

RESEARCH

Electric vehicles poised for popularity by 2020: report

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Tesla Supercharging location in Edinburgh

By KAYSORIN

Many luxury automakers have turned their attention to electric vehicles as the technology has become more accessible in recent years, according to a new report by Frost & Sullivan.

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Consumers looking to limit the use of fossil fuels and promote environmental sustainability have flocked to purchase luxury vehicles from the U.S. electronic automaker Tesla Motors, and other brands are now eager to follow suit. "The Future of the Luxury Electric Vehicle Market" suggests that electric vehicles will see a surge in popularity as more automakers are able to embrace the trend and create their own electric cars.

"BMW, Daimler and Volvo are expected to introduce D and E segment models in late 2017," said Vishwas Shankar, automotive & transportation program manager at **Frost & Sullivan**, Mountain View, CA. "Also in the sports segment (G), BMW and Volkswagen are expected to be the dominant participants with the BMW-i8, the Audi R8 and the Porsche Panamera, all launched in 2014."

The Future of the Luxury Electric Vehicle Market examined consumer choice and

purchase trends for the next five to seven years.

Large and in charge

Luxury automakers such as BMW, Daimler Group and Tesla Motors have been especially successful in introducing electric vehicles to the market. Other luxury automakers are quickly following this trend, and it is likely that consumers will have many more electric cars to choose from in five years.



Tesla's vehicles are becoming more popular around the world

Despite these successes, electric vehicles can still be improved in many ways. For example, it is important for the cars to be beautifully designed and have excellent power.

Affluent consumers are eager to have the best possible product, so until some flaws are reworked, automakers like Tesla and BMW have an edge on the competition. One major question in the electric vehicle market is the availability of charging stations.



Electric vehicles require charging stations in convenient locations

Without easily accessible charging stations, the electric vehicles would be useless. Together, automakers and governments can work to increase the number of charging stations available in a particular region.

It is important for automakers to provide as many charging stations as possible for optimal convenience. U.S. electric automaker Tesla recently expanded its relationship with hospitality brands to include a new partnership with home-sharing service Airbnb.



More electric vehicles will likely lead to more charging stations

Tesla has previously partnered with luxury hotel chains such as Peninsula, Four Seasons and Mandarin Oriental to offer guests access to its vehicles. By working with Airbnb, Tesla will enable its consumers to charge their cars more frequently, making the automaker a more practical choice for those concerned about traveling ([see story](#)).

Over the next five years, automakers will be able to finesse their technology and expand the network of charging stations around the world. These changes will make it even easier for affluent consumers to purchase electric vehicles.



A Tesla charging station at the Edinburgh Airport

Electric excitement

Electric vehicles have become a hot topic at auto shows and exhibits, and many automakers are hoping to capitalize on that excitement.

For example, in 2013 German automaker BMW aimed to beat out the competition by pushing its i concept electric vehicles with the i3 set to be in stock that year.

Since electric vehicles are a new product to many consumers, automakers that introduce them to consumers should develop strong marketing campaigns to convince consumers

to buy the new technology. It seems that electric vehicles can help automakers get ahead of their competitors because there are more environmentally conscious affluent consumers ([see story](#)).

This popularity has been undeniable for U.S. electronic automaker Tesla Motors. Earlier this year, the brand celebrated a major milestone as its vehicles around the world have driven a combined total of 1 billion miles.

It has been only three years since the Model S was first introduced, but the popular automobile has already traveled the equivalent of more than 4,000 trips to the moon and almost 40,000 times around Earth. Tesla's announcement emphasized the safety and durability of the electronic car and will likely inspire new consumers to consider making purchases ([see story](#)).

While electric vehicles are becoming increasingly popular, there are still some improvements to be made.

"Style (vehicle design), power (weight, performance & their ratio) and advanced on-board telematics are expected to rapidly boost the adoption of luxury electric vehicles (EVs)," Mr. Shankar said. "Ownership cost is a priority in the purchase of a luxury EV."

Final Take

Kay Sorin, editorial assistant on Luxury Daily, New York

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