

Luxury Car - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)

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Abstracts

The Luxury Car Market size in terms of Equal-5.55 is expected to grow from USD 738.63 billion in 2024 to USD 967.65 billion by 2029, at a CAGR of 5.55% during the forecast period (2024-2029).

The luxury car market has experienced robust growth in 2022, driven by key factors such as the expanding affluence of the global population, especially in emerging markets, where rising disposable incomes propel an increasing number of consumers to consider luxury cars. Furthermore, technological advancements, including innovations in electric and autonomous vehicles, are reshaping the landscape, attracting tech-savvy consumers seeking cutting-edge automotive experiences.

The luxury car market is experiencing a surge in electric and hybrid models, with major players investing heavily in research and development to meet the demand for eco-friendly alternatives. Connectivity features such as IoT capabilities, AI-driven interfaces, and autonomous driving technologies are becoming standard, elevating the driving experience.

However, economic uncertainties and stringent emission standards pose challenges for the luxury car market. Fluctuations in the global economy and environmental concerns can impact consumer confidence and influence purchasing power. In addition, an increase in import tariffs is expected to hinder the growth of the luxury car market. For instance, in India, cars with CIF (Cost, Insurance, and Freight) value over USD 40,000 incur a 100% customs tax, while those under USD 40,000 face a 60% import duty.

Based on these ongoing developments, the luxury car market is expected to continue its positive growth trajectory during the forecast period.

Luxury Car Market Trends

SUVs will be the Leading Segment in the Luxury Car Market

SUVs have emerged as the leading segment in the luxury car market. This growth could be attributed to several factors shaping the landscape of the luxury automotive industry. Luxury SUVs have gained significant traction, offering a combination of versatility, advanced technology, and a perceived sense of safety and prestige.

Luxury SUVs are becoming increasingly appealing to a broad range of consumers, including families and young professionals. The market has responded positively to the combination of performance, comfort, and practicality that these vehicles offer, making them a popular choice among luxury car buyers.

The elevated driving position and robust build of SUVs contribute to a sense of security, which resonates well with consumers seeking both safety and luxury in their vehicles. In addition, the incorporation of the latest technological features, such as advanced infotainment systems, driver assistance technologies, and connectivity options, has further enhanced the appeal of luxury SUVs.

Regional variances also play a key role in shaping the market for luxury SUVs. For instance, North America and China have shown a strong inclination for luxury SUVs. In China, the popularity of large SUVs among high-net-worth individuals has been particularly significant. While luxury sedans have historically held a significant market share in Europe, there is a growing shift toward luxury SUVs, reflecting changing consumer preferences and lifestyle choices.

Furthermore, factors such as economic conditions and environmental concerns also influence the dynamics of the luxury SUV market. Economic prosperity in certain regions has led to increased sales of larger and more expensive SUV models. Moreover, the rise of electric and hybrid SUVs addresses growing environmental consciousness among consumers, contributing to the overall evolution of the luxury car market.

As the automotive industry places greater emphasis on sustainability, automakers are investing heavily in electric vehicle technology, offering luxury SUVs with zero-emission capabilities. For instance:

In November 2023, India's largest luxury auto brand, Mercedes-Benz, launched the GLE LWB SUV and AMG C43 4MATIC sedan. The company launched the face-lifted version of the GLE SUV in India at a starting price of INR 96.40 lakh (ex-showroom) across three variants. The SUV has made its debut alongside the C43 AMG 4Matic sedan, with a price tag of INR 98 lakh (USD 117937.12).

The market studied is expected to witness further transformations in the coming years, particularly with the emergence of electric luxury SUVs.

North America is the Largest while APAC is the Fastest Growing Market

North America, encompassing the United States and Canada, remains the largest market for luxury cars, contributing significantly to the industry's overall revenue. The United States, in particular, has been a key driver of luxury car sales, with a robust economy and a substantial population of wealthy consumers. In 2022, the region generated revenue of over USD 7000 million from luxury cars. The United States alone generated revenue of over USD 6000 million in 2022.

The demand for luxury vehicles in North America has been fueled by factors such as high disposable incomes, a culture emphasizing automotive prestige, and a strong preference for larger luxury SUVs. High disposable incomes enable consumers to indulge in premium automotive offerings.

While North America leads in terms of overall market size, Europe, with its rich automotive heritage and a strong presence of luxury car manufacturers, holds substantial significance. European consumers often favor luxury sedans and sports cars, contributing to the diverse global luxury car market landscape.

The Asia-Pacific region, driven by the economic growth of countries such as China and India, is increasingly becoming a significant player in the luxury car market. The region is expected to be the fastest-growing market during the forecast period. In recent years, the number of HNWI and UHNWI has grown significantly in China and India. The expanding middle and upper-middle-class populations in these regions have led to a surge in demand for luxury vehicles, as they are perceived as status symbols. Automakers involved in the luxury car business have also started increasingly focusing on these markets, seeing their high growth potential. For instance:

In August 2023, Audi launched its new electric duo, the Q8 e-tron and e-tron Sportback in India. The Q8 e-tron range is available in two trims with 95kWh and 114kWh battery packs, respectively.

Overall, in the coming years, North America's dominance will be challenged by regions like APAC and Europe, with their growing high-income groups investing heavily in luxury cars.

Luxury Car Industry Overview

The luxury car market is consolidated with a small number of players. Mercedes-Benz, BMW, Volkswagen Group, and Tesla hold the major share of the market studied.

The key players are engaged in continuous product launches and R&D investments, highly driven by advanced technology, more comfort, growing investment in EV technology, and improved living standards worldwide. For instance:

In April 2023, JLR announced its plans to accelerate its transition to become the world's leading modern luxury car manufacturer through its Halewood plant in the United Kingdom. The plant will become an all-electric production facility.

In September 2023, Lotus unveiled Emeya, the company's first four-door hyper-GT, in New York City.

Additional Benefits:

The market estimate (ME) sheet in Excel format

3 months of analyst support

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