



Path to EV Adoption: Consumer and Dealer Perspectives

SUMMARY / JUNE 2023



COX AUTOMOTIVE

Study background and methodology

Background

Cox Automotive started researching the EV market in 2019 and continues to monitor changing consumer and dealer sentiment. This research focuses on understanding how EVs will change the consumer shopping and ownership experiences along with impacts to the dealership.

Cox Automotive surveyed...

1,024
CONSUMERS

152
DEALERS



Consumer sentiment is changing

Consideration is growing; however, price remains the top roadblock

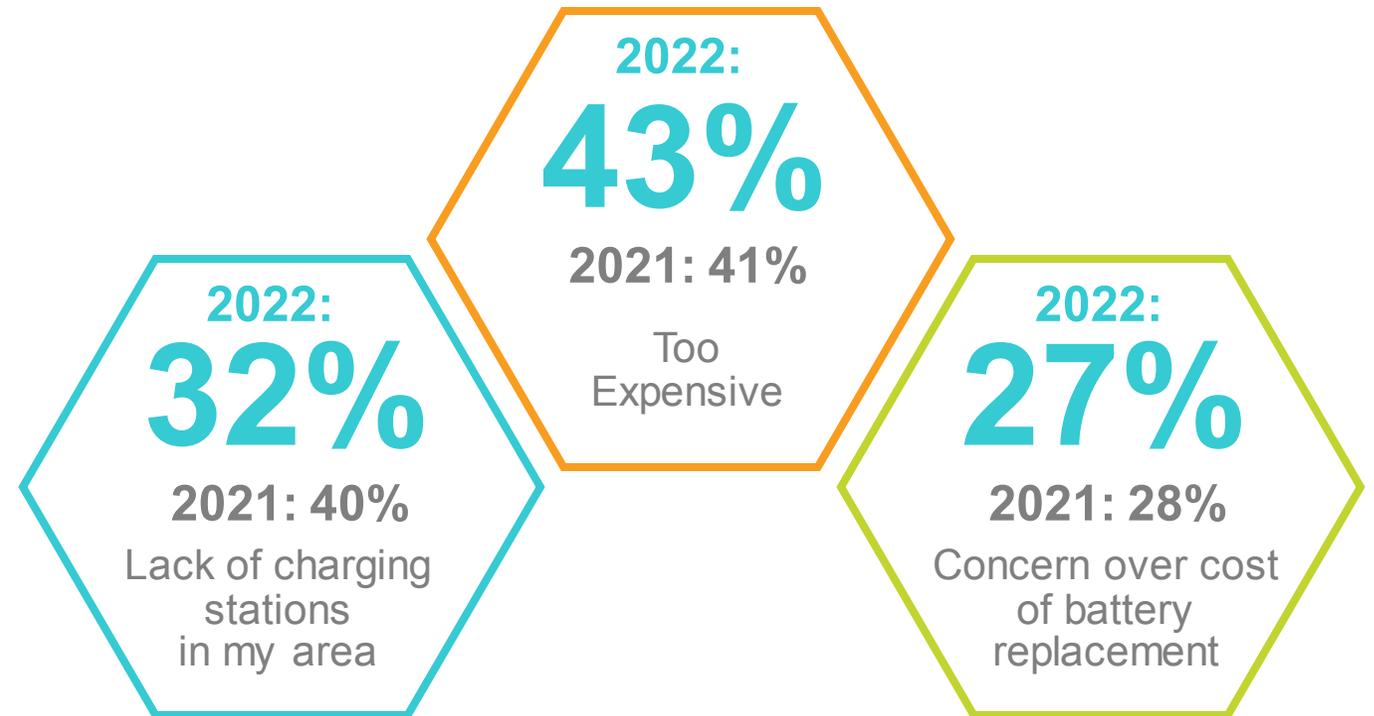
EV CONSIDERATION

% of Consumers Considering a BEV Within the Next 12 Months (New and Used)

2022:
51%
vs. 38% in 2021

TOP EV PURCHASE BARRIERS

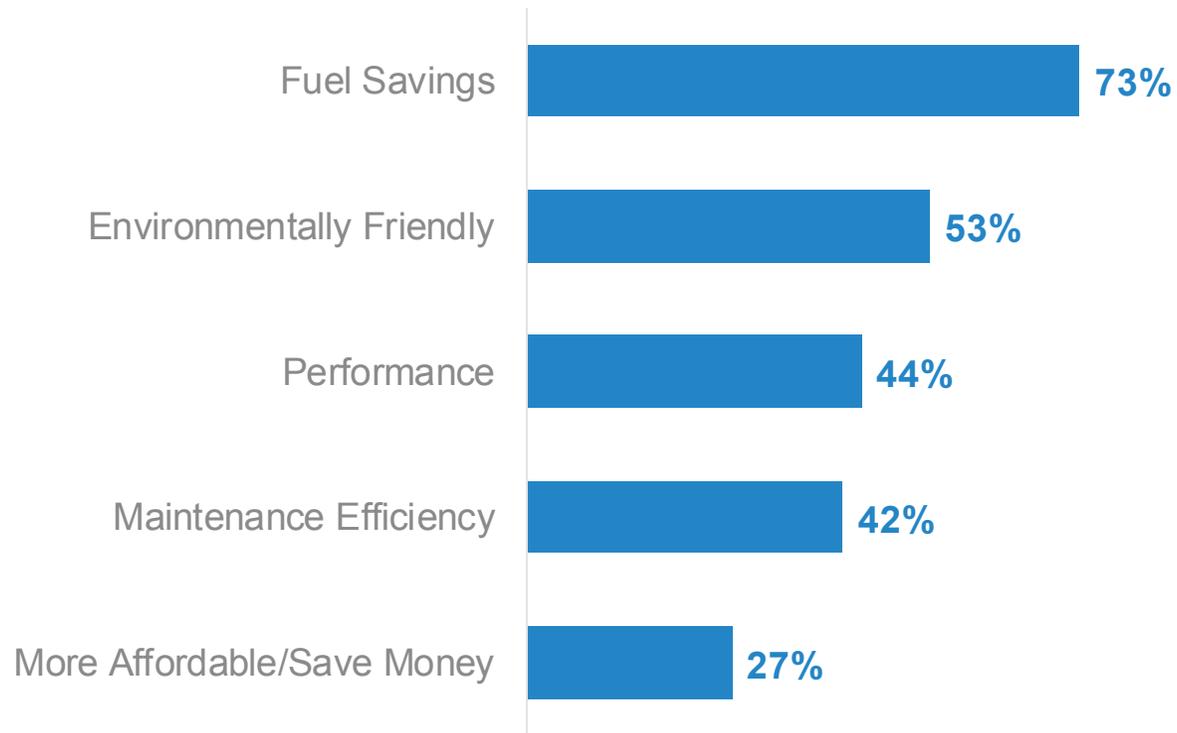
New EV Considerers



Fuel savings and ownership efficiency are top reasons for consumer EV consideration

...it's what's most important to EV considerers

REASONS FOR CONSIDERING EV (% MENTIONED)



73%

of EV Considerers are more than 50% certain that their next vehicle will be an EV

New EV Buyers are open to a purchase experience that is mostly digital

New EV Buyers

87%

OPEN TO BUYING FULLY ONLINE

73% New ICE

80%

WILL DO MOST OR ALL OF PURCHASE ONLINE IN THE FUTURE*

61% New ICE

Sites consumers could see themselves purchasing or leasing from online in the next 1-2 years

66%

DEALER WEBSITE

67% New ICE

50%

OEM WEBSITE

36% New ICE

New EV Buyers are more likely to walk into the dealership knowing what they want

EV buyers spent less time...

- ✓ Looking at vehicles and talking with salespeople
- ✓ Negotiating a price and trade-in offer
- ✓ Discussing and signing sales contract

Time spent at dealership
where purchased (HH:MM)

2:23
New EV (A)

vs. **2:55** New ICE

91%

**OF EV BUYERS ALREADY
HAD IN MIND THE VEHICLE
THEY PURCHASED PRIOR
TO VISITING DEALERSHIPS**

Letters indicate significant difference between groups at the 95% confidence interval Arrows indicate significant difference between years at the 95% confidence interval



Consumers are ready for an electric future, but many dealers are not

FEEL EVS ARE THE FUTURE AND WILL
LARGELY REPLACE GAS ENGINES OVER TIME

22 POINT GAP

53%

CONSUMER



31%

DEALER

45%

OF DEALERS FEEL THAT EVs
NEED TO PROVE THEMSELVES
IN THE MARKETPLACE



Despite concerns, dealers see EVs as important to the growth of their dealership

Majority expect to integrate them in less than 2 years

IMPORTANCE TO GROWTH OF DEALERSHIP

(% T2B Very/Somewhat important)

55%

SELLING EVS

57%

SERVICING EVS

91%

SAY SALE/LEASE OF EVS WILL INCREASE SIGNIFICANTLY / SLIGHTLY IN THE NEXT 3-5 YEARS



Expectation of EV growth and importance to their dealership is likely fueled by OEM investment requirements

82%

OF DEALERS ARE REQUIRED BY THEIR OEM TO MAKE AN EV INVESTMENT

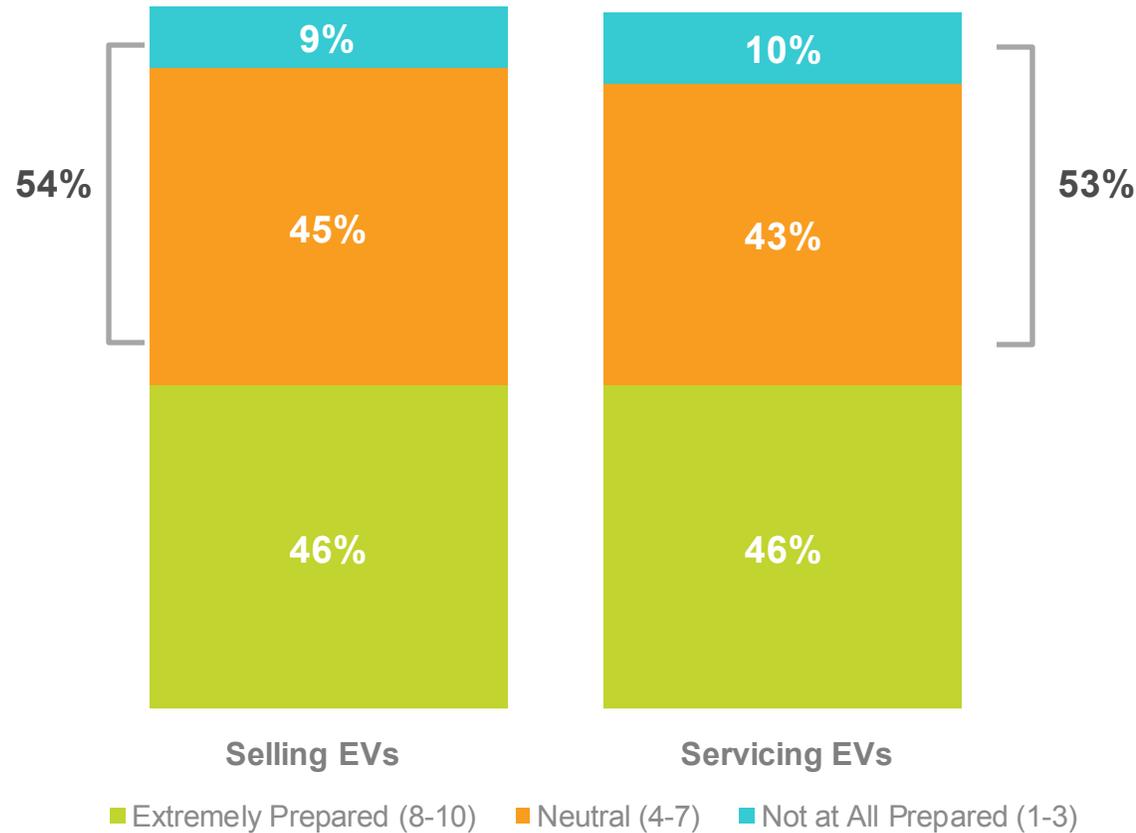


Less than half of dealers feel extremely prepared to sell or service EVs



PREPAREDNESS FOR EVS (1-10 SCALE)

AMONG FRANCHISED DEALERS



“We still need more infrastructure for DC fast charge and more technicians dedicated to BEVs.”

- Franchised Dealer

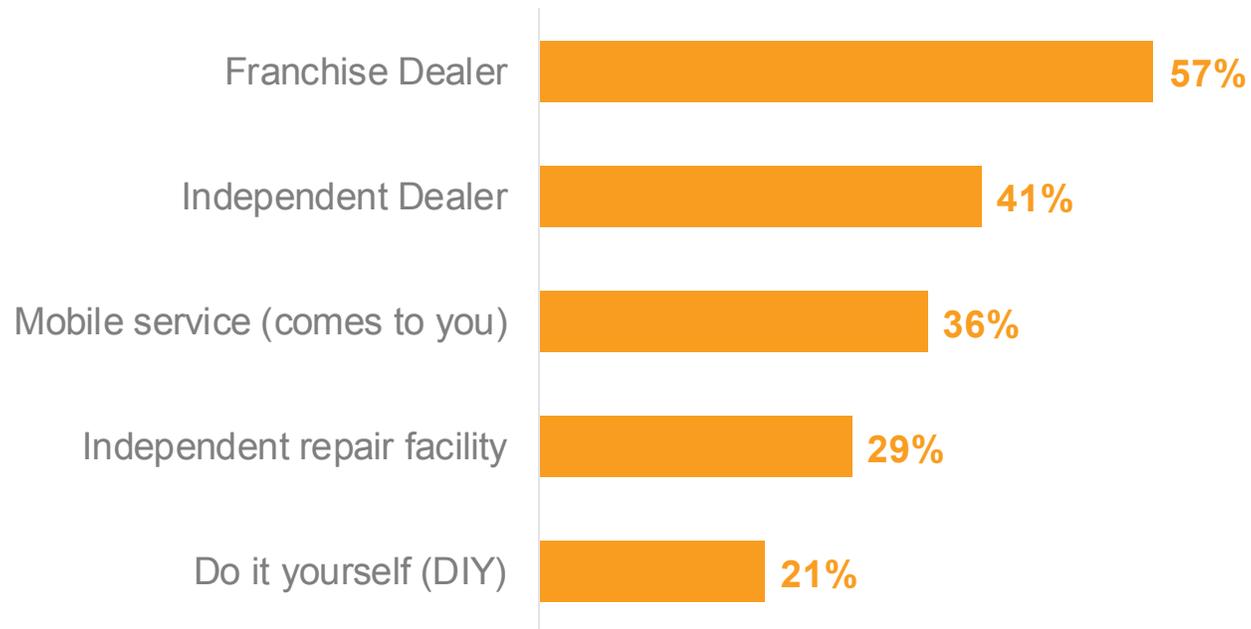
“[We] need to ramp up service department training, tools, parts along with 2 onsite rapid charging stations, one for sales and service.”

- Franchised Dealer

EV buyers prefer dealerships for maintenance needs

Dealers need to increase knowledge of battery and overall electric vehicle servicing

PREFERRED EV MAINTENANCE LOCATION



Areas where dealers need to learn more about servicing EVs:

1. Battery Lifecycle
2. Battery Health
3. Overall Servicing of an EV

A majority of EV owners are interested in battery health, but dealers need more education

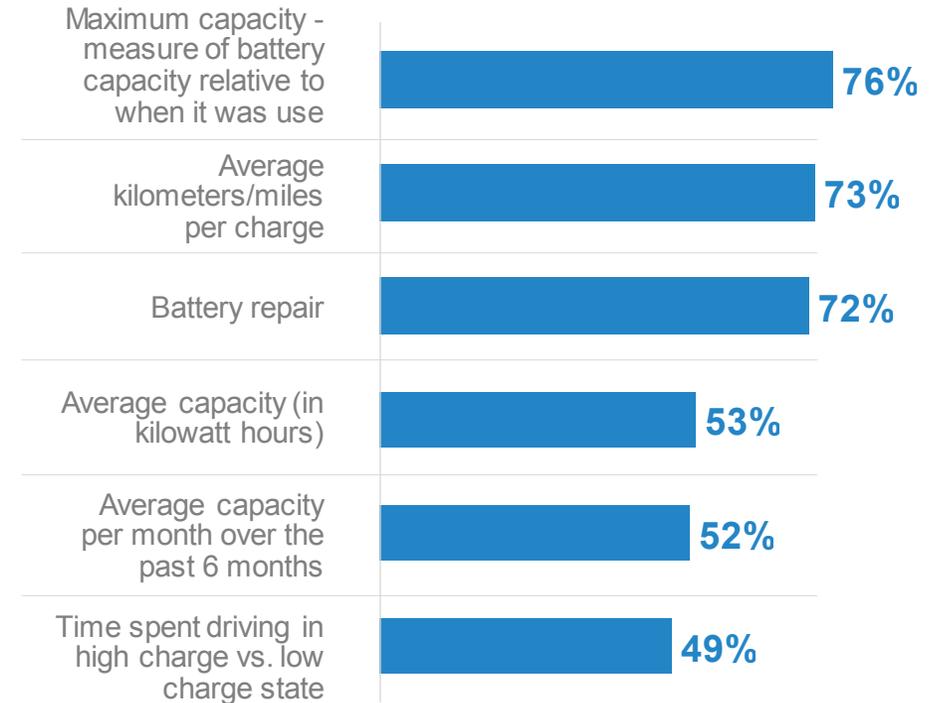


PREFERRED HEALTH REPORT INFORMATION

81% OF CONSUMERS ARE VERY/SOMEWHAT INTERESTED IN A BATTERY HEALTH REPORT OUT ON ITS OWN

63% OF DEALERS ARE SLIGHTLY OR NOT AT ALL FAMILIAR WITH BATTERY HEALTH DIAGNOSTIC TOOLS

94% OF EV OWNERS MONITOR OVERALL BATTERY HEALTH ALWAYS/OFTEN/SOMETIMES



Key takeaways

EV consideration is growing more rapidly than sales:

While 51% of vehicle shoppers now indicate they are considering an electric vehicle, EV share of total sales in the U.S. in 2023 will be less than 8%. Affordability continues to be the top barrier for many shoppers.

There's a large gap in EV readiness between consumers and dealers:

Consumer adoption of EVs is expected to grow as more models hit the market, but dealers are not yet prepared to support an influx of customers in sales or service.

Support from OEMs is needed to close the readiness gap:

Dealers are thirsty for EV information to ensure they are the go-to resource for customers and look to OEMs for guidance in learning more about EVs, specifically in the areas of charging and batteries.

Sales will come, but equipping dealerships with EV servicing capabilities is crucial in the near term:

The likelihood that an EV buyer has made the purchase decision before visiting a dealership is high. Still, current owners prefer dealerships for servicing and maintenance, where over half of dealers are not fully prepared.



CONTACT INFORMATION

Dara Hailes

Senior Manager

Cox Automotive Corporate Communications

dara.hailes@coxautoinc.com

Mark Schirmer

Director

Cox Automotive Corporate Communications

mark.schirmer@coxautoinc.com

Andrew Nicolai

Director

Cox Automotive Mobility Communications

Andrew.nicolai@coxautoinc.com



COX AUTOMOTIVE

