

# Luxury Car Market Study

# About Us

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# Table of Content

## Market Summary

- Market Overview
- Market Trends

## Segment Overview

- By Vehicle Type
- By Propulsion Type

## Regional Overview

## Company Profiles

Mercedes-Benz Group AG

BMW Group

Volkswagen

Tesla

TOYOTA MOTOR CORPORATION (Lexus)

Volvo Car Corporation

Aston Martin

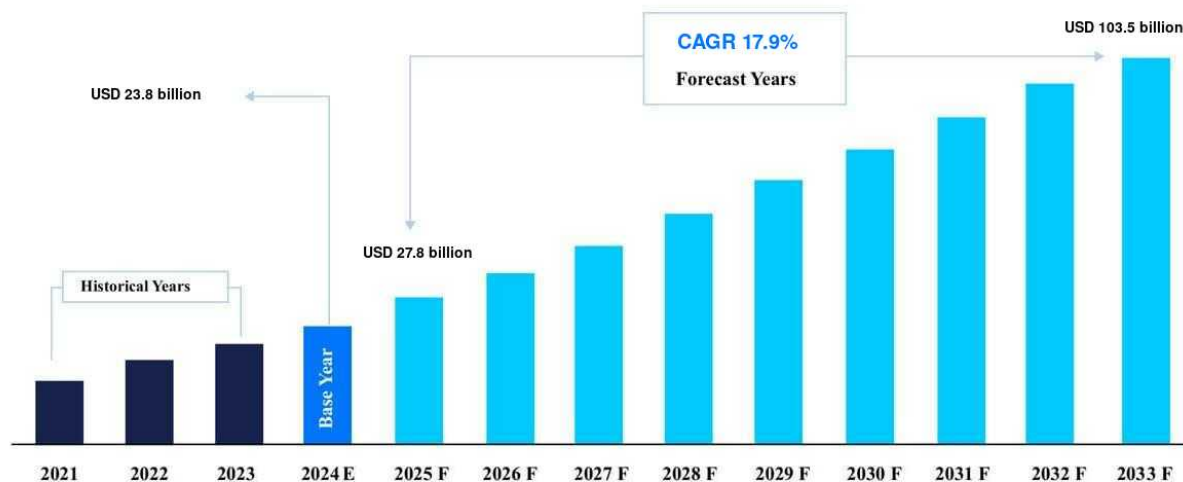
**Note:** More company profiles available on full reports.

## Top 5 Company Market Share



**Total  
42%**

Top 5 company market share



Source: Straits Research

## Emerging Countries

United States

Germany

China

## Emerging Companies

Aston Martin

Volvo Car Corporation

Tesla, Inc

# Market Trends

## Growth Trends

- Increasing disposable incomes leading to increased demand for luxury cars
- Growing youth population's attraction towards luxury cars
- Rising popularity of electric and hybrid luxury cars
- Trends of customization and personalization in luxury cars
- Growth in online sales owing to the emergence of e-commerce
- Increasing demand for autonomous luxury cars

## Factors considered while calculating market size and share

- Number of luxury car manufacturers
- Volume of luxury cars sold annually
- Estimated revenue from luxury car sales
- Geographic distribution of luxury car sales
- Number of potential customers or client-base
- Market penetration of different luxury car brands
- The purchasing power of consumers
- Average price of luxury cars
- The trend of online and offline sales of luxury cars

## Key Market Indicators

- Market size and growth rate
- Market competition and concentration
- Market trends and consumer preference
- Economic conditions and exchange rates
- Technological advancements in the luxury car market
- Government regulations and policies related to the luxury car market
- Supply and demand dynamics

## High cost of ownership and maintenance

The global market faces a significant restraint due to the high cost of ownership and maintenance, which extends beyond the hefty initial purchase price. Luxury vehicles, such as the Mercedes-Benz S-Class or BMW 7 Series, typically start at around \$100,000, but their maintenance and repair costs are much higher than those of standard cars. Specialized parts and advanced technology lead to annual upkeep costs averaging between \$1,500 and \$3,000.

Moreover, luxury cars often carry much higher insurance premiums-sometimes double those of regular cars-and fuel expenses can be considerable, as many high-end models are less fuel-efficient. Depreciation is another challenge, with many luxury vehicles losing more than 50% of their value within five years, leaving owners with substantial financial losses upon resale.



# Market Trends

## Increasing number of ultra-high-net-worth individuals (uhnwis)

The growing population of ultra-high-net-worth individuals (UHNWIs) is a major driver of demand for luxury cars.

- According to Knight Frank's Wealth Report, in 2022, over 390,000 individuals had wealth exceeding \$30 million, marking a nearly 9% increase in UHNWIs. This affluent group, often young and well-educated, is fueling the global market, particularly in regions like Asia and the Middle East.

As UHNWIs prioritize exclusivity and customization, luxury car brands are responding with electric options, bespoke designs, and timeless models that cater to their refined tastes. Despite economic uncertainties, this demographic's purchasing power remains strong, making them a key driver in the market's growth.

## Consumer demand for personalization

Personalization has become a key driver of growth in the global market as consumers increasingly seek to make their vehicles a reflection of their identity. Luxury car owners view their cars as an extension of themselves, leading brands like Rolls-Royce, Bentley, and Ferrari to offer extensive customization options. These options range from exclusive paint colors and custom-made interiors to personalized stitching, engraved names, and other unique touches.

## Technological advancements in autonomous driving

Autonomous driving technology is significantly transforming the luxury car industry, with key manufacturers like Mercedes-Benz, BMW, Audi, and Tesla at the forefront. These brands have introduced advanced driver assistance systems such as Mercedes' Drive Pilot, Audi's Traffic Jam Pilot, and Tesla's Autopilot, which offer features like adaptive cruise control, lane-keeping assist, and emergency braking to enhance both safety and driving convenience.

A notable example is that while most systems currently operate at level 2 automation, models like the Audi A8 and Mercedes-Benz S-Class have introduced level 3 features, enabling certain hands-off driving modes. As these technologies develop, BMW will commit \$1 billion toward autonomous driving innovations by 2025, while Tesla will invest over \$1 billion annually. These ongoing investments indicate a strong shift toward self-driving luxury vehicles.

# Market Segments

## By Vehicle Type

The sedan, making up 44-47% of the market, is the largest segment, favored for its blend of luxury and performance, which appeals to affluent consumers.



**44-47%**

Sedan

## By Propulsion Type

The Internal Combustion Engine (ICE) segment, comprising 66-69% of the market, continues to dominate as traditional luxury vehicles maintain a significant share, despite the rise of electric alternatives.



**66-69%**

Internal Combustion Engine (ICE)

# Regional Overview

## North America

The North America region holds a 30% market share, with the United States experiencing strong demand for luxury sedans and SUVs, driven by high disposable incomes.



XX%

United States Market Share

## Europe

Europe holds a 40% market share, with Germany dominating the market due to its rich heritage of luxury brands and innovation.



XX%

Germany Market Share

## APAC

The Asia-Pacific region holds a 25% market share, with China experiencing rapid growth, fueled by increasing urbanization and rising affluence.



XX%

China Market Share

# Regional Overview

## Middle East and Africa

The Middle East & Africa region holds a 3% market share, with the UAE driving demand for premium SUVs and sedans, fueled by a high population of high-net-worth individuals.



XX%

United Arab Emirates Market Share

## LATAM

The LATAM region holds a 2% market share, with Brazil emerging as a growing market, driven by increasing interest in luxury vehicles among affluent consumers.



XX%

Brazil Market Share



# Company Profiles

Companies	Websites	Headquarters	Establisheds	Key Executives	Revenues
Mercedes-Benz Group AG	<a href="https://www.mercedes-benz.com/en/">https://www.mercedes-benz.com/en/</a>	Stuttgart, Germany	1926	Ola Källenius, Chairman of the Board of Management	\$161.20 billion USD
BMW Group	<a href="https://www.bmwgroup.com/en.html">https://www.bmwgroup.com/en.html</a>	Munich, Germany	1916	Oliver Zipse, Chairman of the Board of Management	\$155.4 billion USD
Volkswagen	<a href="https://www.volkswagen-group.com/en">https://www.volkswagen-group.com/en</a>	Wolfsburg, Germany	1937	Oliver Blume, CEO	\$350 billion USD
Tesla	<a href="https://www.tesla.com/">https://www.tesla.com/</a>	Palo Alto, California, USA	2003	Elon Musk, CEO	\$97.7 billion USD
TOYOTA MOTOR CORPORATION (Lexus)	<a href="https://global.toyota/en/">https://global.toyota/en/</a>	Toyota City, Japan	1937	Koji Sato, President	\$233.2 billion USD

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