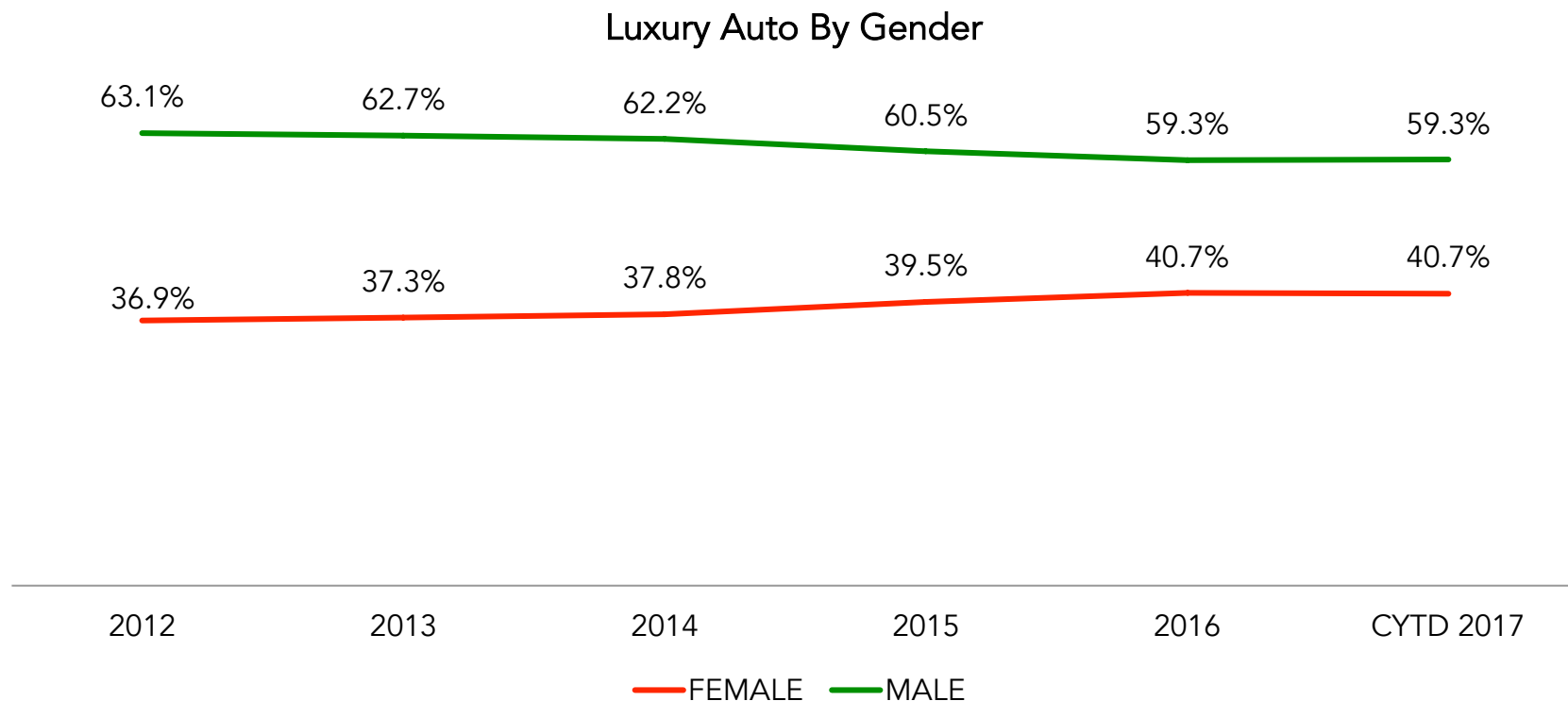
Weather scene simulated.

WHERE ARE WOMEN IN LUXURY AUTO?





WOMEN'S LUXURY AUTO CONSUMPTION IS RISING



LUXURY SUV GROWTH RATES FOR WOMEN SURPASS LUXURY OVERALL

2016 VS. 2011 GROWTH IN SHARE OF FEMALE BUYERS



Source: Polk

WHAT SHE LOOKS FOR IN AUTO?

Important Car Features According to US Internet Users, by Gender, Summer 2016

% of respondents in each group

	Female	Male	Total
Reliability	84%	74%	79%
Safety in an accident	80%	69%	75%
Fuel economy/good mileage	74%	63%	69%
Quality of workmanship	65%	63%	64%
Low running costs	68%	58%	63%
Smooth/quiet ride	53%	50%	52%
Comfortable	48%	51%	50%
Fun/enjoyable to drive	43%	48%	45%
Spacious/roomy/lots of space	42%	45%	44%
Reputation/image of manufacturer	44%	42%	43%
Environmentally friendly	38%	40%	39%
Flexible	35%	37%	36%
Powerful engine	33%	39%	36%
The latest driver technology	30%	33%	32%
Distinctive styling/different and unique	23%	29%	26%
The latest passenger technology	19%	30%	24%
Prestige of owning it	19%	26%	22%
None of these	5%	4%	5%

Note: ages 15+; "very important"

Source: GfK, "Importance of different vehicle features," March 2, 2017

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www.eMarketer.com



SEEING HERSELF IN LUXURY AUTO

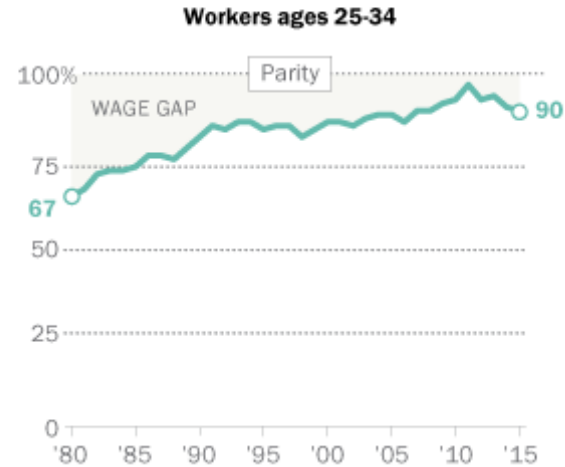
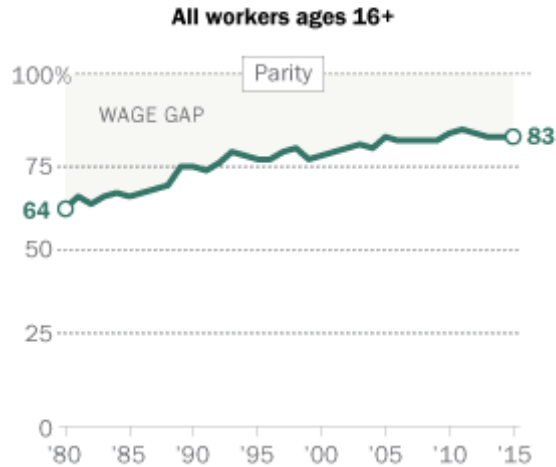
"I don't know how it happened, but I ended up driving a Porsche Cayenne one day as a loaner and absolutely loved it. It was a lot of fun and I couldn't believe it. Never would have believed it and said, okay, gotta have one."

-Jody Verson, Gen X Woman, and Porsche Cayenne owner

HER EARNING POWER IS APPROACHING PARITY

The gender pay gap is narrower among young adults than among workers overall

Median hourly earnings of U.S. women as percentage of men's median among ...



Note: Estimates are for civilian, non-institutionalized, full- or part-time employed workers with positive earnings. Self-employed workers are excluded.

Source: Pew Research Center analysis of Current Population Survey data.

PEW RESEARCH CENTER

REACHING MULTICULTURAL WOMEN



SHE IS THE EMERGING LEADER IN LUXURY CONSUMPTION



63%

Percentage of Multicultural Women in the last 12 months who made a luxury purchase of clothing, shoes or accessories. **More than women overall or the U.S. General Population.**

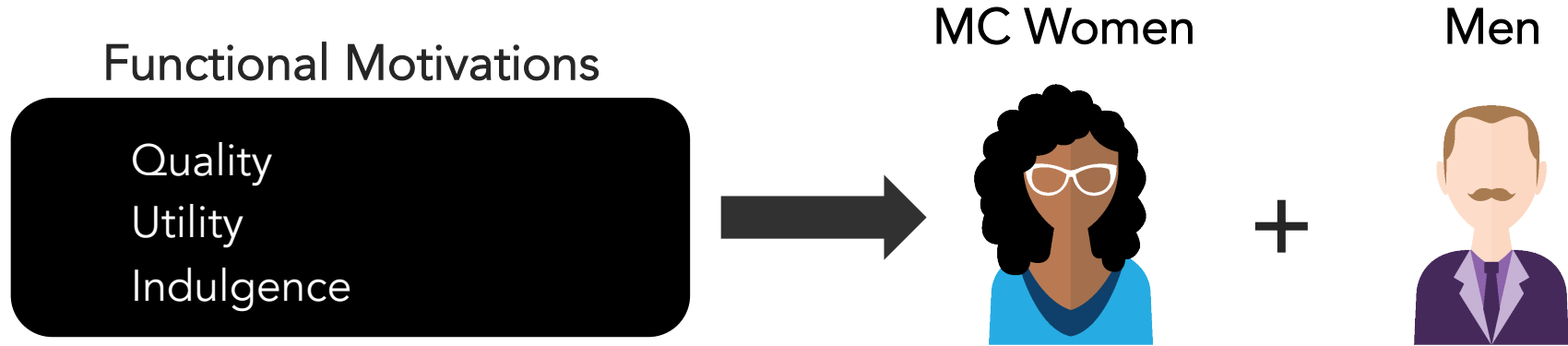


38%

Percentage of Multicultural women who said “compared to 5 years ago, the amount of luxury products and services I buy has increased.” **More than women overall or the U.S. General Population.**

HER FUNCTIONAL MOTIVATIONS

Functional luxury shopping motivations are consistent for Multicultural women and men



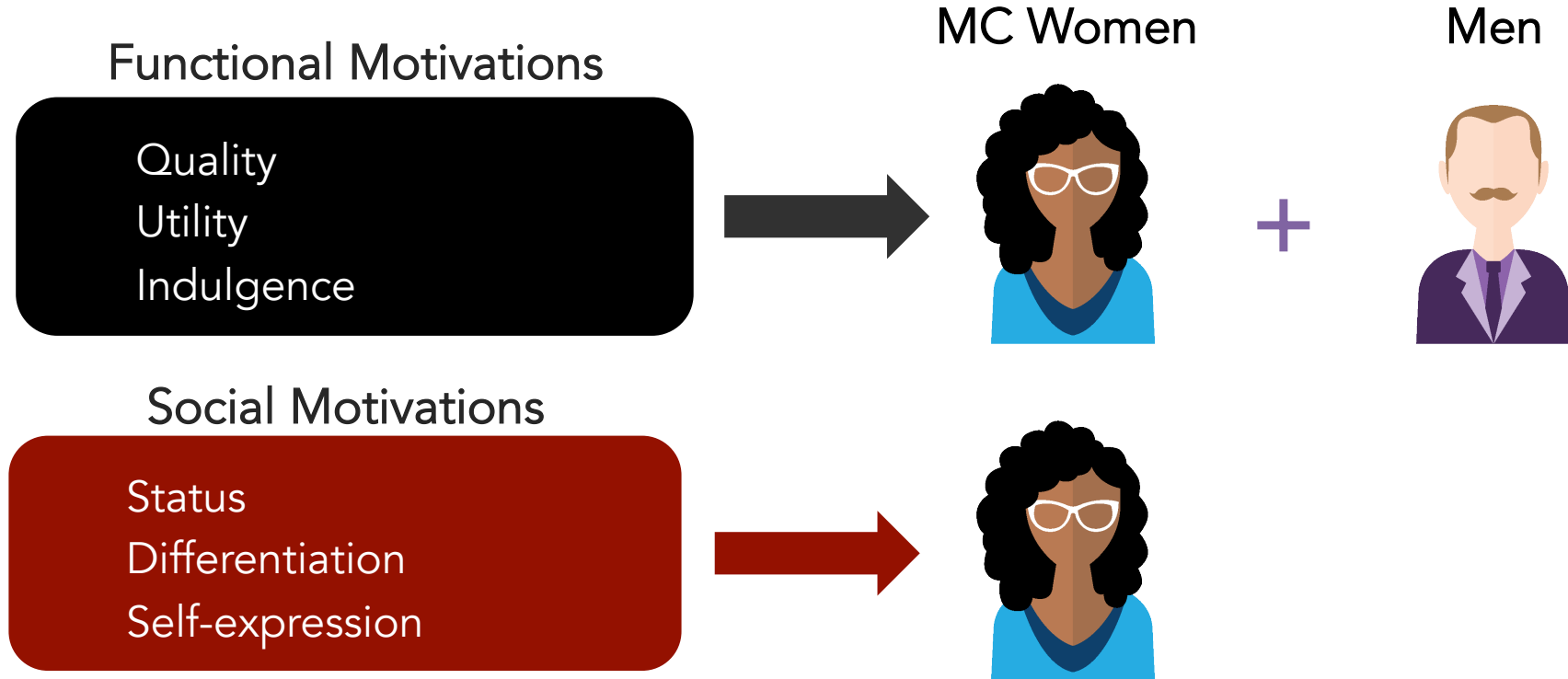
FUNCTIONAL MOTIVATIONS MATTER

“The products may have a fine level of craftsmanship to them, they may also be composed of expensive materials to warrant the higher price.”

-Elizabeth, Millennial female, Latina, urban New York on what is important to her in a luxury purchase. Iconocommunities, 2017

HER SOCIAL MOTIVATIONS

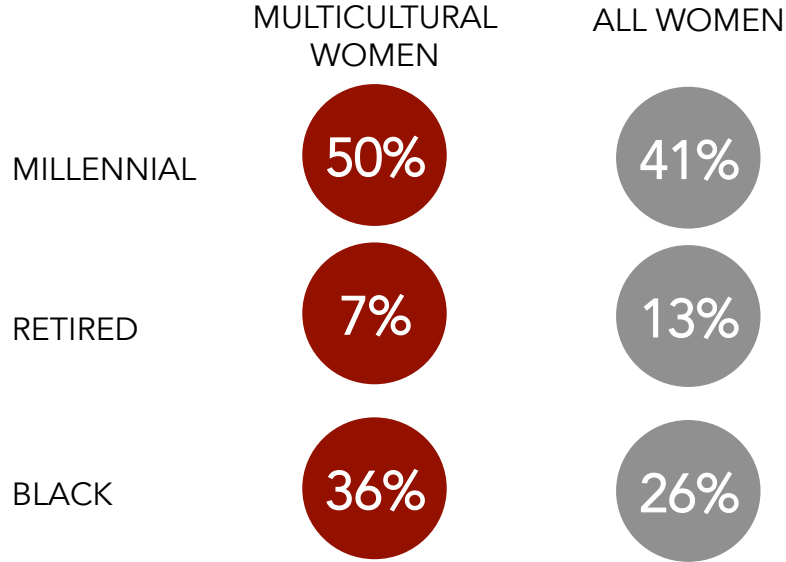
Social motivations for luxury shopping differentiate Multicultural women



66% of Multicultural Women agree that the luxury products they buy signal to others that they deserve respect

—CEB Iconoculture Hidden Figures: Realigning Luxury to Meet the Multicultural Opportunity, January 2017

WHO IS SHE?



48%

"I can afford to spend more money on luxury products/services because my overall income has increased and/or my expenses have decreased."



WHAT DOES SHE VALUE?

Black, Hispanic, LGBTQ: Identity Impacts Her Experience

Segments share commonalities across insight territories,
but they are expressed differently for each segment.



Culturally
Courageous

Preservation
of Self

Influential

SHE IS CULTURALLY COURAGEOUS

PROUD



Proud of who they are, where they are from, and where they are going.

MULTIDIMENSIONAL



Open to other cultures and experiences.

UNAPOLOGETIC



Feels less pressure to conform to non-ethnic, mainstream identity.

SHE BELIEVES IN THE PRESERVATION OF SELF

SIGN OF RESPECT



She selects luxuries that make her feel comfortable, powerful, proud and truly herself.

POWER OF CHOICE



She is confident in her ability to establish her uniqueness through her keen sense of style.

SELF-LOVE



The extra time and effort it takes to look presentable is a form of self-love.

SHE IS INFLUENTIAL

PIONEERING

They're pioneers when it comes to design

DRIVING

They drive general market trends in and out of category

CELEBRATING

They place their culture first and foremost – owning and **celebrating their ethnic and cultural heritage**



HER INFLUENCE EXTENDS TO MEN IN LUXURY AUTO

85%

Percentage of Women
who play a leading
role in influencing
auto purchases, worth
more than \$80 Billion.



LUXURY AUTO BRANDS ARE STILL MISSING THE MARK

“As an industry, we’re pretty poor at ticking the boxes that satisfy a woman customer... and we tend to view cars for women as ‘pink it and shrink it’—add a place to hold your handbag, add a place to put your shoes—which I think is quite cynical.”

-CEO of Aston Martin, Andrew Palmer

WOMEN RESPOND TO MARCOMM WITH POSITIVE PORTRAYALS

94%

Using women as sex symbols was harmful to the gender, with more desirable qualities being sense of humor, creativity, compassion, and care

71%

Brands should be held responsible for how they use their advertising to promote positive messages about women

51%

Liked pro-female ads because they felt they broke gender barriers





HOW CAN LUXURY AUTO BRANDS SPEAK TO WOMEN?

CONNECTING WITH WOMEN

CENTRALIZE
Women's
Stories

CONTEXTUALIZE
Women's
Experiences

CHARACTERIZE
Women's
Challenges

CONNECT
Women
Together

CENTRALIZE

Women's Stories

Make women the central
characters in marcomm

WOMEN FUEL THE BRAND

“Women, particularly Multicultural Women, have been instrumental in the growth and success of the Lexus brand.”

– Ayiko Broyard, Executive Vice President,
Walton Isaacson, Multicultural AOR for Lexus



CONTEXTUALIZE

Women's Experiences

Depict the specific and unique
experiences of women



CHARACTERIZE

Women's Challenges

Show real challenges and triumphs





CONNECT

Women Together

Develop networks for like-minded women



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GARTNER MODEL FOR OVERCOMING ORGANIZATIONAL RESISTANCE

1.

Know your
business
case

2.

Ready
yourself for
objections

3.

Build
allegiances

4.

Find great
brand
examples

5.

Pilot it



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