

AUTOMOTIVE

Consumers cite cost, charging concerns as roadblock to EV adoption

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Porsche's Taycan has been given a new name. Image courtesy of Porsche

By SARAH JONES

Education will be key to getting consumers behind the wheel of battery electric vehicles, with a new report from Ipsos indicating that many of consumers' worries about these cars stem from misconceptions.

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According to Ipsos' Global Mobility Navigator Syndicated Study, only about 30 percent of U.S. consumers said they would buy an electric vehicle. However, these individuals tended to have limited firsthand experience with EVs, opening the door for automakers to sell consumers on their battery-powered cars through marketing centered on awareness.

"We certainly believe educating potential buyers of EVs is the key to success," said Todd Markusic, vice president of mobility at Ipsos. "It would start with the OEMs having lots of information on their corporate Web site about owning an EV what to expect, what are the advantages, where to charge, how to get a home charger installed, how long does charging take, etc.

"Also key to this success is the educating of the dealer's sales staff," he said. "We did a separate study where we mystery shopped dealers and we found that the majority of dealers have sales personnel who are not trained on EVs and who do not treat the EV customer any different than the typical gas buying customer. Tesla is leading this drive in showing how important it is to have sales staff educated on EVs and who are passionate about EVs."

Ipsos' report is based on a study of 20,000 consumers.

EV anxiety

Consumers' biggest concerns about BEVs are higher prices, charging accessibility and limited range.

BEVs' asking prices are often raised due to the high cost to produce batteries. There is a limit to how much more consumers will spend to get the same type of car.

Shoppers are open to spending up to a 10 percent premium over other similar gas- or diesel-powered vehicles, but if the price difference rises to 20 percent, they are much less likely to consider an EV.

"For the lux EV market, cost will not be nearly as important although cost still must be in line with competitive ICE versions of similar lux models in the segment," Mr. Markusic said. "In the lux segments, the ICE vehicles may cost \$50-60,000 and the EV vehicles \$60-70,000 so maybe a 20 percent premium.

"Cost is much more of a factor with the non-lux segments given you could have an ICE version of the vehicle cost \$20,000 and the similar EV version of the vehicle cost \$30,000 a 50 percent cost premium," he said.

Beyond price, consumers also show a hesitation to buy BEVs due to concerns about the range and charging process.

Forty-five percent of consumers believe they would need to charge their vehicle on a daily basis. The average American drives about 170 miles per week, less than the approximate 200-mile range that the average BEV has, meaning that they would need to charge their car about once a week.



Tesla has expanded its charging stations for owners. Image credit: Tesla

Consumers are also concerned about the availability of charging stations when they are away from home.

The average consumer believes that it will be 4.6 years before a BEV will be available that fits their needs, including price.

Ipsos attributes much of consumers' concerns to an unfamiliarity with electric cars. Less than 10 percent of consumers say they have had significant experience with an EV, which includes driving or riding as a passenger.

Design and demand

Luxury automakers have been ramping up their electric vehicle design and production.

As marques develop EVs, they might do well to make them look different than gas-powered cars. Thirty-seven percent of consumers believe that the exterior design should be differentiated for EVs.

Some automakers, including Porsche, have developed new model designs specifically for electric driving rather than electrifying existing designs. Recently, Porsche looked to drive attention towards its all-electric Taycan by focusing on an intangible element of the model's appeal.

A short film, titled "Soul," follows as a young girl ponders about the nature of the soul, pointing to the idea that the Taycan also has depth. As Porsche enters the electric car category, the marque has been positioning its Taycan alongside its other sports cars, speaking to its existing audience of fans by communicating that nothing has changed ([see story](#)).

British automaker Jaguar Land Rover is showing its commitment to the United Kingdom with plans to produce a new series of electric vehicles at its Castle Bromwich plant.

The company is bringing together all elements of electric production in the U.K., including battery creation, electric drive units and vehicle manufacturing. Jaguar Land Rover plans to launch electrified options for all of its models by 2020, looking towards battery-powered cars as the future of driving ([see story](#)).

Despite this investment from automakers, EV adoption is still low.

According to a report from Ford Motor Co., there is a disconnect between consumers' eco goals and their actions when it comes to mobility. While 56 percent say that individuals should be driving electric cars, only 17 percent of respondents say they have actually made the switch to a battery-powered vehicle ([see story](#)).

"Consumer demand is low today given prices remain high and selection is somewhat limited with many of the current BEVs having ranges that don't meet consumer needs," Mr. Markusic said. "Once the automakers deliver the

50-plus EV models that have been announced to be released in the next few years, consumer demand could be much higher with more selection, better ranges and more cost competitive options."

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