

New Luxury Car Market – Most Important Trends to Watch For

The current, **luxury car market** has been hot. Car prices have also risen sharply over the last year. Why? There are two key factors. First, the continued high demand for cars. Secondly, there is limited car inventory. As a result, prices for both new and used cars simply keep rising. Basic theory of [supply and demand](#).

The world continues to recover from the COVID-19 pandemic. Around the world, consumers are dealing with supply chain disruptions, plus high inflation rates. Also, the war in Ukraine is another factor. Both energy and food supply chains are being disrupted. Regardless of all this, new luxury car sales are strong.

Wealthy Consumers Will Drive Luxury Car Market Sales

It's estimated that the growth in car sales above \$80,000 will be between 8-14% annually through 2031. Although the under \$80,000 market is expected to be basically flat to minimal growth through 2031.

What is driving the luxury car demand? The main reason is the increase of ultra-high-net-worth individuals or UHNWI and high-net-worth individuals or HNWI. The world continues to see more and more millionaires and billionaires. Plus, both the Middle East and Asia have strong luxury car sales. It's no longer just the U.S. and Europe. Thus, new regional demand equals a jump in overall global demand.



Maserati Gran Turismo

Price Range: Higher Price Vehicles Will See Stronger Growth

The higher-end price range will see increasing growth. Additional luxury car introductions will drive up demand. As a result, consumers will have more buying options, including luxury car upgrades.

New Luxury Car Market Shift to Electric

Another factor is the shift toward electric vehicles. The high-end market will see more luxury EV's that will stimulate increasing year-over-year growth. Over the next decade, expect battery-electric vehicles to be dominant.

Although the segment will see rapid growth, some mainstream luxury brands will not jump into the market for several years. Plus, expect SUVs to dominate the luxury-EV market. The popularity of driving a luxury SUV has never been higher.

Global Reach of Luxury Cars

China continues to gain momentum in the luxury car marketplace. Analysts expect the Asia-Pacific region to have the highest growth rate. This factor is due to the increase in ultra-high-net-worth individuals (UHNWI) and high-net-worth individuals (HNWI).

Chinese Consumers Needs Are Different

For years, global luxury car consumers prefer styling, high quality and craftsmanship. Yet Chinese car buyers lean more toward technology. They prefer smart technology over traditional features. Car makers will need to target their marketing messaging.

Building a 21st-century luxury-car brand

Customer expectations for luxury cars are evolving quickly. As global luxury brands continue to push the limits, automotive companies need to follow suit. It's simple – fall behind and you lose. Consumers want the best. Many buyers simply desire a blend of seamless customer experiences.

Most established luxury car brands make unique claims. For example, they focus on individual luxury, performance, or both. Thus, uniqueness, prestige, artistry, exclusivity, craftsmanship are key brand identifiers. To set themselves apart, expect to see big dollar marketing campaigns that differentiate technology.

Personalization Will Be Key

As social preferences change, today's consumers desire personalization. Customization will increasingly be desired by new luxury car buyers. More feature choices will allow buyers to get their perfect car.

Watch, Listen, Learn

Clearly, new luxury car companies can learn from brands in other industries. Sustainability continues to be a buzzword. How can the automakers respond?

First, they need global consistency. Standardize the brand, but provide custom local options such as color schemes, connectivity and other tech options. Invest in online tools to allow the buyer to view and customize all car options.

Ultra-high-net-worth Consumer Segment Growing

The number of UHNWIs is expected to increase worldwide by about 5% between 2021 to 2026. This market has a lot of equity to buy what they want. It should be a key target for all luxury car makers.

In conclusion, so who will ultimately win? Which new luxury car brands will survive or fail? In this race, the player that cracks the code on satisfying the most individuals in the luxury-car market the best wins. Be nimble, do your marketing and provide cars the consumers actually want. Don't do the opposite and try to sell what you think they want. Rarely ends in success

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We hope you enjoyed reading about the upcoming trends and challenges in the new luxury car market. It will be fascinating to see who the ultimate winners are.