



BY THE NUMBERS: LUXURY MODELS SET MOTOR TREND

The highest-end automobiles are often a test bed for new technologies. **BY JEFFREY WINTERS**

Mckinsey and Company recently released a report on the trends shaping the luxury car market—the 2 to 3 percent of cars that sell for more than \$80,000—which the company reported was growing faster and more profitably than other cars. Most of these trends are economic rather than technological, but within the report are some clues to the direction the auto industry as a whole may take.

Perhaps the most important technological trend is electrification. Battery-electric vehicles have been making inroads across the board, with sales hitting a record in the second quarter of this year, reaching 5.6 percent of the total. But the report also digs into some of the other must-have technology features for luxury car buyers. For instance, Chinese high-end consumers are looking to make their luxury cars into technology hubs, prizing features such as advanced entertainment systems and the ability to use (and update) third-party favorite apps. What's luxury today will be standard tomorrow.

The Luxury-Car Segment Will Drive Most Market Growth

			SALES IN 2021, THOUSAND UNITS	CAGR 2021-31, PCT. INCREASE
SEGMENTATION OF CAR MARKET BY VEHICLE COST RANGE				
LUXURY 2-3%	>\$500,000	Rolls-Royce Phantom	~1	+14
	\$300,000-\$500,000	Porsche 911 GT2 RS 300	20	+9
	\$150,000-\$299,000	Lamborghini Huracan	140	+10
	\$80,000-\$149,000	Aston Martin Vantage	1,375	+8
NON-LUXURY 97-98%	<\$80,000	Toyota Camry	73,500	+1

Technology features that interest Chinese luxury-car buyers

<p>Smart electric-vehicle dimensions</p> <p>Cutting-edge advanced driver-assistance system technology</p> <p>Level 4 autonomous-driving features are available and completely safe to use</p>	<p>Over-the-air-enabled post-purchase upgrades</p> <p>Operating system enables the use of customers' favorite apps in the car, with updates and new features that are added over-the-air</p>	<p>Human-machine interfaces integration with local app ecosystem</p> <p>China-specific notification services, integration of content from third-party apps, and entertainment for passengers</p>	<p>Customer experience</p> <p>Intuitive user interface with intuitive and driver-centric design</p> <p>Seamless interaction with the vehicle and a personalized user experience along the journey</p>	<p>Fast and exclusive charging options</p> <p>Long battery range</p> <p>Access to China-specific charging technology, services, and charging network</p>
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Source: McKinsey & Company